



OFFICE OF THE
STATE AUDITOR



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Weber State University

Intercollegiate Athletics Program

Agreed-Upon Procedures

Report No. 23-16

For the year ended June 30, 2023

January 12, 2024

Office of the State Auditor

Audit Leadership:

John Dougall, State Auditor

Doug Seager, CPA, Audit Director

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OFFICE OF THE
STATE AUDITOR

Independent Auditor's Report

To the Board of Trustees, Audit Committee,
and
Dr. Brad L. Mortensen, President
Weber State University

We have performed the procedures enumerated below on Weber State University's (University) compliance with the National Collegiate Athletic Association (NCAA) *2023 Agreed-upon Procedures Guide* (Guide) for the year ended June 30, 2023. University management is responsible for compliance with the Guide.

Weber State University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating whether the University complied with the Guide for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the associated findings are as follows:

Internal Control Agreed-upon Procedures

- A. We reviewed the general control environment for the Intercollegiate Athletics Program (Program). As part of this review, we reviewed its organization. We also made certain inquiries of management regarding departmental organization, control consciousness of staff, competency of personnel, adequate safeguarding and control of records and assets, the extent of the Internal Audit Department's involvement with athletics, controls over interactions with the Information Technology Department, and other relevant matters. We found no exceptions as a result of these procedures.
- B. We tested samples of Ticket Office cash receipts, Business Office cash receipts, payroll transactions, and non-payroll transactions to ensure that the internal controls of the Program are the same as those addressed in connection with the audit of the University's financial statements for June 30, 2023. Our sample sizes were limited to 5 items each for cash receipts, payroll, and non-payroll transactions. We found the following exceptions as a result of these procedures. 2 out of 5 payroll transactions (both hourly employees) did not have the supporting Personnel Action Request (PAR) forms available to review. We recommend that the University retain all records pertaining to the hiring of employees.

- C. We reviewed and tested the University's procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the Program. All booster group activity is under the accounting control of the University; therefore, we performed no additional procedures.

Statement of Revenues and Expenses Agreed-Upon Procedures

- D. We obtained the Program's Statement of Revenues and Expenses (the Statement) for the year ended June 30, 2023, as prepared by management.
- We agreed the amounts reported on the Statement to the University's general ledger. We ensured that the amounts were reported in accordance with NCAA guidelines and generally accepted accounting principles.
 - We compared and agreed each operating revenue and expense category that comprised more than 4.0% of total revenues or total expenses, as reported on the Statement during the reporting period, to supporting schedules provided by the University.
 - We compared and agreed samples selected in step B above and in the Revenue and Expense Procedures noted below to adequate supporting documentation.
 - We compared each major revenue and expense account over 10% of the total revenues or total expenses to prior period amounts. We obtained and documented an explanation of any variations greater than 10%. We have reported our analysis as a supplement to this Agreed-Upon Procedures report (see Exhibit 1).
 - We reviewed the footnotes to the Statement for propriety and compliance with NCAA guidelines.

We agreed to report on any matter that came to our attention that caused us to believe that any of the specified accounts or items needed to be adjusted by more than \$100,000. We found no exceptions greater than \$100,000 as a result of these procedures.

- E. We performed the following procedures related to the Intercollegiate Athletics Program.

Revenue Procedures:

1. Student Fees

- a. We obtained documentation of the University's methodology for allocating student fees to the Intercollegiate Athletics Programs.
- b. We recalculated the totals of the Program's methodology for supporting that it is able to count each sport. We tied the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

2. Direct Institutional Support

We compared the direct institutional support recorded by the University during the reporting period with institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated totals.

We found no exceptions greater than \$100,000 as a result of these procedures.

Expense Procedures:

3. Athletic Student Aid

- a. We selected a sample of 30 students, representing 10% of the total student athletes, from the listing of University student aid recipients during the reporting period.
- b. We obtained individual student account details for each selection and compared total aid in the University's student system to the student's detail in the NCAA's Compliance Assistant (CA) software.
- c. We performed a check to ensure the information for each student selected was accurately reported in the NCAA's CA software using the criteria listed in the NCAA Guide.
- d. We recalculated totals for each sport and overall.

4. Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

- a. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of 5 coaches, representing 10% of the coaches' contracts, that include football and men's and women's basketball from the listing.
- b. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.
- c. We obtained and inspected payroll summary registers for the reporting period for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period.
- d. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals.

5. Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by the University and Related Entities

- a. We selected a sample of 9 support staff, representing 10% of support staff/administrative personnel, employed by the University and related entities during the reporting period.

- b. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary registers to the related support staff/administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period and recalculated totals.

We found no exceptions greater than \$100,000 as a result of these procedures.

Additional Agreed-Upon Procedures

F. Grants-in-Aid:

- We compared and agreed the sports sponsored as reported in the NCAA Membership Financial Reporting System (MFRS) to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistance (CA).
- We compared current year Grants-in-Aid revenue distribution equivalencies to the prior year reported equivalencies per the Membership Financial Report submission. The variance between years was less than +/- 4%.

G. Sports Sponsorship:

- We obtained the University's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year and validated that the countable NCAA sports reported by the University met the minimum requirements set forth in Bylaw 20.10.6.3 related to the number of contests and the number of participants in each contest that are counted toward meeting the minimum contest requirement. We then ensured that the University properly reported these sports as countable for revenue distribution purposes within the MFRS.
- We compared the current year number of Sports Sponsored to the prior year reported total per the Membership Financial Report submission. There were no variances between years.

H. Pell Grants:

- We agreed the total number of Division I student athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the MFRS to a report, generated out of the University's financial aid records, of all student athlete Pell Grants.
- We compared the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission. The variance between years was less than +/- 20 grants.

We found no exceptions as a result of these procedures.

We were engaged by the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. An agreed-upon procedures engagement involves 1) performing specific procedures that the University has agreed to and acknowledged to be appropriate for the intended purpose of the engagement, and 2) reporting on findings based on the procedures performed. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the University's compliance with the NCAA's *2023 Agreed-upon Procedures Guide* for the year ended June 30, 2023. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to agreed-upon procedure engagements.



Office of the State Auditor

Salt Lake City, Utah

January 12, 2024

Statement of Revenues and Expenses for the Year Ended June 30, 2023

Operating Revenues	Men's Basketball	Football	Women's Basketball	Other Sports	Non-Program Specific	2023 Totals
Ticket Sales	\$ 234,759.18	\$ 369,628.43	\$ 32,103.25	\$ 65,476.23	\$ -	701,967.09
Conference Distributions	-	-	-	-	20,000.00	20,000.00
NCAA Distributions	127,576.66	66,800.00	-	-	829,367.75	1,023,744.41
Program Sales and Concessions	-	19,174.66	-	-	-	19,174.66
Guarantees	267,500.00	465,000.00	16,000.00	9,000.00	-	757,500.00
Media Rights	-	-	-	-	78,218.10	78,218.10
Student Fees	-	-	-	-	2,529,620.30	2,529,620.30
Royalties, Licensing, Advertisement and Sponsorships	490,514.11	401,329.73	-	-	-	891,843.84
Gifts in Kind	21,930.03	41,631.93	10,520.96	5,338.77	25,457.78	104,879.47
Contributions	221,568.36	89,817.94	19,866.79	349,560.38	570,357.36	1,251,170.83
Restricted Endowment and Investment Income	58,160.50	36,258.99	-	62,464.36	216,773.48	373,657.33
Institutional Support	460,980.21	1,789,825.56	566,045.64	2,401,022.94	2,160,483.65	7,378,358.00
State Appropriations	97,582.43	573,716.92	122,013.89	587,214.66	39,123.75	1,419,651.65
Indirect Institutional Support	-	-	-	-	106,880.74	106,880.74
Sports-Camp Revenues	78,595.00	137,109.00	3,990.15	59,970.24	-	279,664.39
Other Revenue	-	25,175.00	-	75,454.44	520,588.67	621,218.11
Total Operating Revenues	\$ 2,059,166.48	\$ 4,015,468.16	\$ 770,540.68	\$ 3,615,502.02	\$ 7,096,871.58	17,557,548.92
Operating Expenses						
Coaching Salaries and Benefits	\$ 748,308.10	1,369,479.37	347,432.17	1,463,316.29	-	3,928,535.93
Other Salaries and Benefits	52,168.01	157,947.20	37,474.18	16,308.76	1,882,028.43	2,145,926.58
Severance Payments	-	-	105,893.71	-	-	105,893.71
Team Travel	423,758.98	430,214.66	228,702.59	1,013,609.32	-	2,096,285.55
Recruiting	89,219.03	81,641.33	52,293.96	53,856.09	-	277,010.41
Athletic Student Aid	410,155.71	1,615,251.75	423,595.86	2,290,244.66	76,818.07	4,816,066.05
Athletic Facilities Debt Service, Leases and Rental Fees	-	-	-	20,033.95	-	20,033.95
Direct Overhead and Admin Expenses	13,020.94	17,081.28	8,011.28	12,376.13	57,464.24	107,953.87
Sports Equip, Uniforms and Supplies	72,155.28	366,285.75	37,002.66	350,324.60	121,097.66	946,865.95
Insurance and Medical Expenses	2,032.50	8,570.53	1,468.72	5,490.72	324,370.22	341,932.69
Spirit Groups	-	-	-	-	438,205.84	438,205.84
Memberships and Dues	9,256.00	7,025.00	9,090.00	6,354.99	79,357.71	111,083.70
Fund Raising, Marketing, & Promotion	20,027.46	19,391.99	1,707.82	34,742.82	324,726.07	400,596.16
Indirect Institutional Support	-	-	-	-	106,880.74	106,880.74
Sports-Camp Expenses	7,825.30	79,997.59	7,125.29	23,368.60	-	118,316.78
Student Athlete Meals	72,136.39	175,206.37	14,841.24	44,436.50	-	306,620.50
Other Operating Expenses	84,526.22	148,975.46	38,734.06	132,444.65	424,253.66	828,934.05
Home Game Expenses	116,232.42	202,170.74	101,346.84	156,337.53	-	576,087.53
Guarantees	10,500.00	112,775.74	-	-	-	123,275.74
Excess Transfers to Institution	67,523.00	-	22,518.00	109,605.00	-	199,646.00
Total Operating Expenses	\$ 2,198,845.33	\$ 4,792,014.76	\$ 1,437,238.38	\$ 5,732,850.61	\$ 3,835,202.64	\$ 17,996,151.73
Excess of Revenues Over Expenses	\$ (139,678.85)	\$ (776,546.60)	\$ (666,697.70)	\$ (2,117,348.59)	\$ 3,261,668.93	\$ (438,602.81)

The accompanying notes are an integral part of this financial statement.

Notes to Statement of Revenues and Expenses for the Year Ended June 30, 2023

A. Basis of Presentation

The accompanying Weber State University Intercollegiate Athletics Program's Statement of Revenues and Expenses for the year ended June 30, 2023 has been prepared on the accrual basis of accounting except for institutional support, athletic student aid expense, and gifts. Institutional Support revenues and Athletic Student Aid expenses have not been reduced for scholarship allowances in the amount of \$605,695. Gifts or contributions are recognized in the statement when both received and used, rather than when pledged or received. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program of the University for the fiscal year ended June 30, 2023. Because the Statement presents only a selected portion of the activity of the University, it is not intended to and does not present either the financial position or changes in financial position of the University in total.

B. Allocation Among Sports

1. The athletic programs reflected in the accompanying Statement under *Other Sports* include the following:
 - Track & Field & Cross Country – Men and Women
 - Golf – Men and Women
 - Tennis – Men and Women
 - Volleyball – Women
 - Soccer – Women
 - Softball – Women
2. The activities reflected as *Non-Program Specific* include revenues and expenses for non-allocated fees and costs such as maintenance, general administration, publicity, cheerleading, etc.

C. Direct Institutional Support

Direct Institutional Support represents allocations by the University administration of general unrestricted funds for various athletic programs. The allocations were primarily used to fund the salaries of coaches and other athletic program personnel. Other allocations were used to fund expenses for maintaining statistical athletic event information and for Wildcat Club personnel. Additionally, the University makes expenditures for accounting, payroll, personnel, and other general administrative costs that benefit the Intercollegiate Athletics Program. These costs have been allocated to the Intercollegiate Athletics Program as described in Note F.

D. Contributions

During fiscal year 2023, the Intercollegiate Athletics Program received gifts totaling \$1,344,688. Total contributions reported in the statement are \$1,251,171 which includes monies from prior year contributions that were spent in FY23 (gifts and changes in endowment and plant funds for Intercollegiate Athletics along with contributions not used are not included in the Financial Statement in accordance with NCAA guidelines). Contributions received but not reported in the statement are listed below in the reconciliation schedule:

FY23 Contributions reported in the Statement	\$1,251,171
FY23 Contributions not reported in the Statement:	
Youngberg Center Football Facility	\$0
Contributions to Endowments	\$355,988
FY23 Contributions not used	\$148,977
Prior year contributions used in FY23	(\$411,448)
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Total FY23 Contributions	<u>\$ 1,344,688</u>

The Athletics department received generous gifts from the Stewart Education Foundation totaling \$255,000 broken down as support of the Athletics Department (\$132,500) Men's and Women's Golf Programs (\$100,000), and the Wildcat Club Scholarship Fund (\$22,500). Roger Trincherro donated \$250,000 to an endowment titled the WSU Football Coach Support Endowment.

E. Plant Fund

Various Athletics capital projects were started and completed in FY23 and some projects were started but not 100% completed by fiscal year end. The football practice field was replaced and new turf was installed and this project cost \$347,523. The Women's Volleyball team locker room was remodeled and new lockers were installed. The total cost of this project was \$87,040. The Football Stadium east side bleachers were replaced in FY23. The total cost for taking out the old bleachers, excavating, and concrete work for this project in FY23 was \$1,501,585. This project wasn't complete as of 6/30/23 as the football field turf will be replaced and the track surrounding the field will also be replaced. The basketball floor of the Swenson Gym was replaced which is where the Women's Volleyball practices and plays their matches. The total cost of this project was \$382,000.

F. Indirect Institutional Support

Indirect institutional support includes overhead not charged directly to the Athletics Department. These charges include an allocated amount, based on square footage of athletic facilities, for utilities and general and administrative functions of the University.

G. University Capital Asset Guidelines

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements with a cost of \$250,000 or more are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. All land is capitalized and not depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets — 40 years for buildings, 20 years for infrastructure, land improvements, and library collections, and 3 to 10 years for equipment.

Disposition of surplus and obsolete assets is processed through the University's Property Control.

Auditor's Analysis of Significant Variances for the Year Ended June 30, 2023

Exhibit 1

Operating Revenues	2022 Totals	2021 Totals	Variance \$ Over/(Under)	Variance % Over/(Under)	
Student Fees	2,529,620.30	2,520,891.30	8,729.00	0.35%	
Institutional Support	7,378,358.00	7,056,475.23	321,882.77	4.56%	
Operating Expenses					
Coaching Salaries and Benefits	3,928,535.93	3,844,557.40	83,978.53	2.18%	
Other Salaries and Benefits	2,145,926.58	1,890,456.23	255,470.35	13.51%	A
Team Travel	2,096,285.55	1,789,691.59	306,593.96	17.13%	B
Athletic Student Aid	4,816,066.05	4,734,912.31	81,153.74	1.71%	

Explanations for Variances:

- A. In FY23, all salaried employees received a significant base salary increase with a corresponding increase in employer funded benefits.
- B. The increase was due to the football and women's tennis teams qualifying for and traveling to their respective post season playoffs and tournaments, which did not happen in FY22.