



OFFICE OF THE  
STATE AUDITOR



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# Southern Utah University

## Intercollegiate Athletics Program

### Agreed-Upon Procedures

For the year ended June 30, 2024

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Report No. 24-16

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#### Office of the State Auditor

Audit Leadership:

Tina Cannon, State Auditor

Doug Seager, CPA, Audit Director

Caleb Crump, CPA, Audit Senior



OFFICE OF THE  
**STATE AUDITOR**

# Independent Auditor's Report

To the Board of Trustees, Audit Committee,  
and  
Mindy Benson, President  
Southern Utah University

We have performed the procedures enumerated below on Southern Utah University's (University) compliance with the National Collegiate Athletic Association (NCAA) *2024 Agreed-upon Procedures Guide* (Guide) for the year ended June 30, 2024. University management is responsible for compliance with the Guide.

Southern Utah 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, 2024. 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, 2024. Our sample sizes were limited to 5 items each for cash receipts, payroll, and non-payroll transactions. We found no exceptions as a result of these procedures.
- 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, 2024, 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. *Ticket Sales*

We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the University in the Statement and the related attendance figures for football and men's basketball and recalculated totals.

### Expense Procedures:

#### 2. *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' 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 recalculate totals.

### 3. *Medical Expenses and Insurance*

We obtained general ledger detail and compared to the total expenses reported. We selected a sample of 5 transactions and validated the existence of and accuracy in recording the transactions and recalculate totals.

We found no exceptions 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 noted a difference in the amount awarded to the Women's Volleyball team between the amount reported in MFRS and CRDE. This is due to coding errors in MFRS.
- 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.

We found no exceptions as a result of these procedures.

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 *2024 Agreed-upon Procedures Guide* for the year ended June 30, 2024. 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*

Office of the State Auditor

Salt Lake City, Utah

January 9, 2025

## Statement of Revenues and Expenses for the Year Ended June 30, 2024

	Administration	Men's Basketball	Football	Other Sports	Total
<b>Revenues:</b>					
Ticket Sales	\$ -	\$ 63,295	\$ 118,886	\$ 55,764	\$ 237,945
Student Fees	-	140,188	674,302	1,038,034	1,852,524
Direct Institutional Support (Note C)	2,472,463	1,136,248	3,436,954	5,308,037	12,353,702
Indirect Institutional Support (Note C)	648,100	-	-	-	648,100
Guarantees	-	165,000	1,025,000	6,225	1,196,225
Contributions	448,559	10,400	27,890	193,916	680,765
In-Kind	11,376	-	-	36,282	47,658
Media Rights	36,429	-	-	-	36,429
NCAA Distributions	-	100,230	482,105	742,162	1,324,497
Royalties, Licensing & Sponsorships	209,028	-	-	-	209,028
Endowment Income	27,420	-	-	-	27,420
Other Revenues	87,580	25,000	26,758	29,638	168,976
<b>Total Revenues</b>	<b>3,940,955</b>	<b>1,640,361</b>	<b>5,791,895</b>	<b>7,410,058</b>	<b>18,783,269</b>
<b>Expenses:</b>					
Financial Aid (Note A)	-	395,925	1,872,883	2,935,910	5,204,718
Guarantees	-	53,325	99,525	21,676	174,526
Coaching Compensation, University	-	604,260	1,098,160	1,915,808	3,618,228
Support Staff Compensation, University	2,607,631	88,447	214,650	96,020	3,006,748
Recruiting	-	66,990	47,395	122,642	237,027
Team Travel	281,671	330,413	553,630	1,006,118	2,171,832
Uniforms and Supplies	213,547	48,502	225,670	293,416	781,135
Game Expenses	-	116,924	58,925	165,596	341,445
Fund Raising, Marketing & Promotion	30,450	-	-	-	30,450
Indirect Institutional Support (Note C)	648,100	-	-	-	648,100
Medical Expenses & Insurance	377,826	-	-	20,934	398,760
Memberships and Dues	141,589	3,060	55,039	21,189	220,877
Other Operating Expenses	958,420	62,406	85,251	198,416	1,304,493
<b>Total Expenses</b>	<b>5,259,234</b>	<b>1,770,252</b>	<b>4,311,128</b>	<b>6,797,725</b>	<b>18,138,339</b>
Excess (Deficiency) of Revenues over Expenses	<u>\$ (1,318,279)</u>	<u>\$ (129,891)</u>	<u>\$ 1,480,767</u>	<u>\$ 612,333</u>	<u>644,930</u>
Encumbrances					<u>0</u>
Net Increase (Decrease) in Net Position					<u>644,930</u>

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

## Notes to Statement of Revenues and Expenses for the Year Ended June 30, 2024

### A. Basis of Presentation

The accompanying Statement of Revenues and Expenses (the Statement) has been prepared on the accrual basis of accounting except for the following: Financial aid expenses include scholarship allowances in the amount of \$831,783. Tuition waivers have been reported as Direct Institutional Support and Financial Aid Expense. Gifts or contributions are recognized in the statement when both received and used, rather than when promised or received. Debt service of athletic-related debt is expensed when paid rather than when incurred. The purpose of the Statement is to present a summary of the financial activity of the Intercollegiate Athletics Programs of the University for the year ended June 30, 2024. 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 for the University in total.

### B. Allocation Among Sports

The revenues and expenses of the major sports, which include men's basketball and football, are reported separately. All other sports have been combined and reported as "Other Sports." The administrative functions of the Intercollegiate Athletics Programs, which support all sports, have been combined for reporting purposes in the column "Administration." All revenues and expenses have been allocated based on the Athletic Department's management decisions and categorized as instructed by the NCAA's revenue and expense policies and procedures.

### C. Institutional Support

Direct Institutional support represents allocation by the University administration of general unrestricted funds for various athletic programs. The allocations were primarily used to fund the salaries of athletic administration, coaches, and other athletic program personnel. Allocations for scholarships, tuition waivers, and financial aid are also included.

Additionally, the University incurs expenses for accounting, payroll, physical plant, and other general administrative costs, including depreciation, that benefit the Intercollegiate Athletics Program. These costs have been allocated to the Intercollegiate Athletic Program and are reported in this statement as Indirect Institutional Support as revenue and an offsetting expense.

### D. Contributions

There were no direct contributions to the Intercollegiate Athletics Program greater than ten percent of the total gift revenue from any affiliated or outside organization, agency, or individual. In addition, there were no gifts greater than ten percent of the total gift revenue

from groups of two or more individuals. In addition, there were no significant changes to endowments for the Intercollegiate Athletic Program during the year ended June 30, 2024.

#### **E. Capital Assets**

The University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related capital assets is the same as for all University capital assets.

Capital assets are recorded at historical cost or acquisition 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 (\$3,000 or more for fiscal years prior to 2015), and an estimated useful life greater than one year. Buildings, renovations to buildings, infrastructure, and land improvements with a cost of \$100,000 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 -- 30 to 40 years for buildings, 20 to 40 years for infrastructure, land improvements, and library collections, and 3 to 20 years for equipment.

## Auditor's Analysis of Significant Variances for the Year Ended June 30, 2024

### Exhibit 1

10% Variance Comparison of Actual Current Year to Actual Prior Year					
Operating Revenues	2024 Totals	2023 Totals	Variance \$ Over/(Under)	Variance % Over/(Under)	
Direct Institutional Support	12,353,702	10,975,680	1,378,022	12.56%	A
<b>Operating Expenses</b>					
Financial Aid	5,204,718	4,729,520	475,198	10.05%	B
Coaching Compensation, University	3,618,228	3,293,312	324,916	9.87%	
Support Staff Compensation, University	3,006,748	2,835,849	170,899	6.03%	
Team Travel	2,171,832	2,371,853	-200,021	-8.43%	

10% Variance Comparison of Actual Current Year to Current Year Budget Estimate					
Operating Revenues	2024 Totals	Budget Estimate	Variance \$ Over/(Under)	Variance % Over/(Under)	
Direct Institutional Support	12,353,702	11,702,917	650,785	5.56%	
<b>Operating Expenses</b>					
Financial Aid	5,204,718	4,952,583	252,135	5.09%	
Coaching Compensation, University	3,618,228	N/A	N/A	N/A	
Support Staff Compensation, University	3,006,748	N/A	N/A	N/A	
Combined Coach and Staff Compensation	6,624,976	6,746,926	-121,950	-1.81%	
Team Travel	2,171,832	1,999,222	172,610	8.63%	

A. This increase was driven by several factors including additional funding for the transition to the Western Athletic Conference, funding for communication equipment and additional summer school scholarships.

B. This increase was due to additional summer school scholarships and an increase in student athlete meal costs.