



OFFICE OF THE
UTAH STATE AUDITOR



◦ STATE OF UTAH ◦

Weber State University

Intercollegiate Athletics Program

Agreed-Upon Procedures

Report No. 24-22

For the year ended June 30, 2024

Office of the Utah State Auditor

Audit Leadership:

Tina Cannon, State Auditor

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OFFICE OF THE
UTAH 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) *2024 Agreed-upon Procedures Guide* (Guide) for the year ended June 30, 2024. 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, 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. Student Fees

Since student fees are allocated to the Program, we did not complete step a, but did complete steps b. and c. below:

- a. Compare and agree student fees reported by the University in the Statement for the reporting period to student enrollments during the same reporting period and recalculate totals.
- b. We obtained documentation of the University's methodology for allocating student fees to the Program.
- c. 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.

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.

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 4.59% due to an increase in Athletics Aid and distribution to all sports in fiscal year 2024.

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.

Except as noted above for the Grants-In-Aid procedures, 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 Utah State Auditor

Salt Lake City, Utah

January 10, 2025

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

<u>Operating Revenues</u>	Men's Basketball	Football	Women's Basketball	Other Sports	Non-Program Specific	2024 Totals
Ticket Sales	\$ 257,840	\$ 284,014	\$ 24,990	\$ 55,646	\$ -	\$ 622,489
Conference Distributions	-	-	-	-	-	-
NCAA Distributions	128,403	-	-	15,014	929,570	1,072,986
Program Sales and Concessions	-	13,429	-	-	-	13,429
Guarantees	254,980	600,000	116,000	1,350	-	972,330
Media Rights	-	-	-	-	74,743	74,743
Student Fees	-	-	-	-	2,229,620	2,229,620
Royalties, Licensing, Advertisement and Sponsorships	725,728	593,778	-	-	-	1,319,506
Gifts in Kind	26,376	38,720	7,750	5,520	21,972	100,339
Contributions	398,505	46,620	30,333	217,684	412,059	1,105,201
Restricted Endowment and Investment Income	22,557	23,757	1,712	71,480	110,738	230,244
Institutional Support	388,617	2,011,952	465,048	2,693,588	2,826,961	8,386,165
State Appropriations	83,695	509,349	53,505	528,802	45,762	1,221,112
Indirect Institutional Support	-	-	-	-	89,694	89,694
Sports-Camp Revenues	48,500	179,840	8,437	91,786	-	328,564
Other Revenue	-	22,740	-	49,587	595,248	667,575
Total Operating Revenues	2,335,201	4,324,198	707,774	3,730,457	7,336,368	18,433,998
Operating Expenses						
Coaching Salaries and Benefits	\$ 561,416	\$ 1,369,128	\$ 412,688	\$ 1,644,170	\$ -	\$ 3,987,402
Other Salaries and Benefits	59,180	110,166	12,597	9,947	2,026,165	2,218,055
Severance Payments	-	-	-	-	-	-
Team Travel	466,060	438,606	173,550	949,052	-	2,027,268
Recruiting	95,066	96,453	69,846	59,541	-	320,906
Athletic Student Aid	477,573	1,703,787	419,354	2,364,086	100,300	5,065,100
Athletic Facilities Debt Service, Leases and Rental Fees	10,465	22,639	5,830	33,815	68,726	141,475
Direct Overhead and Admin Expenses	1,115	-	-	22,603	-	23,718
Sports Equip, Uniforms and Supplies	95,988	395,860	46,468	340,053	33,160	911,528
Insurance and Medical Expenses	1,884	15,925	378	2,406	402,872	423,464
Spirit Groups	-	-	-	-	549,401	549,401
Memberships and Dues	8,028	8,688	8,030	21,838	87,528	134,111
Fund Raising, Marketing, & Promotion	12,244	22,409	664	33,655	468,522	537,495
Indirect Institutional Support	-	-	-	-	89,694	89,694
Sports-Camp Expenses	6,419	65,454	888	29,599	-	102,361
Student Athlete Meals	110,221	169,858	9,927	53,199	-	343,205
Other Operating Expenses	92,118	51,072	37,506	159,322	510,635	850,653
Home Game Expenses	156,108	131,974	99,894	138,785	-	526,761
Guarantees	24,175	83,720	5,151	8,478	-	121,524
Excess Transfers to Institution	-	-	-	-	-	-
Total Operating Expenses	2,178,061	4,685,738	1,302,770	5,870,548	4,337,003	18,374,120
Excess of Revenues Over Expenses	\$ 157,140	\$ (361,540)	\$ (594,996)	\$ (2,140,091)	\$ 2,999,365	\$ 59,878

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, 2024 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 \$757,986. 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, 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 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 2024, the Intercollegiate Athletics Program received gifts totaling \$1,290,679. Total contributions reported in the statement are \$1,105,201 which includes monies from prior year contributions that were spent in FY24 (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). See listed below the reconciliation schedule:

FY24 Contributions reported in the Statement	\$1,105,201
FY24 Contributions not reported in the Statement:	
Youngberg Center Football Facility	\$10,000
Contributions to Endowments	\$283,960
FY24 Contributions not used / Prior Year Contributions used in FY24 Net Change	(\$108,482)

Total FY24 Contributions	<u>\$1,290,679</u>

The Athletics department received a generous gift from Roger Trincherro for \$250,000 that was credited to an endowment titled "WSU Football Coach Support Endowment". Also, the Men's Basketball Program received a generous gift from Nolan Archibald in FY21 totaling \$209,724. This donation was recognized in the FY24 Athletics financial statement where these funds were spent in FY24.

E. Plant Fund

Various Athletics capital projects were started and completed in FY24 and some projects were started in FY24 but not 100% completed by fiscal year end. Also, some projects that started in FY23 were completed in FY24. The football field at Stewart Stadium was replaced with new turf being installed. The outdoor track bordering the football field was also replaced. Total cost related to this project in FY24 was \$749,613. The East Side Football Stadium Seating Replacement project was completed in FY24 with the FY24 total cost being \$4,769,058. The sky suites building had MEP (Mechanical, Electrical, Plumbing) upgrades along with the Athletic Training and old locker room spaces being remodeled. The total cost for this project was \$2,453,535. The Dee Events Center had roof/dome repairs totaling \$706,262 and also MEP Design upgrades totaling \$115,854.

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, 2024

Exhibit 1

COMPARISON OF ACTUAL CURRENT YEAR TO ACTUAL PRIOR YEAR

Operating Revenues	2024 Totals	2023 Totals	Variance \$ Over/(Under)	Variance % Over/(Under)	
Student Fees	2,229,620.30	2,529,620.30	(300,000.00)	-11.86%	A
Direct Institutional Support	8,386,164.81	7,378,358.00	1,007,806.81	13.66%	A
Operating Expenses					
Coaching Salaries and Benefits	3,987,402.20	3,928,535.93	58,866.27	1.50%	
Other Salaries and Benefits	2,218,054.55	2,145,926.58	72,127.97	3.36%	
Team Travel	2,027,267.95	2,096,285.55	(69,017.60)	-3.29%	
Athletic Student Aid	5,065,099.76	4,816,066.05	249,033.71	5.17%	

Explanations for Variances:

A The Athletics Department received a Student Fees budget cut of \$300,000. To offset this cut, the University provided the Athletics Department with an Increase in Direct Institutional Support of \$300,000.