



Item: AC: I-1

AUDIT AND COMPLIANCE COMMITTEE

Tuesday, April 16, 2024

**SUBJECT: REVIEW OF FAU ATHLETICS DEPARTMENT INDEPENDENT ACCOUNTANT'S REPORT ON
FY2022-2023 AGREED-UPON PROCEDURES**

PROPOSED COMMITTEE ACTION

Information only

BACKGROUND INFORMATION

These procedures were prepared to assist FAU in evaluating whether the accompanying unaudited statement of revenue and expenses of FAU is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 20.2.4.17 for the year ending June 30, 2023. FAU management is responsible for the statement of revenue and expenses ("statement") and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report.

The annual report on Florida Atlantic University Intercollegiate Athletics is required to be submitted to the Board of Governors as part of the State University System data request process.

IMPLEMENTATION PLAN/DATE

Not applicable

FISCAL IMPLICATIONS

Not applicable

Supporting Documentation: FAU Intercollegiate Athletics Program Independent Accountant's Report on Agreed-upon Procedures for the Year Ended June 30, 2023

Presented by: Ken Kurdziel, Partner of James Moore

**FLORIDA ATLANTIC UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
INDEPENDENT ACCOUNTANTS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2023**

**FLORIDA ATLANTIC UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
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**INDEPENDENT ACCOUNTANTS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES**

Dr. Stacy Volnick, Interim President,
Florida Atlantic University:

We have performed the procedures enumerated below on the accompanying Statement of Revenues and Expenses (the Statement, see Exhibit I) of the Florida Atlantic University (the University) Intercollegiate Athletics Program (the Program) in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 20.2.4.17 for the year ended June 30, 2023. The University's management is responsible for the accompanying Statement and the Statement's compliance with those requirements for the year ended June 30, 2023.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the accompanying Statement is in compliance with the NCAA's Bylaw 20.2.4.17 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.

Exceptions totaling the lesser of \$100,000 or 10% of the line item total to which an agreed-upon procedure has been applied to, other than exceptions related to internal control procedures of the Program, for which there are no thresholds, have been reported. The procedures and the associated findings are as follows:

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

Procedure	Finding
All Revenue Categories	
<ul style="list-style-type: none"> Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the Program. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category. 	No exceptions noted.
<ul style="list-style-type: none"> Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation. 	No exceptions noted.
<ul style="list-style-type: none"> Compare each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. Obtain and document an explanation of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report. 	No exceptions noted and amounts and explanations for variations from the prior period are included in the supplement on page 20.

Procedure

Finding

1. Ticket Sales

- a. Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Program in the statement and the related attendance figures and recalculate totals.

No exceptions noted.

2. Direct State or Other Governmental Support

- a. Compare direct state or other governmental support recorded by the Program during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

As there was no direct state or other governmental support for the year ended June 30, 2023, this procedure was not performed.

3. Student Fees

- a. Compare and agree student fees reported by the Program in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.
- b. Obtain documentation of Institute's methodology for allocating student fees to intercollegiate athletics programs.
- c. If the Program is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

No exceptions noted.

An understanding of the University's methodology was gained, and we noted the allocation was in accordance with the University's methodology.

No exceptions noted.

4. Direct Institutional Support

- a. Compare the direct institutional support recorded by the Program during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

No exceptions noted.

5. Less - Transfers to Institution

- a. Compare the transfers back to the institution with permanent transfers back to the institution from the Program and recalculate totals.

As there were no transfers to institution for the year ended June 30, 2023, this procedure was not performed.

6. Indirect Institutional Support (6 and 6A)

- a. Compare the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals.

No exceptions noted.

Procedure

Finding

7. Guarantees

- a. Select a sample of settlement reports for away games during the reporting period and agree each selection to the Program's general ledger and/or the statement and recalculate totals.
- b. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the Program's general ledger and/or the statement and recalculate totals.

As guarantees for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.

As guarantees for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.

8. Contributions

- a. Any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.

No exceptions noted.

9. In-Kind

- a. Compare the in-kind recorded by the Program during the reporting period with a schedule of in-kind donations and recalculate totals.

As in-kind revenues for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.

10. Compensation and Benefits Provided by a Third-Party

- a. Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the Program and select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the Program's general ledger and/or the Summary and recalculate totals.

As there were no compensation and benefits provided by a third-party for the year ended June 30, 2023, this procedure was not performed.

11. Media Rights

- a. Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the Program or through their conference offices as reported in the statement.

As there were no media rights revenues for the year ended June 30, 2023, this procedure was not performed.

Procedure	Finding
<p>b. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the Program’s general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.</p>	<p>As there were no media rights revenues for the year ended June 30, 2023, this procedure was not performed.</p>
12. NCAA Distributions	
<p>a. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.</p>	<p>As NCAA distributions for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.</p>
13. Conference Distributions and Conference Distributions of Football Bowl Generated Revenue (13 and 13A)	
<p>a. Obtain and inspect agreements related to the Program’s conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions.</p>	<p>As there were no conference distributions and conference distributions of football bowl generated revenue for the year ended June 30, 2023, this procedure was not performed.</p>
<p>b. Compare and agree the related revenues to the Program’s general ledger, and/or the statement and recalculate totals.</p>	<p>As there were no conference distributions and conference distributions of football bowl generated revenue for the year ended June 30, 2023, this procedure was not performed.</p>
14. Program Sales, Concessions, Novelty Sales and Parking	
<p>a. Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.</p>	<p>As program sales, concessions, novelty sales and parking revenues for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.</p>
15. Royalties, Licensing, Advertisements and Sponsorships	
<p>a. Obtain and inspect agreements related to the Program’s participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period for relevant terms and conditions.</p>	<p>As royalties, licensing, advertisements, and sponsorships for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.</p>
<p>b. Compare and agree the related revenues to the Program’s general ledger, and/or the statement and recalculate totals.</p>	<p>As royalties, licensing, advertisements, and sponsorships for the year ended June 30, 2023 were below 4.0% of total revenues, this procedure was not performed.</p>

Procedure	Finding
16. Sports Camp Revenues	
<p>a. Inspect sports camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of the Program’s methodology for recording revenues from sports- camps.</p>	As there were no sports camp revenues for the year ended June 30, 2023, this procedure was not performed.
<p>b. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports- camp participants and agree each selection to the Program’s general ledger, and/or the statement and recalculate totals.</p>	As there were no sports camp revenues for the year ended June 30, 2023, this procedure was not performed.
17. Athletics Restricted Endowment and Investment Income	
<p>a. Obtain and inspect endowment agreements (if any) for relevant terms and conditions.</p>	As there was no athletics restricted endowment or investment income for the year ended June 30, 2023, this procedure was not performed.
<p>b. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income deferred within the related endowment agreement and recalculate totals.</p>	As there was no athletics restricted endowment or investment income for the year ended June 30, 2023, this procedure was not performed.
18. Other Operating Revenue	
<p>a. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.</p>	No exceptions noted.
19. Football Bowl Revenues	
<p>a. Obtain and inspect agreements related to the Program’s revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant term and conditions.</p>	As there were no football bowl revenues for the year ended June 30, 2023, this procedure was not performed.
<p>b. Compare and agree the related revenues to the Program’s general ledger, and or the statement and recalculate totals.</p>	As there were no football bowl revenues for the year ended June 30, 2023, this procedure was not performed.
All Expense Categories	
<ul style="list-style-type: none"> Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total expenses, no procedures are required for that specific category. 	No exceptions noted.

Procedure	Finding
<ul style="list-style-type: none"> • Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation. • Compare each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Obtain and document an explanation of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report. 	<p>No exceptions noted.</p> <p>No exceptions noted and amounts and explanations for variations from the prior period are included in the supplement on page 20.</p>
20. Athletic Student Aid	
<p>a. Select a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and 20% of total student-athletes for institutions who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period.</p>	A sample of 34 student aid recipients were selected. No exceptions noted.
<p>b. Obtain individual student account detail for each selection and compare total aid in the institution's student system to the student's detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.</p>	No exceptions noted.
<p>c. <u>Division I Institutions Only:</u> Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:</p>	No exceptions noted.
<ul style="list-style-type: none"> • The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, required course-related books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value should already be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award". 	No exceptions noted.
<ul style="list-style-type: none"> • Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount). 	No exceptions noted.

Procedure	Finding
<ul style="list-style-type: none"> Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.10). Note: for compliance purposes equivalencies may include other expenses related to attendance per Bylaw 15.02.2, however these expenses are not allowed to be included for revenue distribution equivalencies. 	No exceptions noted.
<ul style="list-style-type: none"> Full grant amount should be entered as a full year of tuition, not a semester or quarter. 	No exceptions noted.
<ul style="list-style-type: none"> Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00. 	No exceptions noted.
<ul style="list-style-type: none"> Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and football bowl subdivision football. 	No exceptions noted.
<ul style="list-style-type: none"> Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.10.6.3. 	No exceptions noted.
<ul style="list-style-type: none"> Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component. 	No exceptions noted.
<ul style="list-style-type: none"> The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1). 	No exceptions noted.
<ul style="list-style-type: none"> If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes. 	As there were no discontinued sports for the year ended June 30, 2023, this procedure was not performed.
<ul style="list-style-type: none"> All equivalency calculations should be rounded to two decimal places. 	No exceptions noted.
<ul style="list-style-type: none"> If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution. 	No exceptions noted.

Procedure	Finding
<ul style="list-style-type: none"> • If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System. 	No exceptions noted.
<p>d. Recalculate totals for each sport and overall.</p>	No exceptions noted.
21. Guarantees	
<p>a. Obtain and inspect visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the Program's general ledger and/or the statement and recalculate totals.</p>	As guarantees for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed
<p>b. Obtain and inspect contractual agreements pertaining to expenses recorded by the Program from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution to the Program's general ledger and/or the statement and recalculate totals.</p>	As guarantees for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
22. Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	
<p>a. Obtain and inspect a listing of coaches employed by the Program and related entities during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing.</p>	A listing of all coaches employed by the Program was obtained. A sample of five coaches for two pay periods each was selected, including the men's and women's basketball head coaches and the men's football head coach.
<p>b. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Program and related entities in the statement during the reporting period.</p>	No exceptions noted.
<p>c. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the Program and related entities expense recorded by the Program in the statement during the reporting period.</p>	No exceptions noted.
<p>d. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.</p>	No exceptions noted.

Procedure

Finding

23. Coaching Salaries, Benefits, and Bonuses Paid by a Third-Party

- a. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing.
- b. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Program in the statement during the reporting period.
- c. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third-party recorded by the institution in the statement during the reporting period and recalculate totals.

As there were no coaching salaries, benefits, and bonuses paid by a third-party for the year ended June 30, 2023, this procedure was not performed.

As there were no coaching salaries, benefits, and bonuses paid by a third-party for the year ended June 30, 2023, this procedure was not performed.

As there were no coaching salaries, benefits, and bonuses paid by a third-party for the year ended June 30, 2023, this procedure was not performed.

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

- a. Select a sample of support staff/administrative personnel employed by the Program and related entities during the reporting period.
- b. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the Program and related entities expense recorded by the Program in the statement during the reporting period and recalculate totals.

A sample of five support staff/administrative personnel for two pay periods each was selected.

No exceptions noted.

25. Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by a Third-Party

- a. Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.
- b. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the Program in the statement during the reporting period and recalculate totals.

As there were no support staff/administrative compensation, benefits, and bonuses paid by a third-party for the year ended June 30, 2023, this procedure was not performed.

As there were no support staff/administrative compensation, benefits, and bonuses paid by a third-party for the year ended June 30, 2023, this procedure was not performed.

Procedure	Finding
26. Severance Payments	
<ul style="list-style-type: none"> a. Select a sample of employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals. 	As severance payments for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
27. Recruiting	
<ul style="list-style-type: none"> a. Obtain documentation of the Program's recruiting expense policies. 	As recruiting expenses for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
<ul style="list-style-type: none"> b. Compare and agree to existing institutional- and NCAA-related policies. 	As recruiting expenses for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
<ul style="list-style-type: none"> c. Obtain general ledger detail and compare to the total expenses reported and recalculate totals. 	As recruiting expenses for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
28. Team Travel	
<ul style="list-style-type: none"> a. Obtain documentation of the Program's team travel policies. 	We obtained and documented an understanding of the Program's team travel policies.
<ul style="list-style-type: none"> b. Compare and agree to existing institutional- and NCAA-related policies. 	No exceptions noted and policies are consistent with institutional and NCAA-related policies.
<ul style="list-style-type: none"> c. Obtain general ledger detail and compare to the total expenses reported and recalculate totals. 	No exceptions noted.
29. Sports Equipment, Uniforms and Supplies	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As sports equipment, uniforms and supplies for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
30. Game Expenses	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	No exceptions noted.

Procedure	Finding
31. Fund Raising, Marketing and Promotion	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As fund raising, marketing, and promotion for the year ended June 30, 2023 was below 4.0% of total expenses, this procedure was not performed.
32. Sports Camp Expenses	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As there were no sports camp expenses for the year ended June 30, 2023, this procedure was not performed.
33. Spirit Groups	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As spirit groups for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
34. Athletic Facilities Debt Service, Leases and Rental Fees	
<ul style="list-style-type: none"> a. Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). 	No exceptions noted.
<ul style="list-style-type: none"> b. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals. 	No exceptions noted.
35. Direct Overhead and Administrative Expenses	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	No exceptions noted.
36. Indirect Institutional Support	
<ul style="list-style-type: none"> a. Tested with revenue section- Indirect Institutional Support. 	No exceptions noted.
37. Medical Expenses and Insurance	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As medical expenses and insurance for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.

Procedure	Finding
38. Memberships and Dues	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As memberships and dues for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
39. Student-Athlete Meals (non-travel)	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As student-athlete meals (non-travel) for the year ended June 30, 2023 were below 4.0% of total expenses, this procedure was not performed.
40. Other Operating Expenses	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses report. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As other operating expenses for the year ended June 30, 2023 were below 4.0% of total expense, this procedure was not performed.
41. Football Bowl Expenses (41 and 41A)	
<ul style="list-style-type: none"> a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. 	As there were no football bowl expenses for the year ended June 30, 2023, this procedure was not performed.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

In order for the NCAA to place reliance on the **Division I** financial reporting to calculate the Division I NCAA revenue distributions, which is a financial benefit to the institution, the following procedures are required to be performed:

1. Grants-in-Aid:

- a. Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistant (CA) or other report that supports the equivalency calculations from the institution between May and August. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy and report the justification in the AUP report.
- No exceptions noted.

Procedure

Finding

- b. Compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/-4%.

We noted no variance exceeding the threshold.

2. Sports Sponsorship:

- a. Obtain the institution's Sports Sponsorship and Demographics Forms submitted to the NCAA for the reporting year. Validate that the countable NCAA sports reported by the institution met the minimum requirements, set forth in Bylaw 20.10.6.3, related to the number of contests and the number of participants. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once the countable sports have been validated, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.

No exceptions noted.

- b. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance.

No variance noted.

3. Pell Grants:

- a. Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. Note 1: Only Pell Grants for sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are countable. Note 2: Student-athletes should only be counted once even if the athlete participates in multiple sports. Note 3:

No exceptions noted.

Procedure	Finding
<p>Individual student-aid file testing in step 20 above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report.</p> <p>b. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 20 grants.</p>	<p>We noted no variance exceeding the threshold.</p>

Minimum Agreed-Upon Procedures For Other Reporting Items

50. Excess Transfers to Institution

- | | |
|---|--|
| <p>a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.</p> | <p>As there were no excess transfers to institution for the year ended June 30, 2023, this procedure was not performed</p> |
|---|--|

51. Conference Realignment Expenses

- | | |
|---|--|
| <p>a. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.</p> | <p>As there were no conference realignment expenses for the year ended June 30, 2023, this procedure was not performed</p> |
|---|--|

52. Total Athletics Related Debt

- | | |
|---|-----------------------------|
| <p>a. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.</p> | <p>No exceptions noted.</p> |
| <p>b. Agree the total annual maturities and total outstanding athletic related to supporting documentation and the institution's general ledger, if applicable.</p> | <p>No exceptions noted.</p> |

53. Total Institutional Debt

- | | |
|---|-----------------------------|
| <p>a. Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.</p> | <p>No exceptions noted.</p> |
|---|-----------------------------|

54. Value of Athletics Dedicated Endowments

- | | |
|---|-----------------------------|
| <p>a. Obtain a schedule of all athletics dedicated endowments maintained by the Program, the institution, and affiliated organizations. Agree the fair market value in the schedules(s) to supporting documentations, the general ledger(s) and audited financial statements, if available.</p> | <p>No exceptions noted.</p> |
|---|-----------------------------|

Procedure	Finding
55. Value of Institutional Endowments	
a. Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.	No exceptions noted.
56. Total Athletics Related Capital Expenditures	
a. Obtain a schedule of athletics related capital expenditures made by the Program, the institution, and affiliated organizations during the reporting period, additions only.	No exceptions noted.
b. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and validate totals.	No exceptions noted.

Agreed-Upon Procedures Related to Affiliated and Outside Organizations

Procedure

1. The Program shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. Once the Program has made these statements available, the independent accountant shall agree the amounts reported in the statement to the organization's general ledger or, alternatively, confirm revenues and expenses directly with a responsible official of the organization. In addition, the Program shall prepare a summary of revenues and expenses for or on behalf of intercollegiate athletics programs affiliated and outside organizations to be included with the agreed-upon procedures report.

Results

The Program identified the Florida Atlantic University Foundation, Inc. (the Foundation) and FAU Finance Corporation (the Corporation) as athletics-related affiliated and outside organizations making expenditures for, or on behalf of the Program or its employees. The Foundation serves as the official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of Program. For the year ended June 30, 2023, the Foundation recognized revenues and expenses of \$770,213 on behalf of the Program. The Corporation has been organized to assist the activities and educational purposes of the University by providing finance and investment-related assistance in connection with the acquisition or construction of capital or other projects. For the year ended June 30, 2023, the Corporation recognized revenues and expenses of \$679,160 on behalf of the Program.

Finding

No exceptions noted.

Procedure

1. The independent accountant shall obtain and review the audited financial statements of the organization and any additional reports regarding internal control matters if the organization is audited independent of the agreed-upon procedures required by NCAA legislation. The Program’s independent accountant shall also inquire of institutional and outside organization management as to corrective action taken in response to comments concerning internal control structure (if any).

Results

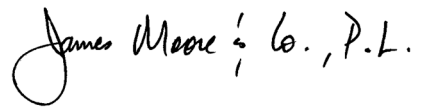
We obtained and read the audited financial statements of the Foundation and the Corporation for the year ended June 30, 2023, and the related report on compliance and on internal control. The results of this procedure disclosed that the independent auditors expressed an unmodified opinion on the financial statements of the Foundation and the Corporation. The independent auditors noted no matters involving internal control over the Foundation’s or the Corporation’s financial reporting and its operation that were considered material weaknesses.

Finding

No exceptions noted.

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 AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement of Revenues and Expenses (Exhibit I) of the University and the accompanying notes to the Statement of Revenues and Expenses (Exhibit II). Accordingly, we do not express such an opinion or conclusion. 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 ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.



Gainesville, Florida
January 31, 2024

**FLORIDA ATLANTIC UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS'
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Revenues						
1 Ticket sales	\$ 1,200,461	\$ 523,708	\$ 14,962	\$ 94,519	\$ -	\$ 1,833,650
2 Direct state or other governmental support	-	-	-	-	-	-
3 Student fees	-	-	-	-	15,007,302	15,007,302
4 Direct institutional support	808,175	228,442	239,366	2,543,899	4,296,754	8,116,636
5 Less - transfers to institution	-	-	-	-	-	-
6 Indirect institutional support	2,262,944	325,184	374,411	1,537,461	537,911	5,037,911
6A Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-	-
7 Guarantees	1,400,000	185,000	37,500	9,000	-	1,631,500
8 Contributions	1,779,957	573,800	19,601	191,352	3,884,596	6,449,306
9 In-kind	254,000	20,000	15,000	85,000	146,000	520,000
10 Compensation and benefits provided by a third party	-	-	-	-	-	-
11 Media rights	-	-	-	-	-	-
12 NCAA distributions	-	-	-	-	1,512,818	1,512,818
13 Conference distributions (non media and non football bowl)	-	-	-	-	-	-
13A Conference distributions of football bowl generated revenue	-	-	-	-	-	-
14 Program sales, concessions, novelty sales and parking	291,637	18,061	7,915	21,631	53,893	393,137
15 Royalties, advertisements and sponsorships	-	1,447	-	50,331	1,499,602	1,551,380
16 Sports camp revenues	-	-	-	-	-	-
17 Athletics restricted endowment and investment income	-	-	-	-	-	-
18 Other operating revenue	6,483	111,012	-	32,629	2,480,465	2,630,589
19 Football bowl revenues	-	-	-	-	-	-
Total operating revenues	<u>8,003,657</u>	<u>1,986,654</u>	<u>708,755</u>	<u>4,565,822</u>	<u>29,419,341</u>	<u>44,684,229</u>
Expenses						
20 Athletic student aid	808,175	228,442	239,366	2,306,871	470,769	4,053,623
21 Guarantees	600,000	39,000	16,376	42,529	-	697,905
22 Coaching salaries, benefits and bonuses paid by the University and related entities	3,584,419	1,486,269	656,948	2,578,736	-	8,306,372
23 Coaching salaries, benefits and bonuses paid paid by a third-party	-	-	-	-	-	-
24 Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	1,438,261	133,866	74,893	215	4,526,419	6,173,654
25 Support staff/administrative compensation, benefits and bonuses paid by a third-party	-	-	-	-	-	-
26 Severance payments	287,356	-	-	-	-	287,356
27 Recruiting	491,281	56,059	78,044	113,576	-	738,960
28 Team travel	1,298,314	613,932	335,460	1,456,444	-	3,704,150
29 Sports equipment, uniforms and supplies	781,699	83,214	53,235	503,065	186,196	1,607,409
30 Game expenses	1,771,442	338,258	215,519	412,491	-	2,737,710
31 Fund raising, marketing and promotion	28,839	22,249	5,629	13,637	558,267	628,621
32 Sports camp expenses	-	-	-	-	-	-
33 Spirit groups	-	17,183	17,184	-	120,187	154,554
34 Athletic facilities debt service, leases and rental fees	-	-	-	-	2,614,228	2,614,228
35 Direct overhead and administrative expenses	188,269	33,157	29,312	489,156	992,216	1,732,110
36 Indirect institutional support	2,262,944	325,184	374,411	1,537,461	537,911	5,037,911
37 Medical expenses and insurance	21,628	1,894	18	3,178	1,243,904	1,270,622
38 Memberships and dues	170	-	690	45,344	388,236	434,440
39 Student-athlete meals (non-travel)	1,136,627	61,045	23,613	125,794	30,651	1,377,730
40 Other operating expenses	416,903	384,987	20,158	76,329	186,422	1,084,799
41 Football bowl expenses	-	-	-	-	-	-
41A Football bowl expenses - coaching compensation/bonuses	-	-	-	-	-	-
Total operating expenses	<u>15,116,327</u>	<u>3,824,739</u>	<u>2,140,856</u>	<u>9,704,826</u>	<u>11,855,406</u>	<u>42,642,154</u>
Results of operations	<u>\$ (7,112,670)</u>	<u>\$ (1,838,085)</u>	<u>\$ (1,432,101)</u>	<u>\$ (5,139,004)</u>	<u>\$ 17,563,935</u>	<u>\$ 2,042,075</u>
50 Excess transfers to institution						-
Excess (deficiency) of revenues over (under) expenses						<u>\$ 2,042,075</u>
Other reported items						
51 Conference realignment expenses						<u>\$ -</u>
52 Total athletics related debt						<u>\$ 36,991,063</u>
53 Total institutional debt						<u>\$ 288,084,904</u>
54 Value of athletics dedicated endowments						<u>\$ 766,654</u>
55 Value of institutional endowments						<u>\$ 267,439,734</u>
56 Total athletics related capital expenditures						<u>\$ 503,087</u>

See accompanying notes to Statement of Revenues and Expenses.

**FLORIDA ATLANTIC UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(1) **Basis of Accounting:**

The statement of revenues and expenses of the Florida Atlantic University (the University) Intercollegiate Athletics Program (the Program) has been prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

(2) **Capital Assets:**

Capital assets purchased with an original cost of \$5,000 or more are recorded at cost and depreciated utilizing the straight-line method over the estimated useful lives of assets (generally ranging from 5 to 10 years). Costs to maintain or repair these assets are expensed as incurred. Costs incurred for the construction of buildings or other permanent facilities are not capitalized as part of the Program’s accounts, but are recorded by the University as assets of other funds.

(3) **Contributions:**

The Florida Atlantic University Foundation, Inc. (the Foundation) serves as the official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of the University. The FAU Finance Corporation (the Corporation) has been organized to assist the activities and educational purposes of the University by providing finance and investment-related assistance in connection with the acquisition or construction of capital or other projects. Contributions of \$608,478 and \$5,840,828 were recognized from the Corporation and Foundation, respectively, for the year ended June 30, 2023, and have been included in the accompanying statement of revenues and expenses. Contributions received from the Corporation and Foundation were the only contributions exceeding 10% of total contributions, as reported in the statement of revenues and expenses, for the year ended June 30, 2023.

(4) **Long-term Obligations:**

Series 2017 Bonds

Previously, the Corporation issued \$44,500,000 of Taxable Capital Improvement Revenue Bonds (BAB Bonds), Series 2010, maturing in 2040, with an interest rate of 5.78%. The Bonds were issued in connection with construction of a 30,000 seat stadium facility, parking improvements, and other associated athletic and onsite and offsite infrastructure improvements and projects. On August 30, 2017, the Corporation issued Tax-Exempt Capital Improvement Refunding Revenue Bonds (Football Stadium Project), Series 2017, amounting to \$40,035,000, to refund the then outstanding Series 2010 Bonds. At August 30, 2017, the Series 2010 Bonds were considered retired/fully defeased. The Series 2017 Bonds bear interest at a 10-year fixed rate of 2.61%, subject to adjustment through maturity.

Interest is paid semiannually on each January 1 and July 1. Principal on the debt is paid annually commencing July 2017 through July 2040.

The Corporation is required to adopt an operating budget for each fiscal year covering all operations and operating expenses of the project which shall assure that pledged revenues will exceed all contemplated expenses by at least 25%. In addition, the Corporation is required to certify on a bi-annual basis that the operating and nonoperating revenues from the previous twelve-month period are sufficient to cover at least 125% of an amount equal to the annual bond service requirements.

**FLORIDA ATLANTIC UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(4) **Long-term Obligations:** (Continued)

Intra-fund Loan

The Program was previously a party to multiple intra-fund loans with the University. On June 30, 2021, the 2005 and 2017 Intra-fund Loans were consolidated and the maturity date was extended to June 30, 2036. The total of \$3,820,782 shall be repaid in equal installments of \$254,719 each year from Florida Atlantic University Athletics Fund to the Florida Atlantic University Auxiliary Fund (the source of the loan). The extension will replace loans currently in force and all payments will be at a zero percent interest rate. The first payment will be made July 1, 2022 and the final payment due June 30, 2036.

The following is a schedule of future principal and interest payments for long term debt as of June 30, 2023:

Fiscal Year Ending June 30,	Long Term Debt		Total Principal and Interest
	Principal	Interest	
2024	\$ 1,729,719	\$ 884,509	\$ 2,614,228
2025	1,764,719	847,793	2,612,512
2026	1,809,719	805,519	2,615,238
2027	1,849,719	764,369	2,614,088
2028	1,889,719	722,162	2,611,881
2029-2033	10,123,594	2,941,741	13,065,335
2034-2038	11,108,874	1,704,183	12,813,057
2039-2041	6,715,000	358,601	7,073,601
Total	<u>\$ 36,991,063</u>	<u>\$ 9,028,877</u>	<u>\$ 46,019,940</u>

(5) **Surplus/Deficit Allocations:**

The Program is allowed to carry forward all available funds at the end of each fiscal year to the next fiscal year. Deficits are funded by the Program to the extent there is sufficient net position available.

FLORIDA ATLANTIC UNIVERSITY
SUPPLEMENT TO STATEMENT OF REVENUES AND EXPENSES
VARIATION ANALYSIS OF THE TOTAL REVENUES AND EXPENSES
TO PRIOR PERIOD AMOUNTS AND BUDGET ESTIMATES
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING AGREED-UPON PROCEDURES)

Revenues	2023	2022	\$ Variance	% Variance	Variation Explanation
4 Direct institutional support	\$ 8,116,636	\$ 4,691,371	\$ 3,425,265	73.01%	There were more out-of-state undergraduate student-athletes receiving the tuition waivers in FY23. The remainder of HEERF lost revenues were also used in FY23.
6 Indirect institutional support	\$ 5,037,911	\$ 4,243,015	\$ 794,896	18.73%	The cost of scholarships covered by the University increased, and additional scholarships were awarded in FY23.
Expenses					
24 Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	\$ 6,173,654	\$ 5,385,412	\$ 788,242	14.64%	As consistent throughout the University, the Athletics Department had to increase salaries in order to retain personnel and sustain market value. Benefits also correspondingly increased.
36 Indirect institutional support	\$ 5,037,911	\$ 4,243,015	\$ 794,896	18.73%	See explanation for indirect institutional support revenues above.

Note 1: The variance explanation above is related to actual data from FY2023 compared to FY2022. There are no explanations provided for budget to actual variances; while FAU prepares an annual budget, the budget is established under GAAP accounting instead of NCAA accounting; therefore, this procedure is not applicable.