

**APPALACHIAN STATE UNIVERSITY**  
INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
ON THE STATEMENT OF REVENUES AND EXPENSES  
FOR THE PERIOD ENDED JUNE 30TH, 2025

COMBS,   
TENNANT & CARPENTER, P.C.  
Certified Public Accountants

**Appalachian State University  
Agreed-Upon Procedures  
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For the Period Ended June 30, 2025**

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**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Dr. Heather H. Norris, Chancellor  
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We have performed the procedures enumerated below on evaluating whether the accompanying statement of revenues and expenses of Appalachian State University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 20.2.4.18 for the year ended June 30, 2025. Appalachian State University's management is responsible for the statement of revenues and expenses ("statement") and the statement's compliance with those requirements.

Appalachian State 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 National Collegiate Athletic Association ("NCAA") Bylaw 20.2.4.18 for the year ended June 30, 2025. 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.

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

The procedures that we performed and our findings are as follows:

**I. Minimum Agreed-Upon Procedures for Compliance**

- a. Regardless of the situation, the independent accountant shall test specific elements of the control environment and accounting systems that (1) are unique to intercollegiate athletics and (2) have not been addressed in connection with the audit of the institution's financial statements (e.g., the system of accounting for revenues from ticket sales).

*Findings: Our test of the control environment and accounting systems related to ticket tracking and sales indicated that controls are in place and appear to be functioning properly.*

- b. The independent accountant shall perform agreed-upon procedures related to the institution's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the institution's intercollegiate athletics program. The institution must provide the independent accountant with the institution's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the institution's intercollegiate athletics program. The independent accountants will then test those procedures.

*Findings: Our tests indicated that the procedures appear to be functioning properly.*

**II. Minimum Agreed-Upon Procedures for Affiliated and Outside Organizations**

- a. The institution shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. Once the institution 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 institution 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.

*Findings: Amounts reported by the Appalachian State University Foundation, Inc.'s records agreed to the institution's intercollegiate athletics statement of revenues and expenses. No exceptions were noted.*

- b. 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 institution's independent accountant shall also inquire of institutional and organizational management as to corrective action taken in response to comments concerning internal control structure (if any).

*Findings: No additional reports regarding internal control matters or comments concerning internal control structure were noted upon review of Appalachian State University Foundation, Inc.'s audited financial statements.*

### III. Minimum Agreed Upon Procedures for Notes and Disclosures

- a. Each individual contribution of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or individuals (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting period shall be disclosed in the notes to the statement of athletics department revenues and expenses (the "statement") and included in the Agreed-Upon Procedures Report. Disclosure of the source of funds, goods and services as well as the value associated with these items, shall also be made within the notes to the statement. In addition as part of the minimum agreed-upon procedures, the independent accountant shall obtain and review supporting documentation for each such contribution.

*Findings: All contributions that constitute 10 percent or more of all contributions received for intercollegiate athletics during the reporting period were disclosed in the statement. Testing of supporting documentation yielded no exceptions.*

- b. A description of the institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, shall be included in the notes to the statement.

*Findings: The policies were included in the notes to the statement. Further procedures yielded no exceptions.*

- c. The independent accountant shall also obtain repayment schedules for all outstanding intercollegiate athletics debt maintained by the institution during the reporting period. At a minimum, the independent accountant shall recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained. The independent accountant shall then agree to the total annual maturities to supporting documentation and the institution's general ledger, as applicable. The repayment schedule(s) shall be included in the notes to the statement.

*Findings: The schedules were included in the notes to the statement. Further procedures yielded no exceptions.*

### IV. Minimum Agreed-Upon Procedures Program for Revenues

Following is a complete listing of the minimum agreed-upon procedures for revenues, by category, to be performed to the statement by the independent accountant.

Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger. For all revenue categories perform the minimum agreed-upon procedures set forth below.

1. Compare and agree each operating revenue 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 revenues, no procedures are required for that specific category.

*Findings: We found no exceptions as a result of these procedures.*

2. Compare and agree a sample of 15 operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

*Findings: We found no exceptions as a result of these procedures.*

3. Compare each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon Procedures Report.

*Findings: One revenue category exceeded the specified variation. **Cash Contributions** decreased 16.09% due to variations in annual capital project contributions, and increased receipts of other revenue types in FY25, resulting in less funding needed from other sources.*

#### a. Ticket Sales

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

*Findings: We found no exceptions as a result of these procedures.*

**b. Student Fees**

- Compare and agree student fees reported by the institution in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.
- Obtain and document an understanding of institution's methodology for allocating student fees to intercollegiate athletics programs.
- If the athletics department 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, tickets sales reports and student fee totals.

*Findings: We found no exceptions as a result of these procedures.*

**c. Direct State or Other Governmental Support**

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

*Findings: We found no exceptions as a result of these procedures.*

**d. Direct Institutional Support**

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

*Findings: We found no exceptions as a result of these procedures.*

**e. Transfers Back to Institution**

- Compare the transfers back to institution with permanent transfers back to institution from the athletics department and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

**f. Indirect Institutional Support**

- 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.

*Findings: We found no exceptions as a result of these procedures.*

**g. Guarantees**

- Select a sample of 4 settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement and recalculate totals.
- Select a sample of 2 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the institution's general ledger and/or the statement and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

**h. Contributions**

- 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.

*Findings: We found no exceptions as a result of these procedures.*

**i. In-Kind**

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

*Findings: We found no exceptions as a result of these procedures.*

**j. Compensation and Benefits Provided by a Third-Party**

- Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the institution and select a sample of 4 funds from the Summary and compare and agree each selection to supporting documentation, the institution's general ledger and/or the Summary and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **k. Media Rights**

- Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the institution or through their conference offices as reported in the statement.
- Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the institution's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.

*Findings: We found no exceptions as a result of these procedures.*

#### **l. NCAA Distributions**

- 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.

*Findings: We found no exceptions as a result of these procedures.*

#### **m. Conference Distributions and Conference Distributions of Football Bowl Generated Revenue**

- Obtain and inspect agreements related to the institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **n. Program Sales, Concessions, Novelty Sales and Parking**

- 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.

*Findings: We found no exceptions as a result of these procedures.*

#### **o. Royalties, Licensing, Advertisements and Sponsorships**

- Obtain and inspect agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **p. Sports Camp Revenues**

- Inspect sports-camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports-camps.
- Obtain schedules of camp participants and select a sample of 20 individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the institution's general ledger, and/or the statement and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **q. Athletics Restricted Endowment and Investment Income**

- Obtain and inspect endowment agreements (if any) to gain an understanding of the relevant terms and conditions.
- 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 defined within the related endowment agreement and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **r. Other**

- Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

#### **s. Football Bowl Revenues**

- Obtain and inspect agreements related to the institution's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.
- Compare and agree the related revenues to the institution's general ledger, and/or the statement and recalculate totals.

*Findings: No football bowl revenues reported. We found no exceptions as a result of these procedures.*

### **V. Minimum Agreed-Upon Procedures Program For Expenses**

Following is a complete listing of the minimum agreed upon procedures for expenses, by category, to be performed to the statement by the independent accountant. Before the commencement of fieldwork, the independent accountant should ensure that the amounts reported on the statement agree to the institution's general ledger.

1. Compare and agree each operating 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.  
*Findings: We found no exceptions as a result of these procedures.*
2. Compare and agree a sample of 15 operating expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.  
*Findings: We found no exceptions as a result of these procedures.*
3. Compare and agree each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Obtain and document an understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon Procedures Report.  
*Findings: Three expense categories met the criteria for obtaining an understanding of the year-to-year variation. **Support Staff/Admin Compensation, Benefits & Bonuses** increased 15.39% due primarily to vacant sports medicine positions and one senior level administrative position being hired or filled. **Athletic Facilities, Debt Service, Leases & Rentals** increased 16.26% due to the start of payments of Debt Service fees on the Team Store and New Indoor Facility in FY25. **Facilities Maintenance & Operations** increased 100% as a result of expenses being tracked in a new category in FY25. Facilities maintenance and operations expenses paid by or charged directly to athletics were comprised of various construction and renovations costs, as well as repairs to hurricane damaged areas, and other various required facility costs.*

#### a. Athletic Student Aid

- 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.
- Obtain individual student-account detail for each selection. Reconcile the total athletic aid reported by the institution to the student-athlete’s account detail reported in CA or the institution report that reconciles to the NCAA Membership Financial Reporting System.
- 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:
  - The equivalency value of each student-athlete in all sports, including head-count sports, need to be converted to full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the squad list labeled “Revenue Distribution Equivalent Award.”
  - 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).
  - Other expenses related to attendance (also known as cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, living expenses, 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, other expenses related to attendance are not allowed to be included for revenue distribution equivalencies. If using the NCAA CA application, the Calculation of Revenue Distribution Equivalencies Report (CRDE) should provide equivalencies that do not include other expenses related to attendance.
  - Full grant amount should be entered as a full year of tuition, not a semester or quarter.
  - Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.
  - Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.
  - Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants’ requirements of Bylaw 20.9.6.3.
  - 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.
  - 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).  
Note: The NCAA Membership Financial Reporting System’s Revenue Distribution data entry webpage will automatically reduce the Total Revenue Distribution Equivalencies Awarded column to adhere to Bylaw 15.5.3.

- If a sport is discontinued and athletic aid is still being awarded/honored by the institution, the athletic aid is countable for revenue distribution purposes.  
Note: The discontinued sport will need to be added to the NCAA Membership Financial Reporting System's Revenue Distribution data entry webpage.
- All equivalency calculations should be rounded to two decimal places.
- 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.
- If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.
- Recalculate totals for each sport and overall.  
*Findings: We found no exceptions as a result of these procedures.*

**b. Guarantees**

- Obtain and inspect visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement and recalculate totals.
- Obtain and inspect contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution during the reporting period to the institution's general ledger and/or the statement and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

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

- Obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period and select a sample of 4 coaches' contracts that must include football, and men's and women's basketball from the above listing.
- Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period.
- 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 institution and related entities expense recorded by the institution in the statement during the reporting period.
- Compare and agree the totals recorded to any employment contracts executed for the sample and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**d. Coaching Other Compensation and Benefits Paid by a Third-Party**

- Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of 4 coaches' contracts that must include football, and men's and women's basketball from the listing.
- 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 institution in the statement during the reporting period.
- 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 expenses recorded by the institution in the statement during the reporting period and recalculate totals.  
*Findings: No coaching other compensation and benefits were paid by a third-party.*

**e. Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities**

- Select a sample of 7 support staff/administrative personnel employed by the institution and related entities during the reporting period.
- 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 institution and related entities expense recorded by the institution in the statement during the reporting period and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**f. Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party**

- Select a sample of 7 support staff/administrative personnel employed by the third parties during the reporting period.
- 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 recorded by the institution in the statement during the reporting period and recalculate totals.  
*Findings: No support staff or administrative other compensation and benefits were paid by a third-party.*

**g. Severance Payments**

- Select a sample of 2 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.  
*Findings: We found no exceptions as a result of these procedures.*

**h. Recruiting**

- Obtain and document an understanding of the Institution's recruiting expense policies.
- Compare and agree to existing institutional- and NCAA-related policies.
- Obtain general ledger detail and compare to the total expenses reported and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**i. Team Travel**

- Obtain and document an understanding of the Institution's team travel policies.
- Compare and agree to existing institutional-and NCAA-related policies.
- Obtain general ledger detail and compare to the total expenses reported and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**j. Equipment, Uniforms and Supplies**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**k. Game Expenses**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**l. Fund Raising, Marketing and Promotion**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**m. Sports Camp Expenses**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**n. Spirit Groups**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**o. Athletic Facility Debt Service, Leases and Rental Fees**

- Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of 10 facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements).
- Compare amounts recorded to amounts listed in the general detail and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**p. Direct Overhead and Administrative Expenses**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**q. Indirect Institutional Support**

- Tested with revenue section – Indirect Institutional Support  
*Findings: We found no exceptions as a result of these procedures.*

**r. Medical Expenses and Medical Insurance**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**s. Memberships and Dues**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**t. Other Operating Expenses and Transfers to Institution**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**u. Student-Athletic Meals (non-travel)**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: We found no exceptions as a result of these procedures.*

**v. Football Bowl Expenses**

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transaction and accuracy of recording and recalculate totals.  
*Findings: No football bowl expenses reported. We found no exceptions as a result of these procedures.*

**VI. Additional Minimum Agreed-Upon Procedures**

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

**a. For Grants-in-Aid**

- i. 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. The NCAA Membership Financial Reporting System populates the sports from the NCAA Sports Sponsorship and Demographics Form as they are reported by the institution between April and June. 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 calculation, inquire about the discrepancy and report the justification in the AUP report.
- ii. 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%. The submitted data is reviewed by NCAA staff. Providing a detailed variance explanation will assist with the review process.

*Findings: We found no exceptions as a result of these procedures. Grants-in-aid revenue distribution equivalencies decreased 6.12% from the prior year. The primary driver of the decrease was due to head coaching changes in football, women's golf, and women's softball which directly impacted scholarship opportunities funded by the Institution.*

**b. For Sports Sponsorship:**

- i. Obtain the institution's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year. Validate that the countable NCAA sports reported by the institution meet the minimum requirements set forth in Bylaw 20.9.6.3 for 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 should not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championship competitions, emerging sports for women and bowl subdivision football are eligible. Once 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.
- ii. 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. The submitted data is reviewed by NCAA staff. Providing a detailed variance explanation will assist with the review process.

*Findings: We found no exceptions as a result of these procedures.*

c. For Pell Grants:

- i. 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: Individual student-aid file testing done in student athletic aid testing in step V.(a.) 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.

- ii. 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. The submitted data is reviewed by NCAA staff. Providing a detailed variance explanation will assist with the review process.

*Findings: We found no exceptions as a result of these procedures.*

## VII. Minimum Agreed-Upon Procedures Program For Other Reporting Items

### a. Excess Transfers to Institution and Conference Realignment Expenses

- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate existence of transactions and accuracy of recording and recalculate totals.

*Findings: No excess transfers to Institution or Conference realignment expenses reported. We found no exceptions as a result of these procedures.*

### b. Total Athletics Related Debt

- 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.
- Agree the total annual maturities and total outstanding athletic debt related to supporting documentation and the institution's general ledger, as applicable.

*Findings: We found no exceptions as a result of these procedures.*

### c. Total Institutional Debt

- Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.

*Findings: We found no exceptions as a result of these procedures.*

### d. Value of Athletics Dedicated Endowments

- Obtain a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledgers(s) and audited financial statements, if available.

*Findings: We found no exceptions as a result of these procedures.*

### e. Value of Institutional Endowments

- Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.

*Findings: We found no exceptions as a result of these procedures.*

### f. Total Athletics Related Capital Expenditures

- Obtain a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period.
- Obtain general ledger detail and compare to the total expenses reported. Select a sample of 10 transactions to validate the existence of the transactions and accuracy or recording and recalculate totals.

*Findings: We found no exceptions as a result of these procedures.*

We were engaged by Appalachian State 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 whether the accompanying statement is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 20.2.4.18 for the year

ended June 30, 2025. 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 Appalachian State University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*COMBS, TENNANT & CARPENTER, P.C.*

COMBS, TENNANT & CARPENTER, P.C.  
Certified Public Accountants  
Boone, NC  
December 23, 2025

**Appalachian State University**  
**Intercollegiate Athletics Program**  
**Statement of Revenues and Expenses**  
**Year Ended June 30, 2025**

Operating	Men's		Women's		Other	Nonprogram		Grand	
	Football	Basketball	Basketball	Basketball		Sports	Specific	Total	Total
<b>Revenues:</b>									
1 Ticket Sales	\$ 5,909,333.73	\$ 306,917.39	\$ 29,279.45	\$ 121,492.49	\$ 372,378.21	\$ 6,739,401.27	\$ 6,739,401.27	\$ 6,739,401.27	\$ 6,739,401.27
2 Direct State or Other Govt Support	-	-	-	50,000.00	2,033,433.05	2,083,433.05	2,083,433.05	2,083,433.05	2,083,433.05
3 Student Fees	-	-	-	-	16,069,872.83	16,069,872.83	16,069,872.83	16,069,872.83	16,069,872.83
4 Direct Institutional Support	-	-	-	-	5,199,883.07	5,199,883.07	5,199,883.07	5,199,883.07	5,199,883.07
5 Less - Transfers to Institution	-	-	-	-	(19,303.68)	(19,303.68)	(19,303.68)	(19,303.68)	(19,303.68)
6 Indirect Institutional Support	-	-	-	-	1,634,500.45	1,634,500.45	1,634,500.45	1,634,500.45	1,634,500.45
6A Indirect Institutional Support -Debt Service	-	-	-	-	4,145,717.67	4,145,717.67	4,145,717.67	4,145,717.67	4,145,717.67
7 Game Guarantees	1,855,761.00	155,000.00	20,000.00	24,415.00	-	2,055,176.00	2,055,176.00	2,055,176.00	2,055,176.00
8 Contributions	661,983.10	82,862.25	18,148.04	850,836.88	7,529,637.80	9,143,468.07	9,143,468.07	9,143,468.07	9,143,468.07
9 In Kind	130,205.67	11,527.40	-	36,519.78	99,422.73	277,675.58	277,675.58	277,675.58	277,675.58
10 Comp/Benefits Provided by 3rd Party	-	-	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	360,937.00	360,937.00	360,937.00	360,937.00	360,937.00
12A NCAA Distributions	-	-	-	-	1,325,962.23	1,325,962.23	1,325,962.23	1,325,962.23	1,325,962.23
12B NCAA Host Revenue Settlements	-	-	-	-	-	-	-	-	-
12C Post-Season Non-Football NCAA Expense Reimbursement	-	-	-	6,157.73	-	6,157.73	6,157.73	6,157.73	6,157.73
13 Conference Distributions (Non Media & Non Post-Season)	-	-	-	-	1,356,705.00	1,356,705.00	1,356,705.00	1,356,705.00	1,356,705.00
13A Conference Distributions of Post-Season Generated Revenue	-	5,220.00	-	-	5,220.00	5,220.00	5,220.00	5,220.00	5,220.00
14 Program, Novelty, Parking & Concession Sales	1,304,034.87	69,128.20	20,231.31	212,272.68	663,289.15	2,268,956.21	2,268,956.21	2,268,956.21	2,268,956.21
15 Royalties, Licensing, Advertisement & Sponsorships	-	-	-	-	3,829,340.46	3,829,340.46	3,829,340.46	3,829,340.46	3,829,340.46
16 Sports Camp Revenues	-	-	-	-	-	-	-	-	-
17 Athletics Restricted End and Investments Income	57,401.00	6,124.00	3,189.00	75,157.00	42,596.00	184,467.00	184,467.00	184,467.00	184,467.00
18 Other Operating Revenues	4,282.03	305.00	10.00	222,098.31	365,096.54	591,791.88	591,791.88	591,791.88	591,791.88
19 Post-Season Football Expense Reimbursements	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 9,923,001.40</b>	<b>\$ 637,084.24</b>	<b>\$ 90,857.80</b>	<b>\$ 1,598,949.87</b>	<b>\$ 45,009,468.51</b>	<b>\$ 57,259,361.82</b>	<b>\$ 57,259,361.82</b>	<b>\$ 57,259,361.82</b>	<b>\$ 57,259,361.82</b>
<b>Operating Expenses:</b>									
20 Athletic Student Aid	\$ (2,634,007.35)	\$ (374,958.18)	\$ (486,014.26)	\$ (3,268,173.58)	\$ (170,143.91)	\$ (6,933,297.28)	\$ (6,933,297.28)	\$ (6,933,297.28)	\$ (6,933,297.28)
21 Guarantees	(300,000.00)	(57,300.00)	(4,000.00)	(18,092.99)	-	(379,392.99)	(379,392.99)	(379,392.99)	(379,392.99)
22 Coaching Salaries, Benefits & Bonuses Paid by the University	(3,500,473.80)	(1,313,813.44)	(767,921.26)	(3,137,017.25)	-	(8,719,225.75)	(8,719,225.75)	(8,719,225.75)	(8,719,225.75)
23 Coaching Salaries Paid by a Third Party	-	-	-	-	-	-	-	-	-
24 Support/Admin Staff Compensation/Benefits Paid by the University	(1,781,078.77)	-	(136,705.57)	(165,562.31)	(6,856,755.41)	(8,940,102.06)	(8,940,102.06)	(8,940,102.06)	(8,940,102.06)
25 Support/Admin Staff Paid by a Third Party	-	-	-	-	-	-	-	-	-
26 Severance Payments	(823,602.28)	-	(5,543.98)	(17,555.93)	(23,870.04)	(870,572.23)	(870,572.23)	(870,572.23)	(870,572.23)
27 Recruiting	(659,423.26)	(60,811.77)	(66,191.28)	(231,160.68)	(600.00)	(1,018,186.99)	(1,018,186.99)	(1,018,186.99)	(1,018,186.99)
28 Team Travel	(1,030,113.76)	(493,998.33)	(275,682.93)	(2,043,434.84)	-	(3,843,229.86)	(3,843,229.86)	(3,843,229.86)	(3,843,229.86)
29 Equipment, Uniforms, Supplies	(1,635,530.81)	(73,923.53)	(93,854.83)	(1,098,189.32)	(567,357.36)	(3,468,855.85)	(3,468,855.85)	(3,468,855.85)	(3,468,855.85)
30 Game Expenses	(1,184,204.74)	(191,666.06)	(133,703.25)	(322,293.15)	(106,985.51)	(1,938,852.71)	(1,938,852.71)	(1,938,852.71)	(1,938,852.71)
31 Fund Raising/Mktg/Promo	(218,314.08)	(26,481.45)	(8,988.73)	(51,082.79)	(1,282,301.99)	(1,587,169.04)	(1,587,169.04)	(1,587,169.04)	(1,587,169.04)
32 Sports Camp Expenses	-	-	-	-	-	-	-	-	-
33 Spirit Groups	(9,622.42)	(9,617.00)	(9,417.00)	-	(114,401.78)	(143,058.20)	(143,058.20)	(143,058.20)	(143,058.20)
34 Athletics Facilities Debt Service, Lease and Rentals	-	-	-	(12,579.00)	(6,676,111.31)	(6,688,690.31)	(6,688,690.31)	(6,688,690.31)	(6,688,690.31)
35 Direct Overhead and Administrative Exp	(103,940.81)	(3,248.89)	(870.09)	(8,545.61)	(874,584.00)	(991,189.40)	(991,189.40)	(991,189.40)	(991,189.40)
35A Facilities Maintenance & Operations	(9,843.76)	(8,142.01)	(20,067.97)	(748,312.24)	(5,484,067.84)	(6,270,433.82)	(6,270,433.82)	(6,270,433.82)	(6,270,433.82)
36 Indirect Inst Support	-	-	-	-	(1,634,500.45)	(1,634,500.45)	(1,634,500.45)	(1,634,500.45)	(1,634,500.45)
37 Medical Expenses and Insurance	(39,417.56)	(4,111.66)	-	(14,831.68)	(591,413.13)	(649,774.03)	(649,774.03)	(649,774.03)	(649,774.03)
38 Membership and Dues	(4,950.00)	(935.00)	(1,005.00)	(21,751.89)	(97,719.60)	(126,361.49)	(126,361.49)	(126,361.49)	(126,361.49)
39 Student Athlete Meals (non-travel)	(1,475,699.28)	(47,586.46)	(28,427.70)	(183,813.07)	(136,128.17)	(1,871,654.68)	(1,871,654.68)	(1,871,654.68)	(1,871,654.68)
40 Other Operating Expenses	(119,672.68)	(46,248.72)	(16,694.95)	(178,621.87)	(316,207.00)	(677,445.22)	(677,445.22)	(677,445.22)	(677,445.22)
41 Post-Season Football Expenses	-	-	-	-	-	-	-	-	-
41A Post-Season Football Expenses - Coaching Compensation/Bonus	-	-	-	-	-	-	-	-	-
41B NCAA Football Host Expense Settlements	-	-	-	-	-	-	-	-	-
42 NCAA Post-Season Non-Football Expenses	-	-	-	(50,633.41)	-	(50,633.41)	(50,633.41)	(50,633.41)	(50,633.41)
42A NCAA Post-Season Non-Football Expenses - Coaching Bonuses	-	-	-	(3,000.00)	-	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)
42B NCAA Non-Football Host Expense Settlements	-	-	-	-	-	-	-	-	-
43 Enhanced Educational Benefits (Alston or other)	(143,657.16)	(46,358.87)	(51,131.27)	(224,558.61)	45.50	(465,660.41)	(465,660.41)	(465,660.41)	(465,660.41)
44 Institutional NIL Revenue Share	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ (15,673,552.52)</b>	<b>\$ (2,759,201.37)</b>	<b>\$ (2,106,220.07)</b>	<b>\$ (11,799,210.22)</b>	<b>\$ (24,933,102.00)</b>	<b>\$ (57,271,286.18)</b>	<b>\$ (57,271,286.18)</b>	<b>\$ (57,271,286.18)</b>	<b>\$ (57,271,286.18)</b>
<b>Excess(Deficiency) of Revenues Over(under) Expenses</b>	<b>\$ (5,750,551.12)</b>	<b>\$ (2,122,117.13)</b>	<b>\$ (2,015,362.27)</b>	<b>\$ (10,200,260.35)</b>	<b>\$ 20,076,366.51</b>	<b>\$ (11,924.36)</b>	<b>\$ (11,924.36)</b>	<b>\$ (11,924.36)</b>	<b>\$ (11,924.36)</b>

**APPALACHIAN STATE UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**  
*June 30, 2025*

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**NOTE 1                    SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Purpose**

Appalachian State University is a constituent institution of The University of North Carolina System, which is a component unit of the State of North Carolina and an integral part of the State's Comprehensive Annual Financial Report. Appalachian State University is classified as a Division I institution by the National Collegiate Athletic Association (NCAA).

**B. Basis of Presentation**

The preceding statement of revenues and expenses presents the University's intercollegiate athletic program's activity in accordance with the National Collegiate Athletic Association Bylaw 20.2.4.18. Those guidelines require the presentation of all revenues, expenses and capitalized expenditures on behalf of the institution's intercollegiate athletics program, including those by outside entities. This presentation is not intended to provide a complete presentation of the program's financial position or its changes in the net assets and cash flows.

**C. Basis of Accounting**

The preceding statement of revenues and expenses was prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**D. Non-Monetary Transactions**

The University reports goods and services received either by donation or in an exchange transaction at their fair value at the date of receipt.

During the year, leased vehicles were provided at no charge to the University. The leased vehicles were provided in exchange for free tickets and recognition as sponsors and/or advertising. The values for these donations have been recorded as gifts in the preceding statement of revenues and expenses.

**APPALACHIAN STATE UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**  
**June 30, 2025**

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**Note 2 CAPITAL ASSETS**

Capital Assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The value of assets constructed includes all material, direct and indirect construction costs. Interest costs incurred during the period of construction are capitalized.

The University's intercollegiate athletics program capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Library books are generally not considered to have a useful life of more than one year unless part of a collection and are expensed in the year of acquisition.

Depreciation is computed using the straight-line and/or units of output method over the estimated useful lives of the assets, generally 10 to 75 years for general infrastructure, 10 to 100 years for buildings, and 2 to 30 years for equipment and computer software.

A summary of changes in the capital assets for the year ended June 30, 2025, is presented as follows:

	<u>Basketball</u>	<u>Football</u>	<u>Other</u>	<u>Total Athletics</u>	<u>Other Institutional</u>	<u>Total Institution</u>
Beginning Capital Assets, Net of Depreciation	\$ 1,163,527	\$ 39,427,495	\$ 40,010,896	\$ 80,601,918	\$ 860,201,766	\$ 940,803,684
Adjustments	\$ -	\$ -	\$ -	\$ -	\$ 7,857,016	\$ 7,857,016
Current Year Depreciation Expense	\$ (82,201)	\$ (1,488,060)	\$ (1,735,995)	\$ (3,306,256)	\$ (31,059,743)	\$ (34,365,999)
Additions, Net of Depreciation	\$ -	\$ 5,695	\$ 1,152,786	\$ 1,158,481	\$ 134,780,149	\$ 135,938,630
Depletions, Net of Depreciation	\$ -	\$ (865)	\$ (18,646)	\$ (19,511)	\$ (580,760)	\$ (600,271)
Ending Capital Assets, Net of Depreciation	\$ 1,081,326	\$ 37,944,265	\$ 39,409,041	\$ 78,434,632	\$ 971,198,428	\$ 1,049,633,060

**APPALACHIAN STATE UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**  
**June 30, 2025**

**NOTE 3 CONTRIBUTIONS**

Individual contributions of moneys, goods, or services received directly by the University's intercollegiate athletic program from any affiliated or outside organization, agency or individuals that constitutes 10% or more of all contributions received for the intercollegiate athletic program during the year follows:

<u>Funding Source Type</u>	<u>Amount</u>
Appalachian State University Foundation	\$9,456,469
Various Automotive Dealerships, Courtesy Cars	212,292
	<u>212,292</u>
	<u>\$9,668,761</u>

**NOTE 4 DEBT**

**A. Total Debt Outstanding**

A summary of total debt outstanding for the year ended June 30, 2025, is presented as follows:

	<u>Athletically Related Debt</u>	<u>Institution's Total Outstanding Debt</u>
General Revenue Bonds	\$ 70,028,091	\$ 215,070,000
Direct Borrowings	3,134,060	212,213,860
Direct Placements	13,623,676	25,502,000
Internal Loan	3,163,534	-
	<u>89,949,361</u>	<u>452,785,860</u>
Total Long-Term Debt	<u>\$ 89,949,361</u>	<u>\$ 452,785,860</u>

**B. Annual Debt Service Requirements**

The annual requirements to pay principal and interest on the general revenue bonds at June 30, 2025 are as follows:

<u>Fiscal Year</u>	<u>Annual Requirements</u>			
	<u>Athletically Related Facilities and Equipment</u>		<u>Total Institution</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 4,924,516	\$ 3,655,995	\$ 20,420,121	\$ 14,881,840
2027	8,798,874	3,341,275	22,269,588	13,930,215
2028	6,397,063	3,062,783	24,696,151	13,182,301
2029	5,581,330	2,802,397	20,665,000	12,419,835
2030	5,861,412	2,577,404	137,830,000	11,393,159
2031-2035	26,527,971	9,532,287	129,235,000	25,450,031
2036-2040	8,498,070	6,052,695	36,155,000	15,227,172
2041-2045	11,201,303	3,969,539	29,810,000	9,554,602
2046-2050	12,158,822	1,207,502	27,875,000	3,298,363
2051-2053	-	-	3,830,000	241,313
	<u>89,949,361</u>	<u>36,201,877</u>	<u>452,785,860</u>	<u>119,578,831</u>
Total Requirements	<u>\$ 89,949,361</u>	<u>\$ 36,201,877</u>	<u>\$ 452,785,860</u>	<u>\$ 119,578,831</u>