

INFORMATION ITEM #8

Cougar Athletics Fiscal Update
(Leslie Brunelli/Anne McCoy/Jon Haarlow)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Cougar Athletics Budget Update for FY24 and FY25

SUBMITTED BY: Anne McCoy, Athletics Director
Leslie Brunelli, Executive Vice President, Finance and Administration/CFO

SUPPORTING
INFORMATION:

Closing of Fiscal year 2024

The FY2024 Athletic budget was last presented to the Board of Regents in April of 2024.

WSU Athletics, in conjunction with University Accounting, have completed the annual NCAA Agreed-Upon Procedures report. Athletics finished FY2024 landing flat to budget. The final Athletics budget report was reviewed by university external auditor, Eide Bailly, and successfully submitted to the NCAA as required by January 15, 2025.

Athletics finished the year with over \$89M in revenue, led by \$48M in revenues from the Pac-12 Conference. Additionally, athletics finished with just under \$10M in ticket revenue, nearly \$9M in contributions, and over \$4M in royalties, advertising and sponsorships. Compensation was the largest expense at nearly \$30M, of the \$89M in total expenditures. Other large line items included \$12.1M in financial aid, over \$16M in recruiting, team travel, meals, and medical expenses, and over \$10M in annual debt service. Finally, Athletics paid \$1.2M in conference-related expenses.

Once submitted and available, additional Athletic related revenue and expense information can be found at the link below. Revenue and expense information is updated annually with the completion of the audit and the submission of the NCAA Agreed-Upon Procedures financial report in January of each year.

<https://wsucougars.com/sports/2016/7/26/eada-reports.aspx>

Update for Fiscal Year 2025

The Board of Regents approved the FY2025 Athletics budget in April of 2024. Athletics continues to work with University Finance and the Pac-12

conference to navigate impacts of changes in revenue and expenses, both in FY2025 and beyond, as college athletics continues to change at a pace like never before.

Revenue

Through December of 2024, game related revenues are on pace to exceed earlier budget projections. This increase is driven primarily by football and men's basketball ticket sales trending slightly ahead of budget. Conversely, bowl-related revenues were less than anticipated and fell short of covering travel and bowl-related expenses. The shortfall in bowl revenue has offset any projected surplus from ticket sales. Annual fund contributions, which are tied to 2025 football season tickets and fund student-athlete scholarships, continue to be a fundraising priority and a projection to monitor in the spring semester. Additionally, the university has provided \$2M in additional institutional support for fiscal year 2025, providing an increase in overall projected revenue. Athletics continues to work closely with the Pac-12 to amplify strategic resources at the conference to maximize the year end conference distribution.

Expense

Through six months of FY2025, current expenditures are tracking towards budget. Athletics continues to monitor team operating costs such as team travel, meals, and recruiting, as these areas remain a concern to meet budget expectations due to inflation, industry legislation changes and budgetary restrictions. As mentioned above, bowl travel expenses were higher than anticipated and were not offset by bowl-related revenue as projected in the budget therefore causing forecasted budget overage. However, bowl expenses are still in the settlement process and final expenses will be known in the coming weeks. Furthermore, a change in the football coaching staff causes significant fluctuations related to annual personnel and transition costs. Final position savings, contracted transition revenue, and complete transition expenses are still working through the system and the full net of the change in personnel will be known in early spring.

As a reminder, Athletics continues to engage monthly with the Athletics Budget Oversight Committee, which includes members of university finance, Athletics staff, and faculty and regent representatives. Athletics remains initiative-taking in forecasting and anticipating potential impacts to current and future year budgets and will provide further updates at the March 2025 Board of Regents meeting.

ATTACHMENTS: FY25 Budget Forecast as of December 2024
 FY19-FY25 Review

FY25 Budget Forecast as of December 2024

ATHLETIC REVENUE	FY25
Pac-12 Distribution	38.4
REVENUE ITEMS CONFERENCE/SETTLEMENT	38.4
Ticket Sales - Admissions Net of Tax	8.6
Annual Fund	6.8
Strategic Giving	1.2
Program/Concessions	0.4
Other Revenue	1.7
REVENUE ITEMS WITH PROJECTED CHANGE	18.7
Endowments	1.0
NCAA Distribution	1.6
Royalties/Advertising	4.3
Student Fees - Debt Service	0.7
Direct Institutional Support - \$\$\$	4.5
REVENUE ITEMS WITH MINIMAL CHANGE	11.9
REVENUE BEFORE OFFSETS	69.1
Sports Camp Revenue	0.4
Direct Institutional Support - GE Waivers	3.4
Indirect Institutional Support	0.5
In Kind Contributions	1.6
Bowl Revenue	1.1
REVENUE ITEMS = EXPENSE	6.9
TOTAL REVENUE	76.0

ATHLETIC EXPENSE	
Scholarships	8.7
Compensation	25.3
Debt	11.1
TOTAL ADMINISTRATION	45.1
Recruiting	1.6
Team Travel	3.7
Equipment	0.8
Game Expenses	2.6
Medical Costs	1.7
Student Athlete Meals	0.6
TOTAL SPORTS PROGRAMS	10.9
Direct Admin Expense	2.1
DIRECT ADMIN EXPENSE	2.1
Guarantee Expense	2.1
Fund Raising/Marketing	1.1
Spirit Expense	0.2
Other Expense	6.3
TOTAL OTHER EXPENSE	9.6
EXPENSE BEFORE OFFSETS	67.8
Sports Camp Expense	0.4
Scholarships - GE Waivers	3.4
Indirect Institutional Support	0.5
In Kind Contributions	1.6
Bowl Expense	2.4
EXPENSE ITEMS = REVENUE	8.2
TOTAL EXPENSE	76.0

Net	0.0
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*There may be minor differences in subtotals shown above due to rounding to dollars million

FY19-FY25 Review

Washington State University							
	FY19	FY20	FY21	FY22	FY23	FY24	FY25
REVENUES:							
Ticket Sales	9.5	8.6	0.0	9.3	10.2	9.9	8.6
Contributions/Endowments	12.4	10.7	8.5	10.7	12.7	10.6	9.0
NCAA/Pac-12	34.2	34.7	22.5	38.7	35.9	50.0	40.0
Royalties/Advert/Sponsor	4.6	4.3	3.4	4.9	4.6	4.3	4.3
Institutional Support	0.0	0.0	0.0	0.0	2.4	2.4	4.5
Waivers/Student Fees	5.2	5.2	4.8	5.0	4.4	4.1	4.1
Other Revenue	5.8	6.6	0.8	6.4	8.9	8.0	5.6
Total Revenue	71.7	70.1	40.0	75.0	79.0	89.3	76.0
EXPENSES:							
Compensation	27.7	28.5	25.6	29.1	29.8	29.6	25.3
Scholarships	11.0	10.5	11.4	12.2	12.3	12.1	12.1
Sport Programs	11.4	10.7	7.4	13.2	16.8	16.4	10.9
Marketing/Fund Raising	1.8	1.3	1.2	1.5	2.6	1.5	1.1
Debt Payments	9.2	9.2	10.0	10.8	11.0	10.1	11.1
Direct Admin/Dues	4.7	4.6	4.6	3.6	4.6	6.3	2.1
Other Expense	10.3	12.5	4.8	12.6	13.7	13.3	13.3
Total Expenses	76.1	77.3	65.0	83.0	90.9	89.3	76.0
Net Income from Operations	(4.4)	(7.2)	(25.0)	(8.0)	(11.9)	0.0	0.0
Proceeds from Financing/Savings from Debt Refinai			35.6	10.0	0.0	0.0	0.0
Net Income After Financing	(4.6)	(7.1)	10.6	2.0	(11.9)	0.0	0.0

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