



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Independent Auditor's Report on the
Application of Agreed-Upon Procedures
For the Fiscal Year Ended August 31, 2021

SUMMARY

OBJECTIVE:

The objective of this engagement is to perform the 74 procedures, which were agreed upon with the President of The University of Texas Rio Grande Valley (UTRGV), solely to assist UTRGV management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTRGV's Department of Intercollegiate Athletics (Athletics) was in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.17 for the Fiscal Year Ended August 31, 2021.

CONCLUSION:

Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTRGV's general ledger. Immaterial differences were discussed with Athletics management and adjusted as needed on the final SRE located in *Appendix A* of this report. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTRGV's general ledger, such as indirect institutional support and gifts in-kind. The NCAA requires that these items be reported on the SRE to fully reflect the operations of Athletics.



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The following pages outline the required procedures and results. Material exceptions for reporting are defined as errors or misclassifications equal to or greater than 1% of total revenues or expenses.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUE, EXPENSES, AND OTHER REPORTING ITEMS

- Agree the amounts reported on the SRE to UTRGV's general ledger.

*No material exceptions were noted as a result of this procedure. However, as a result of the initial tie out of the preliminary SRE to the general ledger, an immaterial adjustment was made to correct a misclassification in the SRE revenues. Also, capital expenditures, which are reported separately to the NCAA, were inadvertently included on the preliminary SRE. These items, along with other immaterial adjustments resulting from the testing procedures below, were discussed with Athletics management and adjusted as needed, resulting in the final SRE located in **Appendix A** of this report.*

In addition, certain items were recorded on the SRE that were not required to be recorded in UTRGV's general ledger, including indirect institutional support and gifts in-kind. The NCAA requires that these items be reported on the SRE to fully reflect the operations of the Athletics Department.

- Perform the following procedures for all revenue and expense categories applicable to the SRE:
 - Compare and agree each operating revenue and expense category reported in the SRE during the reporting period to supporting schedules provided by UTRGV. If a specific reporting category is less than 4% of the total revenues, no procedures are required for that specific category.
 - Compare and agree a sample of operating revenue receipts and operating expenses obtained from the above supporting schedules to adequate supporting documentation.

These procedures were performed for revenue and expense categories, except for those less than 4.0% of the total revenues or total expenses, and the results are detailed on the following pages. If applicable, any material exceptions are noted below under the specific reporting category.

- Compare each major revenue and expense account over 10% of the total revenues/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.

*This procedure was performed for variances and results detailed in **Appendix C**, Variance Analysis.*

- Identify aspects of UTRGV's internal control structure that are unique to the intercollegiate athletics department. 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 UTRGV's financial statements.

No material exceptions were noted as a result of this procedure.



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- Identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. Agree the amounts reported in the SRE to the organization's general ledger or confirm revenues and expenses directly with a responsible official of the organization.

*No material exceptions were noted in performing this procedure. See **Appendix B**, Note 3.*

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

Ticket Sales

1. Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by UTRGV in the SRE and the related attendance figures and recalculate totals.

No material exceptions were noted as a result of this procedure.

Student Fees

2. Compare and agree student fees reported by UTRGV in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of UTRGV's methodology for allocating student fees to intercollegiate athletics programs.
4. 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, ticket sales reports, and student fee totals.

No material exceptions were noted as a result of these procedures.

Direct State or Other Governmental Support

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

This procedure was not applicable. Athletics did not receive direct state or other governmental support.

Direct Institutional Support

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

No material exceptions were noted as a result of this procedure.



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Transfers Back to Institution

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

This procedure was not applicable. Athletics did not have any transfers back to the institution.

Indirect Institutional Support

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

No material exceptions were noted as a result of this procedure.

Guarantees

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to UTRGV's general ledger and/or the SRE and recalculate totals.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period. Compare and agree each selection to UTRGV's general ledger and/or the SRE and recalculate totals.

No material exceptions were noted as a result of these procedures.

Contributions

11. Obtain and review supporting documentation for any contributions of moneys, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization that constituted 10% or more of all contributions received for intercollegiate athletics during the reporting period and recalculate totals.

No material exceptions were noted as a result of this procedure.

In-Kind

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

No material exceptions were noted as a result of this procedure.

Compensation and Benefits Provided by a Third-Party

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

This procedure was not applicable. Athletics did not receive compensation or benefits provided by a third-party.



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Media Rights

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

These procedures were not applicable. Athletics did not receive media rights revenue.

NCAA Distributions

16. 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.

No material exceptions were noted as a result of this procedure.

Conference Distributions and Conference Distributions of Football Bowl Generated Revenue

17. Obtain and inspect agreements related to UTRGV's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions.
18. Compare and agree the related revenues to UTRGV's general ledger and/or the SRE and recalculate totals.

These procedures were not applicable. Athletics did not receive any conference distributions of football bowl generated revenue.

Program Sales, Concessions, Novelty Sales, and Parking

19. Compare the amount recorded in the revenue reporting category to general ledger detail of program sales, concessions, novelty sales, and parking as well as any other corroborative supporting documents and recalculate totals.

No material exceptions were noted as a result of this procedure.

Royalties, Licensing, Advertisements, and Sponsorships

20. Obtain and inspect agreements related to UTRGV's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period for relevant terms and conditions.
21. Compare and agree the related revenues to UTRGV's general ledger and/or the SRE and recalculate totals.

No material exceptions were noted as a result of these procedures.

Sports Camp Revenues

22. Inspect sports camp contract(s) between UTRGV and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of UTRGV's methodology for recording revenues from sports-camps.



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23. 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 UTRGV's general ledger and/or the SRE and recalculate totals.

No material exceptions were noted as a result of these procedures.

Athletics Restricted Endowment and Investment Income

24. Obtain and inspect endowment agreements for relevant terms and conditions.
25. Compare and agree the classification and use of endowments and investment income reported in the SRE during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

No material exceptions were noted as a result of these procedures.

Other Operating Revenue

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

No material exceptions were noted as a result of this procedure.

Football Bowl Revenues

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

These procedures were not applicable. Athletics did not receive any football bowl revenues.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

Athletic Student Aid

29. 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. Data should be captured by the institution through the creation of a squad/eligibility list for each sponsored sport.
30. Obtain individual student account detail for each selection and compare the total aid in UTRGV's student system to the student's detail in UTRGV's report that ties directly to the NCAA Membership Financial Reporting System.
31. Perform a check of each student selected to ensure their information was reported accurately in the NCAA Membership Financial Reporting System.
32. Recalculate totals for each sport and overall.

No material exceptions were noted as a result of these procedures.



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Guarantees

33. Obtain and inspect visiting institution's away-game settlement reports received by UTRGV during the reporting period and agree related expenses to UTRGV's general ledger and/or the SRE and recalculate totals.
34. Obtain and inspect contractual agreements pertaining to expenses recorded by UTRGV from guaranteed contests during the reporting period. Compare and agree related amounts expensed by UTRGV during the reporting period to UTRGV's general ledger and/or the SRE and recalculate totals.

No material exceptions were noted as a result of these procedures.

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

35. Obtain and inspect a listing of coaches employed by UTRGV 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.
36. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by UTRGV and related entities in the SRE during the reporting period.
37. 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 UTRGV and related entities expense recorded by UTRGV in the SRE during the reporting period.
38. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

No material exceptions were noted as a result of these procedures.

Coaching Other Compensation and Benefits Paid by a Third Party

39. 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.
40. 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 UTRGV in the SRE during the reporting period.
41. 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 UTRGV in the SRE during the reporting period and recalculate totals.

These procedures were not applicable. Athletics did not have compensation or benefits provided by a third-party.

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

42. Select a sample of support staff/administrative personnel employed by UTRGV and related entities during the reporting period.



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43. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree the related payroll summary registers to the related support staff administrative salaries, benefits, and bonuses paid by UTRGV and related entities expense recorded by UTRGV in the SRE during the reporting period and recalculate totals.

No material exceptions were noted as a result of these procedures.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party

44. Select a sample of support staff/administrative personnel employed by third parties during the reporting period.
45. 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 UTRGV in the SRE during the reporting period and recalculate totals.

These procedures were not applicable. Athletics did not have compensation or benefits provided by a third-party.

Severance Payments

46. Select a sample of employees receiving severance payments by UTRGV during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.

No material exceptions were noted as a result of this procedure.

Recruiting

47. Obtain documentation of UTRGV's recruiting expense policies.
48. Compare and agree to existing institutional- and NCAA-related policies.
49. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

No material exceptions were noted as a result of these procedures.

Team Travel

50. Obtain documentation of UTRGV's team travel policies.
51. Compare and agree to existing institutional- and NCAA-related policies.
52. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

No material exceptions were noted as a result of these procedures.

Equipment, Uniforms, and Supplies

53. 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 material exceptions were noted as a result of this procedure.



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Game Expenses

54. 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 material exceptions were noted as a result of this procedure.

Fund Raising, Marketing, and Promotion

55. 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 material exceptions were noted as a result of this procedure.

Sports-Camp Expenses

56. 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 material exceptions were noted as a result of this procedure.

Spirit Groups

57. 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.

This procedure was not applicable. Athletics does not control or operate UTRGV spirit groups.

Athletic Facility Debt Service, Leases and Rental Fees

58. 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).
59. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

No material exceptions were noted as a result of these procedures.

Direct Overhead and Administrative Expenses

60. 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 material exceptions were noted as a result of this procedure.

Indirect Institutional Support

61. Tested with revenue section - Indirect Institutional Support (see procedure #8).

No material exceptions were noted as a result of this procedure.

Medical Expenses and Medical Insurance

62. 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.



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No material exceptions were noted as a result of this procedure.

Memberships and Dues

63. 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 material exceptions were noted as a result of this procedure.

Other Operating Expenses and Transfers to Institution

64. 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 material exceptions were noted as a result of this procedure. Athletics did not have transfers to the institution.

Student-Athlete Meals (Non-Travel)

65. 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 material exceptions were noted as a result of this procedure.

Football Bowl Expenses

66. 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.

This procedure was not applicable. Athletics did not have any football bowl expenses.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

- For Grants-in-Aid: Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to UTRGV's supporting equivalency calculations. The NCAA Membership Financial Reporting System populates the sports from the NCAA Sports Sponsorship and Demographics Form as they are reported by UTRGV between May and August. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the supporting equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. 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%.

To correct some inadvertent errors identified during this engagement, Athletics submitted some revised equivalency numbers to the NCAA, which confirmed the changes in their system. Explanations for variances appeared to be reasonable.

- For Sports Sponsorship: Obtain UTRGV's Sports Sponsorship and Demographics Forms Report for the reporting year between May and August. Validate that the countable sports reported by UTRGV meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the



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number of participants in each contest that is counted toward meeting the minimum-contest requirement. Once countable sports have been validated, ensure that UTRGV has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. 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.

Note for 2020-21 reporting only: Sports an institution expected to sponsor in academic year 2020-21, as reported on the institution's 2020 Sports Sponsorship and Demographics form, would qualify as a sponsored sport for the purposes of revenue distribution. This exception is consistent with the intent of the Division I Council Coordination Committee's decision on March 25, 2020 to grant an extraordinary blanket waiver in light of the impact of the COVID-19 global pandemic.

No material exceptions were noted as a result of this procedure. There was no variance between the sports sponsored between years.

- For Pell Grants: Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of UTRGV's financial aid records, of all student-athlete Pell Grants. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document any variance greater than +/- 20 grants.

No material exceptions were noted as a result of this procedure. Pell Grant totals between years did not vary by +/- 20 grants.

MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

67. 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.

This procedure was not applicable. Athletics did not have transfers to the institution or conference realignment expenses.

Total Athletics-Related Debt

68. 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.
69. Agree the total annual maturities and total outstanding athletic debt related to supporting documentation and UTRGV's general ledger, as applicable.

These procedures were not applicable. UTRGV had no Athletics-related debt.

Total Institutional Debt

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



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No material exceptions were noted as a result of this procedure.

Value of Athletics Dedicated Endowments

71. Obtain a schedule of all athletics dedicated endowments maintained by athletics, UTRGV, and affiliated organizations. Agree the fair market value in the schedules to supporting documentation, UTRGV's general ledger, and audited financial statements, if available.

No material exceptions were noted as a result of this procedure.

Value of Institutional Endowments

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

No material exceptions were noted as a result of this procedure.

Total Athletics-Related Capital Expenditures

73. Obtain a schedule of athletics-related capital expenditures made by athletics, UTRGV, and affiliated organizations during the reporting period.
74. 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 material exceptions were noted as a result of these procedures.



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METHODOLOGY

BACKGROUND

UTRGV's management is responsible for the SRE and compliance with NCAA requirements. This report is intended solely for the information and use of UTRGV management. It is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

The NCAA requires this agreed-upon procedures engagement to be conducted by an independent accountant. For purposes of this engagement, the NCAA considers the UT System Audit Office to be independent.

SCOPE AND PROCEDURES

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 the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying SRE of Athletics. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the procedures specified above and does not extend to UTRGV's financial statements.

APPENDICES

Also attached to this report are the following appendices:

- *Appendix A*, SRE of Athletics for the Fiscal Year Ended August 31, 2021
- *Appendix B*, Notes to the SRE
- *Appendix C*, Variance Analysis

REPORT DATE

January 14, 2022

REPORT DISTRIBUTION

To: Guy Bailey, Ph.D., President, UTRGV
Cc: Michael Mueller, Senior Vice President for Finance and Planning, UTRGV
Chasse Conque, Vice President and Director of Athletics, UTRGV
James Martinez, Senior Associate AD for Business Operations, UTRGV
Eloy Alaniz, Chief Audit Officer, UTRGV
UT System Administration Internal Audit Committee
External Agencies (State Auditor, Legislative Budget Board, Governor's Office)



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APPENDIX A

THE UNIVERSITY OF TEXAS RIO GRANDE VALLEY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	TOTAL
Operating Revenues:					
Ticket Sales	\$ 15,909.75	\$ 11,534.76	\$ 65,590.40	\$ -	\$ 93,034.91
Direct State Support or Other Government Support	-	-	-	-	-
Student Fees	-	-	-	9,311,422.59	9,311,422.59
Direct Institutional Support	-	-	-	1,836,063.26	1,836,063.26
Less - Transfers to Institution	-	-	-	-	-
Indirect Institutional Support	31,229.32	23,113.34	111,412.48	105,059.04	270,814.18
Guarantees	137,829.02	25,000.00	30,000.00	-	192,829.02
Contributions	2,222.51	1,859.04	44,241.58	265,264.58	313,587.71
In-Kind	22,845.24	21,845.24	47,047.59	16,761.90	108,499.97
Compensation and Benefits provided by a Third Party	-	-	-	-	-
Media Rights	-	-	-	-	-
NCAA Distributions	-	-	-	387,773.50	387,773.50
Conference Distributions	-	-	-	-	-
Program, Novelty & Parking & Concession Sales	-	-	-	1,612.20	1,612.20
Royalties, Licensing, Advertisements & Sponsorship	-	-	-	616,173.04	616,173.04
Sports Camps Revenue	-	1,650.00	28,827.95	-	30,477.95
Athletic Restricted Endowments & Investment Income	-	-	-	250,492.08	250,492.08
Other Operating Revenue	-	-	50,100.00	684.00	50,784.00
Bowl Revenues	-	-	-	-	-
Total Operating Revenues	\$ 210,035.84	\$ 85,002.38	\$ 377,220.00	\$ 12,791,306.19	\$ 13,463,564.41
Operating Expenses:					
Athletics Student Aid	\$ 338,857.42	\$ 326,559.64	\$ 2,152,246.57	\$ -	\$ 2,817,663.63
Guarantees	26,366.08	7,399.56	24,498.35	-	58,263.99
Coaching Salaries, Benefits & Bonuses paid by the University & Related Entities	664,456.88	465,078.36	1,768,436.37	148,089.31	3,046,060.92
Coaching Salaries, Benefits & Bonuses paid by a Third Party	-	-	-	-	-
Support Staff/Administrative Compensation, Benefits & Bonuses paid by the University & Related Entities	109,777.04	53,917.40	4,435.72	2,497,357.39	2,665,487.55
Support Staff/Administrative Compensation, Benefits & Bonuses paid by Third Party	-	-	-	-	-
Severance Payments	153,884.88	-	-	-	153,884.88
Recruiting	17,863.86	10,750.52	21,815.30	-	50,429.68
Team Travel	117,417.22	166,008.93	943,612.80	7,985.29	1,235,024.24
Sports Equipment, Uniforms & Supplies	67,559.43	36,248.20	331,857.96	13,154.51	448,820.10
Game Expenses	-	19,191.25	21,206.02	326,408.52	366,805.79
Fund Raising, Marketing & Promotion	-	-	23,303.88	98,054.38	121,358.26
Sports Camps Expenses	56.44	1,399.55	19,686.54	-	21,142.53
Spirit Groups	-	-	-	-	-
Athletic Facilities Debt Service, Leases & Rental Fees	-	5,175.00	-	19,000.00	24,175.00
Direct Overhead and Administrative Expenses	40,029.50	32,224.90	70,833.62	1,499,476.72	1,642,564.74
Indirect Institutional Support	31,229.32	23,113.34	111,412.48	105,059.04	270,814.18
Medical Expenses and Insurance	220.17	6.44	5,309.29	175,065.16	180,601.06
Membership & Dues	-	1,122.50	5,270.28	120,619.25	127,012.03
Student-Athlete Meals (Non-Travel)	26,023.34	7,361.50	50,182.62	45,912.53	129,479.99
Other Operating Expenses	618.92	-	2,500.00	108,600.52	111,719.44
Bowl Expenses	-	-	-	-	-
Total Operating Expenses	\$ 1,594,360.50	\$ 1,155,557.09	\$ 5,556,607.80	\$ 5,164,782.62	\$ 13,471,308.01
Excess (Deficiency) of Revenues					
Over (Under) Expenses	\$ (1,384,324.66)	\$ (1,070,554.71)	\$ (5,179,387.80)	\$ 7,626,523.57	\$ (7,743.60)



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APPENDIX B

NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 1 – Summary of Significant Accounting Policies

Fiscal Year – UTRGV's fiscal year is the period beginning each September 1 and ending each August 31 of the subsequent calendar year.

Principles of Preparation – The SRE is prepared in accordance with the NCAA financial reporting guidelines. Information used in the SRE's preparation is obtained primarily from information recorded in UTRGV's financial accounting system. Other information, such as amounts estimated for non-cash trade-out agreements and gifts in-kind, is obtained from records maintained by Athletics.

NOTE 2 – Contributions Constituting More than 10 Percent of All Contributions

Revenue from contributions was \$313,588 for FY 2021. Of this total, the UTRGV Foundation contributed \$100,000 in support of the Athletics Department.

NOTE 3 – Affiliated and Outside Organizations

The only affiliated and outside organization related to UTRGV's Athletics Department and not under UTRGV's accounting control is the UTRGV Foundation, an independent non-profit corporation formed exclusively for charitable, educational, and scientific purposes, and to assist in the development of UTRGV. It may hold fundraising events to support the Athletics Department through donations to the V Club, which is the fundraising arm of UTRGV Athletics.

NOTE 4 – Capital Assets

Athletics acquires, approves, depreciates, and disposes assets in accordance with UTRGV institutional policy as follows:

- Acquisition – Athletics acquires capital assets through the normal process at the institution. All purchases are centralized and are to be made using the method that provides the best value to UTRGV. Competitive bidding is required for requests above \$15,000 (unless an Exclusive Acquisition Justification is approved by the Procurement Office). The capitalization threshold for equipment and vehicles is \$5,000. The capitalization threshold for building improvements and facilities & other improvements (FOI) is \$100,000.
- Approval – The Director of Athletics approves capital expenditures between \$5,000 and \$15,000. For major capital projects, the Director of Athletics works with the University President and Senior Vice President for Finance and Planning to plan and obtain approval.
- Depreciation – Depreciation is allocated to Athletics assets, or portions of real-assets, under the control of Athletics. Depreciation is calculated on a straight-line basis.
- Disposal – Disposal of capital assets must be done in accordance with State of Texas law and institutional policy.



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NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 5 – Other Reporting Items

Category	Amount
Excess Transfers to Institution	\$0.00
Conference Realignment Expenses	Not Applicable
Total Athletics-Related Debt	\$0.00
Total Institutional Debt	\$109,400,000.00
Value of Athletics Dedicated Endowments	\$796,906.01
Value of Institutional Endowments	\$134,052,304.57
Total Athletics-Related Capital Expenditures	\$21,738.23



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APPENDIX C

VARIANCE ANALYSIS

Amounts for each major revenue and expense account over 10% of the total revenues or expenses were compared to prior period and budget estimate amounts. For applicable variations greater than 10%, an explanation was obtained as noted below. All explanations appear to be reasonable.

Comparison to Prior Period

The following SRE categories met the threshold for investigation:

Category	FY 2021 SRE	FY 2020 SRE	Variance (\$)	Variance (%)	Variance Explanation
Direct Institutional Support	\$1,836,063	\$2,087,992	\$(251,929)	(12.07)%	Direct institutional support decreased a result of revenue shortfall and expense increases related to Covid-19.
Athletic Student Aid	\$2,817,664	\$2,473,218	\$344,446	13.93%	Athletic student aid increased in part due to the NCAA allowing institutions to provide impacted student-athletes an additional season of competition as a result of Covid-19.
Coaching Salaries, Benefits and Bonuses paid by the University	\$3,046,061	\$2,758,408	\$287,653	10.43%	Coaching salaries and benefits increased as a result of new hires for the men's basketball, men's soccer, and track and field programs.
Direct Overhead and Administrative Expenses	\$1,642,565	\$1,482,235	\$160,330	10.82%	Direct overhead increased in part due to Covid-19-related expenses for isolation housing, meals, student insurance, and other related expenses.

Comparison to Budget Estimates

No items met the threshold for investigation.