



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 73 procedures, which were agreed upon with the President of The University of Texas Permian Basin (UTPB), solely to assist UTPB management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTPB's Department of Intercollegiate Athletics (Athletics) was in compliance with the National Collegiate Athletic Association (NCAA) Constitution 6.2.3 for the Fiscal Year Ended (FYE) August 31, 2021.

CONCLUSION:

Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTPB'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 UTPB'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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RESULTS

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 UTPB's general ledger.

*Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTPB'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, certain items were recorded on the SRE that were not required to be recorded in UTPB'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 UTPB. 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 UTPB'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 UTPB's financial statements.

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

- 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.

UTPB did not have any athletics-related affiliated and outside organizations.



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 UTPB 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 UTPB in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of UTPB'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. Procedure 4 was not applicable.

Direct State or Other Governmental Support

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

*While Athletics did not receive direct state or other governmental support, UTPB inadvertently included on the initial SRE \$133,729.00 in salary expenses for two Athletics support staff who are assigned to other University departments within UTPB's human resources system, but they functionally work for Athletics and have Athletics department position titles. UTPB corrected this amount to be reported as direct institutional support in the final SRE that appears in **Appendix A** of this report (see procedure below).*

Direct Institutional Support

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

Direct Institutional Support was understated by a net amount of \$169,160.65 due to the following:

- *\$133,729.00 in salary expenses for two Athletics support staff was inadvertently included as direct state or other governmental support (see procedure above);*
- *\$31,572.51 in spirit groups expenses was inadvertently omitted from the initial SRE; and*
- *\$3,859.14 in employee tuition exemptions was inadvertently omitted from the initial SRE.*

*UTPB corrected the final SRE that appears in **Appendix A** of this report.*



Transfers Back to Institution

7. Compare the transfers back to UTPB 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 UTPB during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

*Indirect institutional support was inadvertently omitted from the initial SRE. However, UTPB made an adjustment to include \$335,990.23 (approximately 5% of total expenses at the time of calculation) as an estimate for indirect institutional support on the final SRE that appears in **Appendix A** of this report.*

Guarantees

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to UTPB'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 UTPB'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 UTPB 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 UTPB. Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, UTPB'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 UTPB's total media (broadcast, television, radio) rights received by UTPB 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 UTPB'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 UTPB'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 UTPB's general ledger and/or the SRE and recalculate totals.

These procedures were not applicable. Athletics did not receive any conference distributions.

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.

This procedure was not applicable. Athletics did not receive any program sales, concessions, novelty sales, or parking revenue.

Royalties, Licensing, Advertisements, and Sponsorships

20. Obtain and inspect agreements related to UTPB'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 UTPB'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 UTPB and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of UTPB's methodology for recording revenues from sports-camps.
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 UTPB'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 UTPB'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 UTPB'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 UTPB's student system to the student's detail in UTPB's report that ties directly to the NCAA Membership Financial Reporting System.
31. **Division I Institutions Only:** 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. Procedure 31 was not applicable to UTPB.



Guarantees

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



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bonuses paid by UTPB and related entities expense recorded by UTPB 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 UTPB 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 UTPB during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.

This procedure was not applicable. Athletics did not make severance payments.

Recruiting

47. Obtain documentation of UTPB'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 UTPB'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.

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.



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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.

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

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.

These procedures were not applicable. UTPB had no Athletics related debt.

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).

*Indirect institutional support was inadvertently omitted from the initial SRE. However, UTPB made an adjustment to include \$335,990.23 (approximately 5% of total expenses at the time of calculation) as an estimate for indirect institutional support on the final SRE that appears in **Appendix A** of this report.*

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.

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 UTPB's general ledger, as applicable.

These procedures were not applicable. UTPB had no Athletics related debt.



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Total Institutional Debt

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

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, UTPB, and affiliated organizations. Agree the fair market value in the schedules to supporting documentation, UTPB'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, UTPB'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, UTPB, 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.

These procedures were not applicable. UTPB had no Athletics related capital expenditures.



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METHODOLOGY

BACKGROUND

UTPB's management is responsible for the SRE and compliance with NCAA requirements. This report is intended solely for the information and use of UTPB 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 UTPB'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: Sandra Woodley, Ph.D., President, UTPB
Cc: Cesario Valenzuela, VP for Business Affairs and Chief Financial Officer, UTPB
Todd Dooley, Director of Athletics, UTPB
Felecia Burns, Director of Accounting, UTPB
Glenn Spencer, Chief Audit Executive, UTPB
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 PERMIAN BASIN DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Football	Men's Basketball	Women's Golf	Men's Golf	Women's Basketball	Baseball	Men's Cross Country	Men's Soccer	Men's Swimming
Operating Revenues:									
1 Ticket Sales	\$ 62,715.57	-	-	-	-	-	-	-	-
2 Direct State or Other Gov't Support	-	-	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-	-	-	-
4 Direct Institutional Support	6,500.00	94,955.65	-	-	184,141.00	77,250.00	67,250.00	62,600.00	46,295.00
5 Less - Transfers to Institution	-	-	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	-	-	-	-
Indirect Inst Support - Athletic Facilities	-	-	-	-	-	-	-	-	-
6A Debt Service, Lease and Rental	-	-	-	-	-	-	-	-	-
7 Guarantees	-	11,500.00	-	-	2,700.00	-	-	-	-
8 Contributions	297,880.00	7,566.75	-	-	175.00	560.00	2,040.00	-	250.00
9 In-Kind	-	2,000.00	-	-	-	2,937.75	-	-	-
10 Compensation and Benefits (third party)	-	-	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-	-	-	-
12 NCAA Distributions	-	-	-	-	-	-	-	-	-
13 Conference Distributions	-	-	-	-	-	-	-	-	-
Conference Distributions of Football	-	-	-	-	-	-	-	-	-
13A Bowl Generated Revenue	-	-	-	-	-	-	-	-	-
Program Sales, Concessions, Novelty	-	-	-	-	-	-	-	-	-
14 Sales and Parking	-	-	-	-	-	-	-	-	-
Royalties, Licensing, Advertisement and	-	-	-	-	-	-	-	-	-
15 Sponsorships	-	-	-	-	-	-	-	-	-
16 Sports Camp Revenues	27,870.00	27,380.00	-	-	4,075.00	-	-	-	-
Athletics Restricted Endowment and	-	-	-	-	-	-	-	-	-
17 Investment Income	-	13,075.64	-	-	-	-	-	-	-
18 Other Operating Revenue	2,340.00	8,000.00	1,950.00	2,650.00	6,900.00	71.61	-	-	500.00
19 Football Bowl Revenues	-	-	-	-	-	-	-	-	-
Total Operating Revenues	397,305.57	164,478.04	1,950.00	2,650.00	197,991.00	80,819.36	69,290.00	62,600.00	47,045.00
Operating Expenses:									
20 Athletic Student Aid	437,637.44	134,325.70	48,135.06	37,396.10	193,970.08	100,934.69	70,356.49	82,945.46	50,045.00
21 Guarantees	25,983.71	-	-	-	-	-	-	-	-
Coaching Salaries, Benefits, and Bonuses	-	-	-	-	-	-	-	-	-
22 Paid by the University	583,346.08	196,868.12	45,606.09	45,606.97	179,555.08	114,564.86	33,543.34	109,306.21	27,019.53
Coaching Salaries, Benefits and Bonuses	-	-	-	-	-	-	-	-	-
23 paid by a Third Party	-	-	-	-	-	-	-	-	-
Support Staff/Admin Salaries, Benefits	-	-	-	-	-	-	-	-	-
24 and Bonuses Paid by the University	-	-	-	-	-	-	-	-	-
Support Staff/Admin Comp, Benefits and	-	-	-	-	-	-	-	-	-
25 Bonuses paid by Third Party	-	-	-	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-	-	-	-
27 Recruiting	72,549.63	11,094.45	2,293.41	778.66	10,602.18	11,854.64	1,730.54	75.00	2,929.39
28 Team Travel	121,335.06	54,836.22	14,139.44	22,704.10	38,925.09	67,154.33	3,752.05	25,245.67	25,351.63
29 Sports Equipment, Uniforms and Supplies	150,346.33	20,356.87	2,990.00	1,045.00	21,489.39	34,333.94	4,383.00	9,433.00	5,932.63
30 Game Expenses	900.00	50.00	-	-	50.00	14,575.00	-	2,620.00	-
31 Fund Raising, Marketing and Promotion	3,961.21	1,128.68	-	-	558.19	1,098.08	32.00	125.67	16.00
32 Sports Camp Expenses	3,262.15	1,493.18	-	-	585.52	-	-	-	-
33 Spirit Groups	-	-	-	-	-	-	-	-	-
Athletic Facility Debt Service, Leases	-	-	-	-	-	-	-	-	-
34 and Rental Fees	-	-	-	-	-	-	-	-	-
35 Direct Overhead and Admin Expenses	16,486.22	4,367.09	130.91	279.48	4,207.93	3,664.78	-	450.00	225.00
36 Indirect Institutional Support	-	-	-	-	-	-	-	-	-
37 Medical Expenses and Insurance	1,754.40	-	-	-	25.57	-	-	91.39	-
38 Memberships and Dues	-	7,001.83	6,237.50	2.50	227.50	7,662.88	225.00	259.77	900.00
39 Student-Athlete Meals (non-travel)	90,986.69	1,179.85	-	-	-	-	2,144.52	8,242.45	-
40 Other Operating Expenses	17,144.22	22,092.22	1,957.00	4,627.90	10,116.08	4,491.07	83.52	-	6.63
41 Football Bowl Expenses	-	-	-	-	-	-	-	-	-
41A Football Bowl Expenses - Coaching	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,525,693.14	454,794.21	121,489.41	112,440.71	460,312.61	360,334.27	116,250.46	238,794.62	112,425.81
50 Excess Transfer to University	-	-	-	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-	-	-	-
Total Expenses	1,525,693.14	454,794.21	121,489.41	112,440.71	460,312.61	360,334.27	116,250.46	238,794.62	112,425.81
Excess (Deficiency) of									
Revenues Over (Under) Expenses	\$(1,128,387.57)	\$(290,316.17)	\$(119,539.41)	\$(109,790.71)	\$(262,321.61)	\$(279,514.91)	\$(46,960.46)	\$(176,194.62)	\$(65,380.81)



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

APPENDIX A

THE UNIVERSITY OF TEXAS PERMIAN BASIN DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	Men's Tennis	Women's Cross Country	Women's Soccer	Softball	Women's Swimming	Women's Tennis	Women's Volleyball	Non-Program Specific	Total
Operating Revenues:									
1 Ticket Sales	-	-	-	-	-	-	-	-	62,715.57
2 Direct State or Other Gov't Support	-	-	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-	-	1,843,644.47	1,843,644.47
4 Direct Institutional Support	39,250.00	48,856.51	65,897.00	86,707.32	47,250.00	48,500.00	125,987.50	1,220,002.09	2,221,442.07
5 Less - Transfers to Institution	-	-	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	-	-	335,990.23	335,990.23
Indirect Inst Support - Athletic Facilities	-	-	-	-	-	-	-	-	-
6A Debt Service, Lease and Rental	-	-	-	-	-	-	-	-	-
7 Guarantees	-	-	-	-	-	-	-	-	14,200.00
8 Contributions	485.00	-	350.00	1,125.00	-	-	1,300.00	1,303,332.30	1,615,064.05
9 In-Kind	-	-	-	-	-	-	-	6,050.06	10,987.81
10 Compensation and Benefits (third party)	-	-	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-	-	-	-
12 NCAA Distributions	-	-	-	-	-	-	-	7,691.00	7,691.00
13 Conference Distributions	-	-	-	-	-	-	-	-	-
Conference Distributions of Football	-	-	-	-	-	-	-	-	-
13A Bowl Generated Revenue	-	-	-	-	-	-	-	-	-
Program Sales, Concessions, Novelty	-	-	-	-	-	-	-	-	-
14 Sales and Parking	-	-	-	-	-	-	-	-	-
Royalties, Licensing, Advertisement and	-	-	-	-	-	-	-	-	-
15 Sponsorships	-	-	-	-	-	-	-	1,059.91	1,059.91
16 Sports Camp Revenues	-	-	-	-	-	-	225.00	-	59,550.00
Athletics Restricted Endowment and	-	-	-	-	-	-	-	-	-
17 Investment Income	-	-	-	-	-	-	5,737.68	13,006.80	31,820.12
18 Other Operating Revenue	-	-	-	-	-	-	-	207,427.76	229,839.37
19 Football Bowl Revenues	-	-	-	-	-	-	-	-	-
Total Operating Revenues	39,735.00	48,856.51	66,247.00	87,832.32	47,250.00	48,500.00	133,250.18	4,938,204.62	6,434,004.60
Operating Expenses:									
20 Athletic Student Aid	47,150.00	75,180.99	103,146.60	126,855.00	54,750.00	61,000.00	162,023.24	92,587.60	1,878,439.45
21 Guarantees	-	-	-	-	-	-	-	-	25,983.71
Coaching Salaries, Benefits, and Bonuses	-	-	-	-	-	-	-	-	-
22 Paid by the University	21,789.70	33,543.82	103,132.21	117,811.95	27,020.98	21,788.82	80,978.00	-	1,741,481.76
Coaching Salaries, Benefits and Bonuses	-	-	-	-	-	-	-	-	-
23 paid by a Third Party	-	-	-	-	-	-	-	-	-
Support Staff/Admin Salaries, Benefits	-	-	-	-	-	-	-	-	-
24 and Bonuses Paid by the University	-	-	-	-	-	-	-	988,534.24	988,534.24
Support Staff/Admin Comp, Benefits and	-	-	-	-	-	-	-	-	-
25 Bonuses paid by Third Party	-	-	-	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-	-	-	-
27 Recruiting	985.65	948.76	5,217.35	8,926.62	3,155.75	1,292.23	3,299.34	18,138.55	155,872.15
28 Team Travel	23,028.46	2,984.39	19,220.15	44,173.27	24,422.99	18,701.90	29,177.33	177,252.56	712,404.64
29 Sports Equipment, Uniforms and Supplies	6,679.27	4,221.00	21,136.11	15,610.98	5,897.01	3,804.38	10,326.51	103,573.50	421,558.92
30 Game Expenses	1,424.70	-	3,050.00	4,400.00	-	1,224.10	-	-	28,293.80
31 Fund Raising, Marketing and Promotion	17.50	-	90.00	-	16.00	17.50	316.40	44,422.92	51,800.15
32 Sports Camp Expenses	-	-	-	-	-	-	1,459.00	-	6,799.85
33 Spirit Groups	-	-	-	-	-	-	-	31,572.51	31,572.51
Athletic Facility Debt Service, Leases	-	-	-	-	-	-	-	-	-
34 and Rental Fees	-	-	-	-	-	-	-	-	-
35 Direct Overhead and Admin Expenses	168.85	-	681.05	500.00	-	138.85	3,059.97	275,127.11	309,487.24
36 Indirect Institutional Support	-	-	-	-	-	-	-	335,990.23	335,990.23
37 Medical Expenses and Insurance	-	-	101.39	-	-	-	-	19,131.24	21,103.99
38 Memberships and Dues	175.00	225.00	-	235.00	1,125.00	175.00	190.00	39,427.30	64,069.28
39 Student-Athlete Meals (non-travel)	-	2,144.52	2,036.01	-	-	-	2,147.25	18,991.77	127,873.06
40 Other Operating Expenses	3,389.08	-	1,454.47	928.54	-	997.57	280.26	86,961.37	154,529.93
41 Football Bowl Expenses	-	-	-	-	-	-	-	-	-
41A Football Bowl Expenses - Coaching	-	-	-	-	-	-	-	-	-
Total Operating Expenses	104,808.21	119,248.48	259,265.34	319,441.36	116,387.73	109,140.35	293,257.30	2,231,710.90	7,055,794.91
50 Excess Transfer to University	-	-	-	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-	-	-	-
Total Expenses	104,808.21	119,248.48	259,265.34	319,441.36	116,387.73	109,140.35	293,257.30	2,231,710.90	7,055,794.91
Excess (Deficiency) of									
Revenues Over (Under) Expenses	\$(65,073.21)	\$ (70,391.97)	\$(193,018.34)	\$(231,609.04)	\$(69,137.73)	\$(60,640.35)	\$(160,007.12)	\$ 2,706,493.72	\$(621,790.31)



NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 1 – Summary of Significant Accounting Policies

Fiscal Year – UTPB's fiscal year is the period beginning each September 1st and ending each August 31st 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 subsidiary ledger information recorded in UTPB'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.

Student Fees – The current athletic fee is \$24.00 per semester credit hour, which is charged to students who are enrolled in at least one face-to-face class or who live within a 50-mile radius of ZIP Code 79762 and taking all online classes.

Direct Institutional Support – Direct Institutional Support is composed primarily of designated tuition and other institutional funds for certain Athletics support functions.

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

Revenue from contributions was \$1,615,064.05 for FY 2021. Two contributions, one of \$1,000,000.00 and another of \$200,000.00, each separately constituted more than 10 percent of all contributions received for Athletics during FY 2021.

NOTE 3 – Capital Assets

Athletics acquires, approves, depreciates, and disposes assets in accordance with UTPB 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 UTPB. Informal quotes are required for purchases above \$15,000, and competitive bidding is required for all assets above \$50,000. The capitalization threshold is \$5,000.
- Approval – Generally, the Athletics Director approves capital asset purchases, and the purchase of specific computer equipment must be approved by UTPB's Information Resources Division. Additionally, UTPB Purchasing must approve anything over \$15,000.
- Depreciation - Depreciation is allocated to Athletics based on the 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.



NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 4 – Other Reporting Items

Category	Amount
Excess Transfers to Institution	Not Applicable
Conference Realignment Expenses	Not Applicable
Total Athletics-Related Debt	\$0.00
Total Institutional Debt	\$148,950,000.00
Value of Athletics Dedicated Endowments	\$901,267.57
Value of Institutional Endowments	\$70,284,306.87
Total Athletics-Related Capital Expenditures	\$0.00



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:

SRE #	Category	FY 2021 SRE	FY 2020 SRE	Variance (\$)	Variance (%)	Variance Explanation
3	Student Fees	\$1,843,644	\$1,362,135	\$481,509	35.35%	There was an increase in the number of students charged athletic fees, along with an increase in the average fees charged per student, in FY 2021.
4	Direct Institutional Support	\$2,221,442	\$528,121	\$1,693,321	320.63%	There were transfers of just over \$1M into Other Athletic Income in FY 2021, and the amount recognized from the Designated Tuition Set-aside increased in FY 2021. Also, salaries for two employees funded by the institution previously reported as Direct State Support have been corrected to Direct Institutional Support. Finally, funding for Spirit Groups was included.
8	Contributions	\$1,615,064	\$486,916	\$1,128,148	231.69%	There was a \$1M anonymous Contribution received in FY 2021.
20	Athletic Student Aid	\$1,878,439	\$1,411,225	\$467,214	33.11%	There was an increase in the number of student-athletes receiving aid, along with an increase in the average aid per student-athlete, in FY 2021.

Comparison to Budget Estimates

No items met the threshold for investigation.