OBJECTIVE:
The objective of this engagement is to assist management of The University of Texas El Paso (UTEP) in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTEP’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 (FYE) August 31, 2022, through the performance of 74 procedures agreed upon with UTEP’s president.

OVERALL RESULTS:
Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTEP’s general ledger. Material exceptions for reporting are defined as errors or misclassifications equal to or greater than 1% of total revenues or expenses. 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 UTEP’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.
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 institution’s general ledger.

  Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTEP’s general ledger. There were no material differences that required correction on the final SRE located in Appendix A, and immaterial differences were discussed with Athletics management and adjusted on the final SRE as needed. In addition, certain items were recorded on the SRE that were not required to be recorded in UTEP’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 Athletics.

- 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 the institution. 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 the revenue and expense categories, except for those less than 4.0% of the total revenues or total expenses, and the results are detailed in 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 the institution’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 the institution’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.
Results

This procedure was not applicable. Athletics did not have any affiliated or outside organizations outside of the university’s control.

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 the institution 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 the institution in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of the institution’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 the institution 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 have any Direct State or Other Governmental Support.

Direct Institutional Support
6. 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.

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

Transfers Back to Institution
7. Compare the transfers back to the institution 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 the institution 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 the institution’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 the institution’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.

This procedure was not applicable. There were no individual contributions of moneys, goods, or
services received directly by Athletics from an affiliated or outside organization that constituted 10%
or more of all contributions received for Athletics.

In-Kind
12. Compare the in-kind recorded by the institution 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 the institution. Select a sample of 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.

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

Media Rights
14. 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 SRE.
15. 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 contributions if media rights are not broken out separately.

No material exceptions were noted as a result of these procedures.
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 the institution’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 the institution’s general ledger and/or the SRE and recalculate totals.

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

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 the institution’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 the institution’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 the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of the institution’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 the institution’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.
RESULTS

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 the institution’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 the institution’s general ledger and/or the SRE and recalculate totals.

_No material exceptions were noted as a result of this procedure._

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 the institution’s student system to the student’s detail in the institution’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._

Guarantees
33. 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 SRE and recalculate totals.
34. 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 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 the institution 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 the institution 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 the institution and related entities expense recorded by the institution 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 the institution 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 recorded by the institution in the SRE during the reporting period and recalculate totals.

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

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 the institution 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 bonuses paid by the institution and related entities expense recorded by the institution 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

No material exceptions were noted as a result of these procedures.
benefits expense recorded by the institution in the SRE during the reporting period and recalculate totals.

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

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

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

Recruiting
47. Obtain documentation of the institution’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 the institution’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.

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 did not incur any expenses related to 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.

*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
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.

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.

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

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

- For Grants-in-Aid: Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the institution’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 the institution 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%.

No material exceptions were noted as a result of this procedure. Explanations for variances appeared to be reasonable.

- For Sports Sponsorship: Obtain the institution’s Sports Sponsorship and Demographics Forms Report for the reporting year between May and August. Validate that the countable 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 in each contest that is counted toward meeting the minimum-contest requirement. 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. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance.

No 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 the institution’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 the institution’s general ledger, as applicable.

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

**Total Institutional Debt**

70. Agree the total outstanding institutional debt to supporting documentation and the institution’s general ledger and/or the institution’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, the institution, and affiliated organizations. Agree the fair market value in the schedules to supporting documentation, the institution’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, the institution’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, the institution, 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.
BACKGROUND
UTEP’s management is responsible for the SRE and compliance with NCAA requirements. The President agreed to the minimum procedures required by the NCAA and did not request any additional work.

This report is intended solely for the information and use of UTEP 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 UTEP’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, 2022
- Appendix B, Notes to the SRE
- Appendix C, Variance Analysis

REPORT DATE
January 13, 2023

REPORT DISTRIBUTION
To: Heather Wilson, Ph.D., President, UTEP
Cc: Mark McGurk, Vice President for Business Affairs, UTEP
     Jim Senter, Director of Athletics, UTEP
     Daniel Garcia, Associate Athletic Director for Business, Finance, and Facilities, UTEP
     Lori Wertz, Chief Audit Executive, UTEP
UT System Administration Internal Audit Committee
External Agencies (State Auditor, Legislative Budget Board, Governor’s Office)
## THE UNIVERSITY OF TEXAS AT EL PASO DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
### STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

### REVENUES

<table>
<thead>
<tr>
<th>Operating Revenues:</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Other</th>
<th>Non-Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ticket Sales</td>
<td>$1,287,530.06</td>
<td>$874,204.63</td>
<td>$65,628.75</td>
<td>$8,513.37</td>
<td>$2,974.00</td>
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<tr>
<td>3 Student Fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4 Direct Institutional Support</td>
<td>$1,272,823.36</td>
<td>$362,197.11</td>
<td>$234,055.68</td>
<td>$1,464,078.52</td>
<td>$5,854,228.46</td>
<td>$9,187,383.13</td>
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<tr>
<td>5 Transfers to Institution</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>6 Indirect Institutional Support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

6A Indirect Institutional Support - Athletic Facilities

- Debt Service, Lease, and Rental Fees: $293,611.35
- Coaching Salaries, Benefits, and Bonuses Paid by a Third-Party: $793,093.40
- 7 Guarantees: $300,000.00
- 8 Contributions: $1,058,422.95
- 9 In-Kind: -

10 Compensation and Benefits Provided by a Third-Party: $42,634.85

11 Media Rights: $237,811.34

12 NCAA Distributions: $208,515.10

13 Conference Distributions: $15,228.40

13A Conference Distributions of Bowl Generated Revenue: $1,085,776.10

14 Program, Novelties, Parking, and Concessions Sales: -

15 Royalties, Licenses, Advertisements, and Sponsorships: $1,239,174.22

16 Sports Camp Revenues: $1,218,087.28

17 Athletics Restricted Endowment and Investment Income: $182,037.05

18 Other Operating Revenues: $5,185.76

19 Bowl Revenues: $565,633.27

**TOTAL OPERATING REVENUES:** $7,513,002.47

**$4,442,043.18**

**$944,503.76**

**$1,954,599.49**

**$18,277,066.37**

**$33,131,210.77**

### EXPENSES

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Other</th>
<th>Non-Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Athletic Student Aid</td>
<td>$2,527,919.92</td>
<td>$505,509.75</td>
<td>$519,063.58</td>
<td>$3,772,130.57</td>
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<td>21 Guarantees</td>
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<td>$133,522.47</td>
<td>$64,000.00</td>
<td>$9,893.84</td>
<td>-</td>
<td>$607,416.31</td>
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<td>22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities</td>
<td>$2,865,514.66</td>
<td>$1,325,146.30</td>
<td>$644,615.60</td>
<td>$1,642,258.75</td>
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<tr>
<td>23 Coaching Other Compensation and Benefits Paid by a Third-Party</td>
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<td>$16,234.05</td>
<td>$7,500.00</td>
<td>$7,434.45</td>
<td>-</td>
<td>$5,803.35</td>
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<td>24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Parties</td>
<td>$688,042.78</td>
<td>$282,229.37</td>
<td>$52,649.68</td>
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<tr>
<td>25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party</td>
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<td>$5,000.00</td>
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<td>-</td>
<td>$9,686.50</td>
<td>$28,686.50</td>
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<tr>
<td>26 Severance Payments</td>
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<td>28 Team Travel</td>
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<td>$570,462.24</td>
<td>$236,157.84</td>
<td>$1,018,207.77</td>
<td>-</td>
<td>$2,771,479.97</td>
</tr>
<tr>
<td>29 Sports Equipment, Uniforms, and Supplies</td>
<td>$380,117.22</td>
<td>$108,027.75</td>
<td>$43,422.82</td>
<td>$281,061.70</td>
<td>$5,610.20</td>
<td>$692,499.43</td>
</tr>
<tr>
<td>30 Game Expenses</td>
<td>$708,800.31</td>
<td>$397,521.87</td>
<td>$166,298.25</td>
<td>$148,731.51</td>
<td>-</td>
<td>$1,420,991.94</td>
</tr>
<tr>
<td>31 Fund Raising, Marketing, and Promotions</td>
<td>$102,182.76</td>
<td>$125,683.05</td>
<td>$5,120.41</td>
<td>$125,282.07</td>
<td>$9,835.84</td>
<td>$457,504.86</td>
</tr>
<tr>
<td>32 Sports Camp Expenses</td>
<td>$2,128.08</td>
<td>$16,083.09</td>
<td>$2,909.86</td>
<td>$45,872.66</td>
<td>$2,535.34</td>
<td>$69,529.03</td>
</tr>
<tr>
<td>33 Spirit Groups</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>34 Athletic Facilities Debt Service, Leases, and Rental Fees</td>
<td>$971,611.35</td>
<td>$423,341.96</td>
<td>$423,341.96</td>
<td>$14,000.00</td>
<td>-</td>
<td>$1,832,955.27</td>
</tr>
<tr>
<td>35 Direct Overhead and Administrative Expenses</td>
<td>$529,949.75</td>
<td>$405,409.84</td>
<td>$87,932.00</td>
<td>$118,545.38</td>
<td>$631,232.41</td>
<td>$1,773,069.48</td>
</tr>
<tr>
<td>36 Indirect Institutional Support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>37 Medical Expenses and Medical Insurance</td>
<td>$31,917.97</td>
<td>$12,291.27</td>
<td>$3,164.40</td>
<td>$62,448.54</td>
<td>$735,039.77</td>
<td>$844,858.95</td>
</tr>
<tr>
<td>38 Memberships and Dues</td>
<td>-</td>
<td>$51.55</td>
<td>-</td>
<td>$5,120.00</td>
<td>$367,759.00</td>
<td>$372,930.55</td>
</tr>
<tr>
<td>39 Student-Athlete Meals</td>
<td>$462,721.98</td>
<td>$67,022.21</td>
<td>$37,787.31</td>
<td>$101,253.85</td>
<td>$9,835.84</td>
<td>$688,601.39</td>
</tr>
<tr>
<td>40 Other Operating Expenses</td>
<td>$282,459.30</td>
<td>$173,641.80</td>
<td>$8,255.82</td>
<td>$60,206.67</td>
<td>$153,410.20</td>
<td>$677,937.79</td>
</tr>
<tr>
<td>41 Bowl Expenses</td>
<td>$362,896.59</td>
<td>$194,685.30</td>
<td>-</td>
<td>-</td>
<td>$46,900.73</td>
<td>$409,397.32</td>
</tr>
</tbody>
</table>

**TOTAL OPERATING EXPENSES:** $11,759,922.72

**$4,675,432.59**

**$2,410,979.66**

**$7,530,232.52**

**$7,993,959.16**

**$34,370,526.66**

### EXCESS (DEFICIENCY) OF REVENUES

**OVER (UNDER) EXPENSES:**

$ (4,426,920.25) $ (233,389.41) $ (1,466,475.90) $ (5,575,637.53) $ 10,283,107.21 $ (1,239,315.89)

13
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 1 – Presentation of the Statement of Revenue and Expenses
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 UTEP’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. The SRE presents activity for Fiscal Year (FY) 2022. UTEP’s FY is the period beginning each September 1st and ending each August 31st of the subsequent calendar year.

NOTE 2 – Contributions Constituting More than 10 Percent of All Contributions
There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10 percent or more of all contributions received for Athletics during the reporting period.

NOTE 3 – Capital Assets
Athletics acquires, approves, depreciates, and disposes assets in accordance with UTEP 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 UTEP. Informal quotes are required for purchases above $15,000, and competitive procurement is required for all assets above $50,000. The capitalization threshold is $5,000.
- Approval – Debt-financed capital asset purchases are approved by the Vice President for Business Affairs.
- 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.

NOTE 4 – Other Reporting Items

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Transfers to Institution</td>
<td>$0.00</td>
</tr>
<tr>
<td>Conference Realignment Expenses</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Athletics-Related Debt</td>
<td>$22,818,000.00</td>
</tr>
<tr>
<td>Total Institutional Debt</td>
<td>$214,824,000.00</td>
</tr>
<tr>
<td>Value of Athletics Dedicated Endowments</td>
<td>$15,211,424.69</td>
</tr>
<tr>
<td>Value of Institutional Endowments</td>
<td>$353,327,002.45</td>
</tr>
<tr>
<td>Total Athletics-Related Capital Expenditures</td>
<td>$513.67</td>
</tr>
</tbody>
</table>

NOTE 5 – Future Debt Repayment Schedules
UTEP receives proceeds from bonds issued and held by UT System to support capital projects of UT System and its institutions. All bonds issued by the UT System are defined as revenue bonds. As such, the revenues of all UT System institutions, including UTEP, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTEP’s financial statements.
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

As of August 31, 2022, UTEP (through UT System Administration) had outstanding debt related to the Athletics Department totaling $22,222,000. Debt service requirements to maturity for this outstanding debt are summarized as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$603,000.00</td>
<td>888,961.48</td>
<td>1,491,961.48</td>
</tr>
<tr>
<td>2024</td>
<td>627,000.00</td>
<td>865,267.73</td>
<td>1,492,267.73</td>
</tr>
<tr>
<td>2025-2029</td>
<td>3,561,000.00</td>
<td>3,893,864.47</td>
<td>7,454,864.47</td>
</tr>
<tr>
<td>2030-2034</td>
<td>4,357,000.00</td>
<td>3,084,244.90</td>
<td>7,441,244.90</td>
</tr>
<tr>
<td>2035-2039</td>
<td>5,308,000.00</td>
<td>2,120,996.99</td>
<td>7,428,996.99</td>
</tr>
<tr>
<td>2040-2044</td>
<td>3,462,000.00</td>
<td>1,105,136.37</td>
<td>4,567,136.37</td>
</tr>
<tr>
<td>2045-2049</td>
<td>2,733,000.00</td>
<td>571,546.92</td>
<td>3,304,546.92</td>
</tr>
<tr>
<td>2050-2052</td>
<td>1,571,000.00</td>
<td>82,134.39</td>
<td>1,653,134.39</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$22,222,000.00</strong></td>
<td><strong>12,612,153.25</strong></td>
<td><strong>34,834,153.25</strong></td>
</tr>
</tbody>
</table>

UTEP also received proceeds from commercial paper issued and held by UT System to support capital equipment financing. The revenues of all UT System institutions, including UTEP, are pledged for repayment of the commercial paper. No amount of indebtedness related to the commercial paper has been recorded on UTEP’s financial statements.

As of August 31, 2022, UTEP (through UT System) had outstanding commercial paper related to Athletics totaling $298,000. Debt service requirements to maturity for this outstanding debt are summarized as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$290,000.00</td>
<td>3,320.63</td>
<td>293,320.63</td>
</tr>
<tr>
<td>2024</td>
<td>8,000.00</td>
<td>100.00</td>
<td>8,100.00</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$298,000.00</strong></td>
<td><strong>3,420.63</strong></td>
<td><strong>301,420.63</strong></td>
</tr>
</tbody>
</table>

* Interest on commercial paper is variable. Interest rate is based on forecasted rates and is assumed to be 1.75% in FY23, 2.00% in FY24, 2.25% in FY25 and beyond.
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 appeared to be reasonable.

Comparison to Prior Period

The following SRE category met the threshold for investigation:

<table>
<thead>
<tr>
<th>SRE Category</th>
<th>FY 2022 SRE</th>
<th>FY 2021 SRE</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
<th>Variance Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-Student Fees</td>
<td>$7,874,846</td>
<td>$9,535,626</td>
<td>($1,660,780)</td>
<td>-17%</td>
<td>Student fees decreased in FY22 from FY21 because enrollment decreased.</td>
</tr>
<tr>
<td>04-Direct Institutional Support</td>
<td>$9,187,383</td>
<td>$7,343,073</td>
<td>$1,844,310</td>
<td>25%</td>
<td>Amount available from student fees decreased in FY22 and direct institutional support was increased. In addition, non-resident tuition increased which increased the value of out-of-state tuition waivers.</td>
</tr>
<tr>
<td>20-Athletic Student Aid</td>
<td>$7,747,039</td>
<td>$6,870,670</td>
<td>$876,369</td>
<td>13%</td>
<td>The transfer portal caused the need for an increase in summer funding, as transfer student athletes typically need summer classes to get eligible. In addition, non-resident tuition increased which increased the value of out-of-state tuition waivers. There was also an increase in housing costs.</td>
</tr>
<tr>
<td>24-Support Staff/Administrative Salaries &amp; Benefits Paid by the University</td>
<td>$4,487,048</td>
<td>$3,984,358</td>
<td>$502,690</td>
<td>13%</td>
<td>Athletics filled more positions that it had kept vacant last year because of COVID-19.</td>
</tr>
</tbody>
</table>

Comparison to Budget Estimates

The following SRE category met the threshold for investigation:

<table>
<thead>
<tr>
<th>SRE Category</th>
<th>Cost Center &amp; Description</th>
<th>FY 2022 Budget</th>
<th>FY 2022 Actual</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
<th>Variance Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple (12 &amp; 13)</td>
<td>29266723 Athletic Income NCAA C-USA</td>
<td>$3,000,000</td>
<td>$2,579,752</td>
<td>($402,248)</td>
<td>-13%</td>
<td>Athletic did not receive what it had projected from Conference USA and the NCAA.</td>
</tr>
<tr>
<td>03-Student Fees</td>
<td>29266980 – Athletic PDP Revenue</td>
<td>$8,442,637</td>
<td>$0</td>
<td>($8,442,637)</td>
<td>-100%</td>
<td>Athletic uses this cost center as a placeholder for institutional support that is needed to balance the budget. In this case, this institutional support is from student service fees. The actual fees are not recorded in this cost center. Actual FY22 student fees were $7,874,846 which was less than what had been anticipated.</td>
</tr>
</tbody>
</table>