



Item: AC:I-1

## AUDIT AND COMPLIANCE COMMITTEE

Tuesday, June 7, 2022

**SUBJECT: REVIEW OF FAU ATHLETICS DEPARTMENT INDEPENDENT  
ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES**

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### PROPOSED COMMITTEE ACTION

Information only

### BACKGROUND INFORMATION

These procedures were prepared to assist FAU in evaluating whether the accompanying unaudited statement of revenue and expenses of FAU is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.17 for the year ended June 30, 2021. FAU management is responsible for the statement of revenue and expenses ("statement") and the statement's compliance with those requirements. 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 those parties specified in this report.

The annual report on Florida Atlantic University Intercollegiate Athletics is required to be submitted to the Board of Governors as part of the State University System data request process.

### IMPLEMENTATION PLAN/DATE

Not applicable

### FISCAL IMPLICATIONS

Not applicable

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**Supporting Documentation:** FAU Intercollegiate Athletics Program Independent Accountant's Report on Agreed-upon Procedures for the Year Ended June 30, 2021

**Presented by:** Mr. Brian White, Vice President for Athletics

**Phone:** 561-297-3199

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
INDEPENDENT ACCOUNTANTS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED JUNE 30, 2021**

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
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**INDEPENDENT ACCOUNTANTS' REPORT ON THE  
APPLICATION OF AGREED-UPON PROCEDURES**

Dr. John Kelly, President,  
Florida Atlantic University:

We have performed the procedures enumerated below on the accompanying Statement of Revenues and Expenses (the Statement, see Exhibit I) of the Florida Atlantic University (the University) Intercollegiate Athletics Program (the Program) in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021. The University's management is responsible for the accompanying Statement and the Statement's compliance with those requirements for the year ended June 30, 2021.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the accompanying Statement is in compliance with the NCAA's Bylaw 3.2.4.17 for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Exceptions totaling the lesser of \$100,000 or 10% of the line item total to which an agreed-upon procedure has been applied to, other than exceptions related to internal control procedures of the Program, for which there are no thresholds, have been reported. The procedures and the associated findings are as follows:

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

<b>Procedure</b>	<b>Finding</b>
<b>All Revenue Categories</b>	
<ul style="list-style-type: none"><li>• Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the Program. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category.</li></ul>	No exceptions noted.
<ul style="list-style-type: none"><li>• Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.</li></ul>	No exceptions noted.
<ul style="list-style-type: none"><li>• Compare each major revenue account over 10% of the total revenues 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.</li></ul>	No exceptions noted and amounts and explanations for variations from the prior period are included in the supplement on page 22.

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**Procedure**

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**Finding**

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**Ticket Sales**

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|---|--|
| 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 Program in the statement and the related attendance figures and recalculate totals. | As ticket sales represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |
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**Student Fees**

- |   |   |
|---|---|
| 2. Compare and agree student fees reported by the Program in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.  | No exceptions noted.  |
| 3. Obtain documentation of Institute's methodology for allocating student fees to intercollegiate athletics programs.   | An understanding of the University's methodology was gained, and we noted the allocation was in accordance with the University's methodology. |
| 4. If the Program 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 exceptions noted.  |

**Direct State or Other Governmental Support**

- |   |  |
|---|--|
| 5. Compare direct state or other governmental support recorded by the Program during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals. | As there was no direct state or other governmental support for the year ended June 30, 2021, this procedure was not performed. |
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**Direct Institutional Support**

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| 6. Compare the direct institutional support recorded by the Program during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals. | No exceptions noted. |
|---|----------------------|

**Transfers Back to Institution**

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| 7. Compare the transfers back to the institution with permanent transfers back to the institution from the Program and recalculate totals. | As there were no transfers back to institution for the year ended June 30, 2021, this procedure was not performed. |
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**Procedure**

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**Finding**

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**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 exceptions noted.

**Guarantees**

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to the Program's general ledger and/or the statement and recalculate totals.
- As guarantees represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the Program's general ledger and/or the statement and recalculate totals.
- As guarantees represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.

**Contributions**

11. Any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.
- No exceptions noted.

**In-Kind**

12. Compare the in-kind recorded by the Program during the reporting period with a schedule of in-kind donations and recalculate totals.
- As in-kind revenues represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.

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

13. Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the Program and select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the Program's general ledger and/or the Summary and recalculate totals.
- As there were no compensation and benefits provided by a third-party for the year ended June 30, 2021, this procedure was not performed.

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**Procedure**

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**Finding**

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**Media Rights**

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| 14. Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the Program or through their conference offices as reported in the statement.  | As media rights represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |
| 15. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the Program's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately. | As media rights represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |

**NCAA Distributions**

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| 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 exceptions noted. |
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**Conference Distributions and Conference Distributions of Football Bowl Generated Revenue**

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|---|--|
| 17. Obtain and inspect agreements related to the Program's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions. | As conference distributions represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |
| 18. Compare and agree the related revenues to the Program's general ledger, and/or the statement and recalculate totals.  | As conference distributions represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |

**Program Sales, Concessions, Novelty Sales and Parking**

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|---|---|
| 19. Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals. | As program sales, concessions, novelty sales and parking represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |
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**Royalties, Licensing, Advertisements and Sponsorships**

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|--|---|
| 20. Obtain and inspect agreements related to the Program's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period for relevant terms and conditions. | As royalties, licensing, advertisements and sponsorships represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed. |
|--|---|

<b>Procedure</b>	<b>Finding</b>
21. Compare and agree the related revenues to the Program's general ledger, and/or the statement and recalculate totals.	As royalties, licensing, advertisements and sponsorships represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.
<b>Sports Camp Revenues</b>	
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 Program's methodology for recording revenues from sports- camps.	As there were no sports camp revenues for the year ended June 30, 2021, this procedure was not performed.
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 Program's general ledger, and/or the statement and recalculate totals.	As there were no sports camp revenues for the year ended June 30, 2021, this procedure was not performed.
<b>Athletics Restricted Endowment and Investment Income</b>	
24. Obtain and inspect endowment agreements (if any) for relevant terms and conditions.	As there was no athletics restricted endowment or investment income for the year ended June 30, 2021, this procedure was not performed.
25. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income deferred within the related endowment agreement and recalculate totals.	As there was no athletics restricted endowment or investment income for the year ended June 30, 2021, this procedure was not performed.
<b>Other</b>	
26. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.	No exceptions noted.
<b>Football Bowl Revenues</b>	
27. Obtain and inspect agreements related to the Program's revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant term and conditions.	As football bowl revenues represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.
28. Compare and agree the related revenues to the Program's general ledger, and or the statement and recalculate totals.	As football bowl revenues represent less than 4.0% of total revenues for the year ended June 30, 2021, this procedure was not performed.



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**Procedure**

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**Finding**

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**All Expense Categories**

- Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total expenses, no procedures are required for that specific category. No exceptions noted.
- Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation. No exceptions noted.
- Compare each major expense account over 10% of the total 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. No exceptions noted and amounts and explanations for variations from the prior period are included in the supplement on page 22.

**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. A sample of 35 student aid recipients was selected.
30. Obtain individual student account detail for each selection and compare total aid in the institution's student system to the student's detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System. No exceptions noted.
31. Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
  - The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, required course-related books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value should already be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award". No exceptions noted.

<b>Procedure</b>	<b>Finding</b>
<ul style="list-style-type: none"> <li>Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07). Note: for compliance purposes equivalencies may include other expenses related to attendance per Bylaw 15.02.2, however these expenses are not allowed to be included for revenue distribution equivalencies.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Full grant amount should be entered as a full year of tuition, not a semester or quarter.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and football bowl subdivision football.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.</li> </ul>	As there were no discontinued sports for the year ended June 30, 2021, this procedure was not performed.

<b>Procedure</b>	<b>Finding</b>
<ul style="list-style-type: none"> <li>• All equivalency calculations should be rounded to two decimal places.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>• If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.</li> </ul>	No exceptions noted.
<ul style="list-style-type: none"> <li>• If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.</li> </ul>	No exceptions noted.
32. Recalculate totals for each sport and overall.	No exceptions noted.
<b>Guarantees</b>	
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 Program's general ledger and/or the statement and recalculate totals.	As guarantees represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
34. Obtain and inspect contractual agreements pertaining to expenses recorded by the Program from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution during to the Program's general ledger and/or the statement and recalculate totals.	As guarantees represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities</b>	
35. Obtain and inspect a listing of coaches employed by the Program 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.	A listing of all coaches employed by the Program was obtained. A sample of five coaches for two pay periods each was selected, including the men's and women's basketball head coach and the men's football head coach.
36. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Program and related entities in the statement during the reporting period.	No exceptions noted.

<b>Procedure</b>	<b>Finding</b>
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 Program and related entities expense recorded by the Program in the statement during the reporting period.	No exceptions noted.
38. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.	No exceptions noted.
<b>Coaching Other Compensation and Benefits Paid by a Third-Party</b>	
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.	As there were no coaching other compensation and benefits paid by a third-party for the year ended June 30, 2021, this procedure was not performed.
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 Program in the statement during the reporting period.	As there were no coaching other compensation and benefits paid by a third-party for the year ended June 30, 2021, this procedure was not performed.
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 the institution in the statement during the reporting period and recalculate totals.	As there were no coaching other compensation and benefits paid by a third-party for the year ended June 30, 2021, this procedure was not performed.
<b>Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities</b>	
42. Select a sample of support staff/administrative personnel employed by the Program and related entities during the reporting period.	A sample of five support staff/administrative personnel for two pay periods each was selected.
43. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the Program and related entities expense recorded by the Program in the statement during the reporting period and recalculate totals.	No exceptions noted.

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**Procedure**

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**Finding**

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

44. Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.

As there were no support staff/administrative other compensation and benefits paid by a third-party for the year ended June 30, 2021, this procedure was not performed.

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 the Program in the statement during the reporting period and recalculate totals.

As there were no support staff/administrative other compensation and benefits paid by a third-party for the year ended June 30, 2021, this procedure was not performed.

**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.

As severance payments represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.

**Recruiting**

47. Obtain documentation of the Program's recruiting expense policies.

As recruiting expenses represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.

48. Compare and agree to existing institutional- and NCAA-related policies.

As recruiting expenses represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.

49. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

As recruiting expenses represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.

**Team Travel**

50. Obtain documentation of the Program's team travel policies.

We obtained and documented an understanding of the Program's team travel policies.

51. Compare and agree to existing institutional- and NCAA-related policies.

No exceptions noted and policies are consistent with institutional and NCAA-related policies.

52. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.

No exceptions noted.

<b>Procedure</b>	<b>Finding</b>
<b>Equipment, Uniforms and Supplies</b>	
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 exceptions noted.
<b>Game Expenses</b>	
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.	As game expenses represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Fund Raising, Marketing and Promotion</b>	
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.	As fund raising, marketing, and promotion represents less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Sports Camp Expenses</b>	
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.	As there were no sports camp expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Spirit Groups</b>	
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.	As spirit groups represent less than 4.0% of the total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Athletic Facility Debt Service, Leases and Rental Fees</b>	
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).	No exceptions noted.
59. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.	No exceptions noted.
<b>Direct Overhead and Administrative Expenses</b>	
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 exceptions noted.

<b>Procedure</b>	<b>Finding</b>
<b>Indirect Institutional Support</b>	
61. Tested with revenue section- Indirect Institutional Support.	No exceptions noted.
<b>Medical Expenses and Medical Insurance</b>	
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.	As medical expenses and medical insurance represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Memberships and Dues</b>	
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.	As memberships and dues represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Other Operating Expenses and Transfers to Institution</b>	
64. Obtain general ledger detail and compare to the total expenses report. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As other operating expenses and transfers to institution represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Student-Athlete Meals (non-travel)</b>	
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.	As student-athlete meals (non-travel) represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Football Bowl Expenses</b>	
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.	As football bowl expenses represent less than 4.0% of total expenses for the year ended June 30, 2021, this procedure was not performed.
<b>Minimum Agreed-Upon Procedures For Other Reporting Items</b>	
<b>Excess Transfers to Institution and Conference Realignment Expenses</b>	
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.	As there were no excess transfers to institution or conference realignment expenses for the year ended June 30, 2021, this procedure was not performed

<b>Procedure</b>	<b>Finding</b>
<b>Total Athletics Related Debt</b>	
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.	No exceptions noted.
69. Agree the total annual maturities and total outstanding athletic related to supporting documentation and the institution's general ledger, if applicable.	No exceptions noted.
<b>Total Institutional Debt</b>	
70. Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.	No exceptions noted.
<b>Value of Athletics Dedicated Endowments</b>	
71. Obtain a schedule of all athletics dedicated endowments maintained by the Program, the institution, and affiliated organizations. Agree the fair market value in the schedules(s) to supporting documentations, the general ledger(s) and audited financial statements, if available.	No exceptions noted.
<b>Value of Institutional Endowments</b>	
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 exceptions noted.
<b>Total Athletics Related Capital Expenditures</b>	
73. Obtain a schedule of athletics related capital expenditures made by the Program, the institution, and affiliated organizations during the reporting period.	No exceptions noted.
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 validate totals.	No exceptions noted.



**ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

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

1. Grants-in-Aid:
  - a. Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistant (CA) or other report that supports the equivalency calculations from the institution between May and August. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. No exceptions noted.
  - b. 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 exceptions noted.
2. Sports Sponsorship:
  - a. Obtain the institution's Sports Sponsorship and Demographics Forms submitted to the NCAA for the reporting year between May and August. Validate that the countable NCAA sports reported by the institution met the minimum requirements, set forth in Bylaw 20.9.6.3, related to the number of contests and the number of participants. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once countable sports have been validated, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA. No exceptions noted.

<b>Procedure</b>	<b>Finding</b>
<p>b. 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.</p>	No exceptions noted.
<p>*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.</p>	
<p>3. Pell Grants:</p>	
<p>a. Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. Note 1: Only Pell Grants for sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are countable. Note 2: Student-athletes should only be counted once even if the athlete participates in multiple sports. Note 3: Individual student-aid file testing in step 31 above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report.</p>	No exceptions noted.
<p>a. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 20 grants.</p>	No exceptions noted.

**Agreed-Upon Procedures Related to Affiliated and Outside Organizations**

**Procedure**

1. The Program shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. Once the Program has made these statements available, the independent accountant shall agree the amounts reported in the statement to the organization's general ledger or, alternatively, confirm revenues and expenses directly with a responsible official of the organization. In addition, the Program shall prepare a summary of revenues and expenses for or on behalf of intercollegiate athletics programs affiliated and outside organizations to be included with the agreed-upon procedures report.

## Results

The Program identified the Florida Atlantic University Foundation, Inc. (the Foundation) and FAU Finance Corporation (the Corporation) as athletics-related affiliated and outside organizations. The Program identified the Foundation as an outside organization making expenditures for, or on behalf of the Program or its employees. The Foundation serves as the official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of Program. Included in the Program's Foundation accounts are the accounts of the Paradise Club, as well as accounts for each sport and endowments held for the benefit of the Program. Revenues and expenditures recognized by the Foundation on behalf of the Program for the year ended June 30, 2021, was as follows:

Revenues	<u>\$ 3,905,937</u>
Expenses	
Fund 02	\$ 1,046,164
Fund 40	4,573
Fund 60	<u>439,139</u>
Total Expenses	<u>\$ 1,489,876</u>

## Finding

No exceptions noted.

## Procedure

1. The independent accountant shall obtain and review the audited financial statements of the organization and any additional reports regarding internal control matters if the organization is audited independent of the agreed-upon procedures required by NCAA legislation. The Program's independent accountant shall also inquire of institutional and outside organization management as to corrective action taken in response to comments concerning internal control structure (if any).

## Results

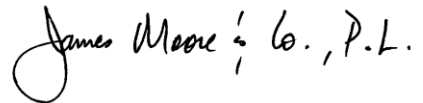
We obtained and read the audited financial statements of the Foundation and the Corporation for the year ended June 30, 2021, and the related report on compliance and on internal control. The results of this procedure disclosed that the independent auditors expressed an unmodified opinion on the financial statements of the Foundation and the Corporation. The independent auditors noted no matters involving internal control over financial reporting and its operation that were considered material weaknesses.

## Finding

No exceptions noted.

We were engaged by the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement of Revenues and Expenses (Exhibit I) of the University and the accompanying notes to the Statement of Revenues and Expenses (Exhibit II). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Gainesville, Florida  
January 28, 2022

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021  
(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS'  
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
<b>Revenues</b>						
1 Ticket sales	\$ 377,223	\$ 19,257	\$ 2,737	\$ 25,453	\$ 19,199	\$ 443,869
2 Direct state or other governmental support	-	-	-	-	-	-
3 Student fees	-	-	-	-	14,990,312	14,990,312
4 Direct institutional support	-	-	-	-	3,388,643	3,388,643
5 Transfers back to institution	-	-	-	-	-	-
6 Indirect institutional support	-	-	-	-	4,402,709	4,402,709
6A Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-	-
7 Guarantees	-	-	30,000	3,500	-	33,500
8 Contributions	494,420	107,013	2,806	97,185	2,955,462	3,656,886
9 In-kind	262,000	20,000	16,000	84,000	228,000	610,000
10 Compensation and benefits provided by a third party	-	-	-	-	-	-
11 Media rights	-	-	-	-	503,245	503,245
12 NCAA distributions	-	-	-	-	1,415,083	1,415,083
13 Conference distributions (non media and non football bowl)	-	-	-	-	205,588	205,588
13A Conference distributions of football bowl generated revenue	826,976	-	-	-	-	826,976
14 Program sales, concessions, novelty sales and parking	62,303	735	735	1,620	-	65,393
15 Royalties, advertisements and sponsorships	-	-	-	-	463,798	463,798
16 Sports camp revenues	-	-	-	-	-	-
17 Athletics restricted endowment and investment income	-	-	-	-	-	-
18 Other operating revenue	152,500	-	-	18,425	2,185,084	2,356,009
19 Football bowl revenues	248,756	-	-	-	-	248,756
Total operating revenues	<u>2,424,178</u>	<u>147,005</u>	<u>52,278</u>	<u>230,183</u>	<u>30,757,123</u>	<u>33,610,767</u>
<b>Expenses</b>						
20 Athletic student aid	488,596	144,305	175,033	2,506,803	519,224	3,833,961
21 Guarantees	60,000	12,500	2,000	16,000	-	90,500
22 Coaching salaries, benefits and bonuses paid by the University and related entities	3,177,762	1,065,718	664,805	2,278,932	-	7,187,217
23 Coaching other compensation and benefits paid by a third-party	-	-	-	-	-	-
24 Support staff and administrative salaries, benefits and bonuses paid by the University and related entities	1,027,532	110,269	-	-	3,664,125	4,801,926
25 Support staff and administrative other compensation paid by a third-party	-	-	-	-	-	-
26 Severance payments	-	-	-	10,422	-	10,422
27 Recruiting	18,542	10,355	12,855	16,942	-	58,694
28 Team travel	806,110	154,697	140,371	726,959	-	1,828,137
29 Equipment, uniforms and supplies	566,720	69,013	52,911	466,598	356,311	1,511,553
30 Game expenses	779,688	120,574	90,717	243,803	-	1,234,782
31 Fund raising, marketing and promotion	21,118	1,651	2,137	1,961	261,109	287,976
32 Sports camp expenses	-	-	-	-	-	-
33 Spirit groups	-	-	-	-	26,741	26,741
34 Athletic facilities debt service, leases and rental fee	-	-	-	-	2,361,375	2,361,375
35 Direct overhead and administrative expenses	319,525	12,707	14,140	50,719	1,700,533	2,097,624
36 Indirect institutional support	-	-	-	-	4,402,709	4,402,709
37 Medical expenses and medical insurance	2,380	273	-	6,681	1,052,112	1,061,446
38 Memberships and dues	-	3,797	180	34,345	336,880	375,202
39 Student-athlete meals (non-travel)	402,736	38,658	23,418	67,566	26,611	558,989
40 Other operating expenses	221,129	50,376	40,632	80,072	225,352	617,561
41 Football bowl expenses	125,309	-	-	-	-	125,309
41A Football bowl expenses - coaching compensation/bonuses	-	-	-	-	-	-
Total operating expenses	<u>8,017,147</u>	<u>1,794,893</u>	<u>1,219,199</u>	<u>6,507,803</u>	<u>14,933,082</u>	<u>32,472,124</u>
50 Excess transfers to institution	-	-	-	-	-	-
<b>Excess (deficiency) of revenues over (under) expenses</b>	<u>\$ (5,592,969)</u>	<u>\$ (1,647,888)</u>	<u>\$ (1,166,921)</u>	<u>\$ (6,277,620)</u>	<u>\$ 15,824,041</u>	<u>\$ 1,138,643</u>
51 Conference realignment expenses						<u>\$ -</u>
52 Total athletics related debt						<u>\$ 40,080,782</u>
53 Total institutional debt						<u>\$ 330,272,742</u>
54 Value of athletics dedicated endowments						<u>\$ 300,122</u>
55 Value of institutional endowments						<u>\$ 285,475,353</u>
56 Total athletics related capital expenditures						<u>\$ 177,905</u>

See accompanying notes to Statement of Revenues and Expenses.

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
NOTES TO STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021  
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’  
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(1) **Basis of Accounting:**

The statement of revenues and expenses of the Florida Atlantic University Intercollegiate Athletics Program (the Program) has been prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

(2) **Capital Assets:**

Capital assets purchased with an original cost of \$5,000 or more are recorded at cost and depreciated utilizing the straight-line method over the estimated useful lives of assets (generally ranging from 5 to 10 years). Costs to maintain or repair these assets are expensed as incurred. Costs incurred for the construction of buildings or other permanent facilities are not capitalized as part of the Program’s accounts, but are recorded by the University as assets of other funds.

(3) **Contributions:**

The Foundation serves as the official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of Florida Atlantic University. The Corporation has been organized to assist the activities and educational purposes of Florida Atlantic University by providing finance and investment-related assistance in connection with the acquisition or construction of capital or other projects. Contributions of \$323,105 and \$3,333,780 were recognized from the Corporation and Foundation, respectively, for the year ended June 30, 2021, and have been included in the accompanying statement of revenues and expenses. Contributions received from the Corporation and Foundation were the only contributions exceeding 10% of total contributions, as reported in the statement of revenues and expenses, for the year ended June 30, 2021.

(4) **Long-term Obligations:**

Previously, the Corporation issued \$44,500,000 of Taxable Capital Improvement Revenue Bonds (BAB Bonds), Series 2010, maturing in 2040, with an interest rate of 5.78%. The Bonds were issued in connection with construction of a 30,000 seat stadium facility, parking improvements, and other associated athletic and onsite and offsite infrastructure improvements and projects. On August 30, 2017, the Corporation issued Tax-Exempt Capital Improvement Refunding Revenue Bonds (Football Stadium Project), Series 2017, amounting to \$40,035,000, to refund the then outstanding Series 2010 Bonds. At August 30, 2017, the Series 2010 Bonds were considered retired/fully defeased. The Series 2017 Bonds bear interest at a 10-year fixed rate of 2.61%, subject to adjustment through maturity.

Interest is paid semiannually on each January 1 and July 1. Principal on the debt is paid annually commencing July 2018 through July 2040.

The Corporation is required to adopt an operating budget for each fiscal year covering all operations and operating expenses of the project which shall assure that pledged revenues will exceed all contemplated expenses by at least 25%. In addition, the Corporation is required to certify on a bi-annual basis that the operating and nonoperating revenues from the previous twelve-month period are sufficient to cover at least 125% of an amount equal to the annual bond service requirements.

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
NOTES TO STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021  
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’  
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(4) **Long-term Obligations:** (Continued)

The change in long-term obligations for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds, Series 2017 Stadium	\$ 37,620,000	\$	-	\$	(1,360,000)	\$ 36,260,000	\$ 1,360,000

*Pledged Revenue*

The Corporation has pledged revenues to repay bonds outstanding as of June 30, 2021. The following table reports the revenues pledged for each debt issue, the amounts of such revenue received in the current year (net of operating expenses), the principal and interest recorded on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds at June 30, 2021:

	<u>Pledged Revenue</u>	<u>Net Available Revenue*</u>	<u>Principal and Interest Recorded</u>	<u>Outstanding Principal and Interest**</u>	<u>Pledged Through</u>
Bonds, Series 2017 Stadium	Athletic	\$ 1,962,534	\$ 2,359,530	\$ 46,687,182	2040

\*Net available revenues are defined as recognized revenue less applicable operating expenses.

\*\*Represents principal and interest payments outstanding from 7/1/2021 and beyond.

*Intra-fund Loan*

The Program was previously a party to multiple intra-fund loans with the University. On June 30, 2021, the 2005 and 2017 Intra-fund Loans were consolidated and the maturity date was extended to June 30, 2036. The total of \$3,820,782 shall be repaid in equal installments of \$254,718.79 each year from Florida Atlantic University Athletics Fund to the Florida Atlantic University Auxiliary Fund (the source of the loan). The extension will replace loans currently in force and all payments will be at a zero percent interest rate. The first payment will be made July 1, 2022 and the final payment due June 30, 2036.

**FLORIDA ATLANTIC UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
NOTES TO STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021  
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’  
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(4) **Long-term Obligations:** (Continued)

The following is a schedule of future principal and interest payments for long term debt as of June 30, 2021:

<b>Fiscal Year Ending June 30,</b>	<b>Long Term Debt</b>		<b>Total Principal and Interest</b>
	<b>Principal</b>	<b>Interest</b>	
2022	\$ 1,400,000	\$ 959,530	\$ 2,359,530
2023	1,689,719	922,483	2,612,202
2024	1,729,719	884,509	2,614,228
2025	1,764,719	847,793	2,612,512
2026	1,809,719	805,519	2,615,238
2027-2031	9,673,594	3,390,780	13,064,374
2032-2036	10,848,594	2,218,249	13,066,843
2037-2041	11,164,718	882,027	12,046,745
Total	<u>\$ 40,082,782</u>	<u>\$ 10,910,890</u>	<u>\$ 50,991,672</u>



**FLORIDA ATLANTIC UNIVERSITY**  
**SUPPLEMENT TO STATEMENT OF REVENUES AND EXPENSES**  
**VARIATION ANALYSIS OF THE TOTAL REVENUES AND EXPENSES**  
**TO PRIOR PERIOD AMOUNTS AND BUDGET ESTIMATES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS'**  
**REPORT ON APPLYING AGREED-UPON PROCEDURES)**

Revenues	2021	2020	\$ Variance	% Variance	Variation Explanation
8 Contributions	\$ 3,656,886	\$ 5,778,308	\$ (2,121,422)	-36.71%	Contributions represent dollars spent. As part of the total \$5M gift from the Foundation to name the "Owl's Perch" that was previously donated, the Athletics Department received \$1.4M of that gift in FY20 to support annual operating costs. In FY21, there was a freeze on minor projects and a concerted effort to reduce spending due to COVID. In addition, the reduced number of home games and capacity restrictions in the stadium had a direct impact on the premium seating contributions in FY21.

**Note 1:** The variance explanation above is related to actual data from FY2021 compared to FY2020. There are no explanations provided for budget to actual variances; while FAU prepares an annual budget, the budget is established under GAAP accounting instead of NCAA accounting; therefore, this procedure is not applicable.