



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Independent Auditor's Report on the Application of
Agreed-Upon Procedures
For the Fiscal Year Ended August 31, 2020

SUMMARY

OBJECTIVE:

The objective of this engagement is to perform the 74 procedures, which were agreed to by the President of The University of Texas at San Antonio (UTSA), solely to assist UTSA management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTSA's Department of Intercollegiate Athletics (Athletics) is in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.17 for the Fiscal Year Ended August 31, 2020.

CONCLUSION:

Revenues, expenses, and other items reported on the SRE materially agreed to the amounts reported in UTSA's general ledger. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTSA's general ledger, such as in-kind contributions and in-kind amounts from sponsorship agreements. The NCAA requires that these items be reported on the SRE to fully reflect the operations of Athletics.



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

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

- Agree the amounts reported on the SRE to UTSA's general ledger.
With the exceptions of SRE reporting categories Athletic Facilities Debt Service, Lease, & Rental Fees and Other Operating Expenses, revenues, expenses, and other reporting items reported on the SRE materially agreed to the amounts reported in UTSA's general ledger. Athletic Facilities Debt Service, Lease, & Rental Fees and Other Operating Expenses were corrected on the final SRE in Appendix A. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTSA's general ledger, including in-kind amounts from sponsorship agreements. The NCAA requires that these items be reported on the SRE to fully reflect the operations of the 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 UTSA. 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 listed below, except for those less than 4.0% of the total revenues or total expenses, as stated in the procedures. 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.

See Appendix C, Variance Analysis.

- Identify aspects of UTSA'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 UTSA'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.



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Affiliated and outside organizations include entities that have a primary purpose which benefits UTSA's Athletic Department and are not under UTSA's accounting control. The Roadrunner Foundation (Foundation) is an exempt charitable non-profit corporation, as defined under Internal Revenue Code section 501(c)(3), whose purpose is to support programs and activities of UTSA athletics. However, the Foundation does not have audited financial statements.

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 UTSA 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 UTSA in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of UTSA'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 UTSA during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation and recalculate totals.

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

Direct Institutional Support

6. Compare the direct institutional support recorded by UTSA 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 UTSA with permanent transfers back to institution from the athletics department and recalculate totals.

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

Indirect Institutional Support

8. Compare the indirect institutional support recorded by UTSA 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 UTSA'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 UTSA's general ledger and/or the SRE and recalculate totals.

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

Contributions

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

No material exceptions were noted as a result of this procedure. In addition, there was one contribution of moneys, goods, or services received directly by Athletics from an outside organization that constituted 10% or more of all contributions received for Athletics during the reporting period. See Appendix B, Note 2

In-Kind

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

This procedure was not applicable. Athletics did not receive any in-kind contributions.

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 UTSA. Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, UTSA's general ledger, and/or the Summary and recalculate totals.



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

Media Rights

14. Obtain and inspect agreements to understand UTSA's total media (broadcast, television, radio) rights received by UTSA 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 UTSA'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 this procedure.

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 Bowl Generated Revenue

17. Obtain and inspect agreements related to UTSA'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 UTSA'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 UTSA'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 UTSA'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 UTSA and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of UTSA's methodology for recording revenues from sports-camps.



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23. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to UTSA's general ledger and/or the SRE and recalculate totals.

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

Athletics Restricted Endowment and Investment Income

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

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

Other

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.

Bowl Revenues

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

These procedures were not applicable. Athletics did not have any bowl revenues.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

Athletic Student Aid

29. Select a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and 20% of total student-athletes for institutions who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period. Data should be captured by the institution through the creation of a squad/eligibility list for each sponsored sport.
30. Obtain individual student account detail for each selection and compare the total aid in UTSA's student system to the student's detail in UTSA's report that ties directly to the NCAA Membership Financial Reporting System.
31. Perform a check of each student selected to ensure their information was reported accurately in the NCAA Membership Financial Reporting System.
32. Recalculate totals for each sport and overall.

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



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Guarantees

33. Obtain and inspect visiting institution's away-game settlement reports received by UTSA during the reporting period and agree related expenses to UTSA's general ledger and/or the SRE and recalculate totals.
34. Obtain and inspect contractual agreements pertaining to expenses recorded by UTSA from guaranteed contests during the reporting period. Compare and agree related amounts expensed by UTSA during the reporting period to UTSA'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 UTSA 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 UTSA 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 UTSA and related entities expense recorded by UTSA 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 UTSA in the SRE during the reporting period.
41. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching, other compensation and benefits paid by a third party, expenses recorded by UTSA in the SRE during the reporting period and recalculate totals.

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

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

42. Select a sample of support staff/administrative personnel employed by UTSA and related entities during the reporting period.
43. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree the related payroll summary registers to the related support staff administrative salaries, benefits, and



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bonuses paid by UTSA and related entities expense recorded by UTSA in the SRE during the reporting period and recalculate totals.

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

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

44. Select a sample of support staff/administrative personnel employed by third parties during the reporting period.
45. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by UTSA in the SRE during the reporting period and recalculate totals.

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

Severance Payments

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

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

Recruiting

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

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

Equipment, Uniforms, and Supplies

53. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

Game Expenses

54. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.



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

Fund Raising, Marketing, and Promotion

55. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

Sports-Camp Expenses

56. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

Spirit Groups

57. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

Athletic Facility Debt Service, Leases and Rental Fees

58. Obtain a listing of debt service schedules, lease payments, and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g., debt financing agreements, leases, rental agreements).
59. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.

A material exception was noted as result of this procedure. Athletic Facility Debt Service, Leases and Rental Fees was overstated on the initial SRE by \$723,263.07. Athletics corrected Athletic Facilities Debt Service, Lease, & Rental Fees on the final SRE in Appendix A.

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. However, Direct Overhead and Administrative expenses was understated on the initial SRE by \$168,903.50 which was related to the Athletic Facility Debt Service, Leases and Rental Fees overstatement. Athletics corrected Direct Overhead and Administrative Expenses on the final SRE in Appendix A.

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 and Transfers to Institution

64. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

A material exception was noted as result of this procedure. Other Operating Expense was understated on the initial SRE by \$554,359.97 which was related to the Athletic Facility Debt Service, Leases and Rental Fees overstatement. Athletics corrected Other Operating Expenses on the final SRE in Appendix A.

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.

Bowl Expenses

66. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

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



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

- For Sports Sponsorship: Obtain UTSA's Sports Sponsorship and Demographics Forms Report for the reporting year. Validate that the countable sports reported by UTSA 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 UTSA has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance.

Note for 2019-20 reporting only: For this reporting year, sports an institution expected to sponsor in spring 2020, as reported on the institutions' 2019 Sports Sponsorship and Demographics form, would qualify as a sponsored sport for the purposes of revenue distribution. This single year exception is consistent with the intent of the Division I Council Coordination Committee's decision on March 25, 2020 to grant an extraordinary blanket waiver in light of the impact of the COVID-19 global pandemic.

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

- For Pell Grants: Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of UTSA'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.

The number of Pell Grant awarded to student athletes increased by 25 from fiscal year (FY) 2019 to FY 2020. The explanation for the increase appeared reasonable.

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



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documentation and UTSA'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 UTSA's general ledger and/or UTSA'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, UTSA, and affiliated organizations. Agree the fair market value in the schedules to supporting documentation, UTSA'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, UTSA'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, UTSA, and affiliated organizations during the reporting period.
74. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.

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



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METHODOLOGY

BACKGROUND

UTSA's management is responsible for the SRE and compliance with NCAA requirements. This report is intended solely for the information and use of UTSA 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 UTSA'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, 2020
- *Appendix B*, Notes to the SRE
- *Appendix C*, Variance Analysis
- *Appendix D*, Follow-Up on Prior Observations

REPORT DATE

January 15, 2021

REPORT DISTRIBUTION

To: Taylor Eighmy, Ph.D., President, UTSA
Cc: Veronica Mendez, Chief Financial Officer and Senior Vice President for Business Affairs, UTSA
Lisa Campos, Ed. D., Vice President for Intercollegiate Athletics and Athletic Director, UTSA
Mike Bazemore, Executive Senior Associate AD for Finance and Strategic Objectives, UTSA
Sherman Corbett, Associated Athletic Director for Business Operations
Paul Tyler, Chief Audit Executive, UTSA
UT System Administration Audit Committee
External Agencies (State Auditor, Legislative Budget Board, Governor's Office)



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APPENDIX A

THE UNIVERSITY OF TEXAS AT SAN ANTONIO DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

REVENUES	Football	Men's Basketball	Women's Basketball	Baseball	Men's Golf	Women's Golf	Women's Soccer
Operating Revenues:							
1 Ticket Sales	\$ 1,232,771.41	\$ 73,327.45	\$ 9,572.37	\$ 7,607.38			
2 Direct State or Other Government Support							
3 Student Fees							
4 Direct Institutional Support							
5 Transfers to Institution							
6 Indirect Institutional Support							
6A Indirect Institutional Support - Athletic Facilities Debt Service, Lease, and Rental Fees							
7 Guarantees	1,200,000.00	175,000.00	44,500.00	2,500.00			
8 Contributions	1,279,539.92	3,696.63	2,788.53	683.10	91,490.00	17,369.14	2,029.22
9 In-Kind							
10 Compensation and Benefits Provided by a Third-Party							
11 Media Rights	338,791.04	84,697.76					
12 NCAA Distributions		74,504.66	74,504.66				
13 Conference Distributions							
13A Conference Distributions of Bowl Generated	902,992.85						
14 Program, Novelty, Parking, and Concessions Sales	219,102.99						
15 Royalties, Licensing, Advertisements, and Sponsorships	218,413.07	50,000.00	50,400.00	10,600.00	5,000.00	5,000.00	20,500.00
16 Sports Camp Revenues	560.00			32,128.01			13,390.00
17 Athletics Restricted Endowment and Investment Income	6,950.00	1,318.58	1,049.00	2,777.00	11,027.75	2,137.14	2,725.00
18 Other Operating Revenues				18,975.00	1,830.00	10,580.00	
19 Bowl Revenues							
TOTAL OPERATING REVENUES	\$ 5,399,121.28	\$ 462,545.08	\$ 182,814.56	\$ 75,270.49	\$ 109,347.75	\$ 35,086.28	\$ 38,644.22
EXPENSES							
Operating Expenses:							
20 Athletic Student Aid	\$ 1,877,488.32	\$ 348,756.81	\$ 344,276.13	\$ 304,816.45	\$ 116,429.19	\$ 148,441.65	\$ 264,292.96
21 Guarantees	400,000.00	43,000.00	10,671.61	24,451.84	45,621.99	9,449.10	5,550.75
22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	2,803,846.99	1,147,715.62	395,713.50	332,462.97	168,793.17	132,521.21	242,482.07
23 Coaching Other Compensation and Benefits Paid by a Third-Party							
24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	892,013.64	123,913.39	81,793.40				
25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party							
26 Severance Payments	824,123.51						
27 Recruiting	192,266.19	67,172.93	24,897.56	6,243.65	1,061.48	5,707.63	14,282.39
28 Team Travel	1,247,509.64	356,974.40	218,863.49	74,690.77	38,260.30	38,747.37	94,435.78
29 Sports Equipment, Uniforms, and Supplies	476,010.91	80,969.74	71,684.20	61,043.47	28,187.42	24,245.53	47,093.05
30 Game Expenses	963,965.18	151,350.34	92,429.65	17,802.05	20,019.25	759.72	17,427.86
31 Fund Raising, Marketing, and Promotions							
32 Sports Camp Expenses	4,089.56			17,010.86			3,239.57
33 Spirit Groups							
34 Athletic Facilities Debt Service, Leases, and Rental Fees							
35 Direct Overhead and Administrative Expenses	136,142.81	24,546.16	18,332.80	7,044.22	8,065.28	3,965.18	5,011.17
36 Indirect Institutional Support							
37 Medical Expenses and Medical Insurance							
38 Memberships and Dues	4,520.00	955.00	1,138.33		38,500.00	27,420.00	710.00
39 Student-Athlete Meals	153,780.47	14,686.55	11,434.15	10,092.57	297.32	1,622.04	7,583.01
40 Other Operating Expenses	174,962.71	38,151.35	14,323.34	16,372.17	12,384.97	7,693.84	1,758.86
41 Bowl Expenses							
41A Bowl Expenses - Coaching Compensation/Bonuses							
TOTAL OPERATING EXPENSES	\$ 10,150,719.93	\$ 2,398,192.29	\$ 1,285,558.16	\$ 872,031.02	\$ 477,620.37	\$ 400,573.27	\$ 703,867.47
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	\$ (4,751,598.65)	\$ (1,935,647.21)	\$ (1,102,743.60)	\$ (796,760.53)	\$ (368,272.62)	\$ (365,486.99)	\$ (665,223.25)

(continued)



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Independent Auditor's Report on the Application of
Agreed-Upon Procedures
For the Fiscal Year Ended August 31, 2020

APPENDIX A

THE UNIVERSITY OF TEXAS AT SAN ANTONIO DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2020

REVENUES	Softball	Men's Tennis	Women's Tennis	Men's Track	Women's Track	Volleyball	Non-Program Specific	Total
Operating Revenues:								
1 Ticket Sales	\$ 2,279.34					\$ 19,740.66		\$ 1,345,298.61
2 Direct State or Other Government Support								-
3 Student Fees							13,913,630.94	13,913,630.94
4 Direct Institutional Support							7,586,525.02	7,586,525.02
5 Transfers to Institution							(28,617.60)	(28,617.60)
6 Indirect Institutional Support							709,693.62	709,693.62
6A Indirect Institutional Support - Athletic Facilities Debt								-
Service, Lease, and Rental Fees								-
7 Guarantees						7,700.00		1,429,700.00
8 Contributions	1,978.95	1,776.84	333.80	263.05	263.06	194.97	569,223.13	1,971,630.34
9 In-Kind								-
10 Compensation and Benefits Provided by a Third-Party								-
11 Media Rights								423,488.80
12 NCAA Distributions							382,036.64	531,045.96
13 Conference Distributions							416,161.68	416,161.68
13A Conference Distributions of Bowl Generated								902,992.85
14 Program, Novelty, Parking, and Concessions Sales	12,760.00						6,376.00	238,238.99
15 Royalties, Licensing, Advertisements, and Sponsorships	20,150.00	5,000.00	5,000.00	25,000.00	25,000.00	22,000.00	2,142,629.70	2,604,692.77
16 Sports Camp Revenues	16,245.00	1,625.00	1,725.00				3,818.50	69,491.51
17 Athletics Restricted Endowment and Investment Income	289.04	2,137.14	6,950.00	971.94	7,347.94	523.20		46,203.73
18 Other Operating Revenues			240.00				141,467.58	173,092.58
19 Bowl Revenues								-
TOTAL OPERATING REVENUES	\$ 53,702.33	\$ 10,538.98	\$ 14,248.80	\$ 26,234.99	\$ 32,611.00	\$ 50,158.83	\$ 25,842,945.21	\$ 32,333,269.80
EXPENSES								
Operating Expenses:								
20 Athletic Student Aid	\$ 231,678.87	\$ 112,075.73	\$ 192,461.32	\$ 232,225.95	\$ 382,051.31	\$ 273,693.30	\$ 657,258.30	\$ 5,485,946.29
21 Guarantees						5,483.32		544,228.61
22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	217,564.02	129,622.43	119,582.97	243,480.75	243,480.75	298,098.45		6,475,364.90
23 Coaching Other Compensation and Benefits Paid by a Third-Party								-
24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities							3,855,814.00	4,953,534.43
25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party								-
26 Severance Payments								824,123.51
27 Recruiting	7,125.40	854.74	2,391.88	8,749.74	13,486.12	10,731.65		354,971.36
28 Team Travel	78,909.32	40,551.22	38,147.04	130,650.90	109,217.82	159,626.13		2,626,584.18
29 Sports Equipment, Uniforms, and Supplies	45,671.03	30,394.29	30,483.96	45,477.69	43,651.45	55,457.76		1,040,370.50
30 Game Expenses	5,247.20	1,185.00	1,997.50			26,857.13		1,299,040.88
31 Fund Raising, Marketing, and Promotions							669,453.31	669,453.31
32 Sports Camp Expenses	2,917.25	270.97				1,934.17		29,462.38
33 Spirit Groups							90,964.05	90,964.05
34 Athletic Facilities Debt Service, Leases, and Rental Fees							429,298.43	429,298.43
35 Direct Overhead and Administrative Expenses	8,205.71	2,513.68	2,159.12	3,384.41	2,738.09	6,820.57	1,318,804.92	1,547,734.12
36 Indirect Institutional Support							709,693.62	709,693.62
37 Medical Expenses and Medical Insurance							676,888.39	676,888.39
38 Memberships and Dues		874.00	1,640.00	450.00	450.00	530.00	371,004.35	448,191.68
39 Student-Athlete Meals	4,579.82	663.43	601.20	4,448.92	3,558.57	8,866.85	69,393.75	291,608.65
40 Other Operating Expenses	3,004.00	2,186.41	1,661.42	9,461.97	8,245.21	8,098.33	1,156,845.13	1,455,149.71
41 Bowl Expenses								-
TOTAL OPERATING EXPENSES	\$ 604,902.62	\$ 321,191.90	\$ 391,126.41	\$ 678,330.33	\$ 806,879.32	\$ 856,197.66	\$ 10,005,418.25	\$ 29,952,609.00
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	\$ (551,200.29)	\$ (310,652.92)	\$ (376,877.61)	\$ (652,095.34)	\$ (774,268.32)	\$ (806,038.83)	\$ 15,837,526.96	\$ 2,380,660.80



NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 1 – Summary of Significant Accounting Policies

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

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

Student Fees – In 1998, the UTSA student body voted to implement an athletic fee to fund Athletics. The current athletic fee is \$20 per credit hour with a ceiling of \$240 per student per semester. Although UTSA has flat-rate tuition, the athletic fee is allocated based on the previous student fee structure.

Direct Institutional Support – Direct Institutional Support is composed of amounts budgeted annually for institutional transfers to fund or support Athletics and expenses paid by the institution on behalf of Athletics, such as work-study and accrued leave payouts to separated Athletics employees.

Indirect Institutional Support – The Indirect Institutional Support reflects costs incurred by the institution in support of Athletics but not charged to Athletics.

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

There was one individual who contributed \$260,000 directly to Athletics that constituted 10 percent or more of all contributions received for Athletics during the reporting period.

NOTE 3 – Capital Assets

The Property Management Office at UTSA oversees the methods utilized to manage inventory property and provides procedures and services to ensure that all state and federal requirements are met. The State Comptroller has developed a State Property Accounting guide to assist the state government in accounting for state and federal government property. Athletics acquires, approves, depreciates, and disposes assets in accordance with UTSA 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 UTSA. 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 – Capital asset purchases are approved by the Senior Associate Athletic Director.
- 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.



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APPENDIX B

NOTE 4 – Other Reporting Items

Category	Amount
Excess Transfers to Institution	\$0.00
Conference Realignment Expenses	Not Applicable
Total Athletics-Related Debt	\$1,259,000.00
Total Institutional Debt	\$303,870,175.00
Value of Athletics Dedicated Endowments	\$271,437.03
Value of Institutional Endowments	\$181,428,767.49
Total Athletics-Related Capital Expenditures	\$618,678.33

NOTE 5 – Future Debt Repayment Schedule

UTSA 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 UTSA, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTSA’s financial statements. As of August 31, 2020, UTSA had no Athletics outstanding debt-related revenue bonds issued by UT System.

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

As of August 31, 2020, UTSA (through UT System) had outstanding commercial paper related to Athletics totaling \$ 1,259,000.00. Debt service requirements to maturity for this outstanding debt are summarized as follows:

Fiscal Year	Principal	Interest*	Total
2021	0	9,855	9,855
2022	259,000	12,173	271,173
2023	260,000	14,363	274,363
2024	261,000	13,950	274,950
2025	264,000	9,788	273,788
2026	215,000	3,977	218,977
2027-2031	0	0	0
Total Requirements	\$ 1,259,000	64,104	1,323,104

* Interest on commercial paper is variable. Interest rate is based on forecasted rates and is assumed to be 0.75% in FY21, 1.00% in FY22, 1.50% in FY23, 2.00% in FY24, and 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 understanding was obtained as noted below. All explanations appear to be reasonable.

Comparison to Prior Period

The following SRE revenue category met the threshold for investigation:

Category	FY 2020 SRE	FY 2019 SRE	\$ Variance	% Variance	Variance Explanation
Direct Institutional Support	\$7,586,525.00	\$6,353,168.95	\$1,233,356.05	19.41%	Amount budgeted to Athletics was to be adjusted by ~\$1M (reduced) but transfer was not executed

Comparison to Budget Estimates

The following SRE expense category met the threshold for investigation:

Category	Actual Total	Budget Total	\$ Variance	% Variance	Variance Explanation
Athletic Student Aid	\$5,485,946.00	\$6,377,589.00	-\$891,643.00	-16.25%	Reduction in Student Aid provided for summer school due to limited access and reduction in spending (COVID pandemic)



FOLLOW-UP ON PRIOR YEAR'S RECOMMENDATIONS

The following recommendations have been adequately **IMPLEMENTED**:

Recommendation #1 Use of State Funds for Athletic Advising and Development: Work with the UT System Office of General Counsel to determine whether the current practice in place with respect to athletic advising and athletic development complies with state law. If the current practice does not comply with state law, UTSA should identify an alternative funding source to provide athletic advising and athletic development activities.

Recommendation #2 Information Reported to the NCAA: Develop a process to review information recorded in Compliance Assistant to ensure that the information reported to the NCAA is accurate and complete. Ideally, this should be done by someone other than the individual entering the information. The Athletics Compliance Office should periodically review the financial aid information entered into Compliance Assistant by the Financial Aid/Registrar's Office to ensure year-end reporting is updated and current. In addition, Athletics should ensure that amounts recorded in Compliance Assistant for Pell grants and cash awards agrees to actual award amounts recorded in BANNER.