



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

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# SUMMARY

## OBJECTIVE:

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

## CONCLUSION:

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



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# RESULTS

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

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

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

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

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

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

- Compare each major revenue and expense account over 10% of the total revenues/expenses to prior period amounts and budget estimates. Obtain and document an explanation of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

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

- Identify aspects of UTA'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 UTA'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.

*UTA did not have any athletics-related affiliated and outside organizations with financial statements. UTA has the Maverick Club, which is operated by Athletics.*



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## 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 UTA 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 UTA in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of UTA'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 UTA 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 UTA 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 UTA with permanent transfers back to institution from the athletics department and recalculate totals.

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

### **Indirect Institutional Support**

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



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*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 UTA'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 UTA'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. There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10% or more of all contributions received for Athletics.*

## **In-Kind**

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

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

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

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

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

## **Media Rights**

14. Obtain and inspect agreements to understand UTA's total media (broadcast, television, radio) rights received by UTA 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 UTA's general ledger and recalculate totals. Ledger totals may be different for total contributions if media rights are not broken out separately.

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



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## **NCAA Distributions**

16. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

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

## **Conference Distributions and Conference Distributions of Football Bowl Generated Revenue**

17. Obtain and inspect agreements related to UTA'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 UTA's general ledger and/or the SRE and recalculate totals.

*No material exceptions were noted as a result of these procedures. Athletics did not receive any conference distributions of football bowl generated revenue.*

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

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

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

## **Royalties, Licensing, Advertisements, and Sponsorships**

20. Obtain and inspect agreements related to UTA'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 UTA'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 UTA and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of UTA's methodology for recording revenues from sports-camps.
23. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to UTA's general ledger and/or the SRE and recalculate totals.

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

## **Athletics Restricted Endowment and Investment Income**

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

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



### Other Operating Revenue

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

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

### Football Bowl Revenues

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

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

## MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

### Athletic Student Aid

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

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

### Guarantees

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



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36. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by UTA 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 UTA and related entities expense recorded by UTA 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 UTA 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 UTA 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 UTA and related entities during the reporting period.
43. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree the related payroll summary registers to the related support staff administrative salaries, benefits, and bonuses paid by UTA and related entities expense recorded by UTA 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 UTA 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.*



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## **Severance Payments**

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

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

## **Recruiting**

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

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

## **Equipment, Uniforms, and Supplies**

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

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

## **Game Expenses**

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

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

## **Fund Raising, Marketing, and Promotion**

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

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

## **Sports-Camp Expenses**

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

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



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## **Spirit Groups**

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

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

## **Athletic Facility Debt Service, Leases and Rental Fees**

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

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

## **Direct Overhead and Administrative Expenses**

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

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

## **Indirect Institutional Support**

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

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

## **Medical Expenses and Medical Insurance**

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

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

## **Memberships and Dues**

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

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

## **Other Operating Expenses and Transfers to Institution**

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

*No material exceptions were noted as a result of this procedure. Athletics did not have transfers to the institution.*



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## **Student-Athlete Meals (Non-Travel)**

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

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

## **Football Bowl Expenses**

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

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

## **ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

- For Grants-in-Aid: Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to UTA'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 UTA between May and August. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the supporting equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. Compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 4%.

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

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

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

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



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- 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 UTA's financial aid records, of all student-athlete Pell Grants. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document any variance greater than +/- 20 grants.

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

## MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

### **Excess Transfers to Institution and Conference Realignment Expenses**

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

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

### **Total Athletics Related Debt**

68. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.
69. Agree the total annual maturities and total outstanding athletic debt related to supporting documentation and UTA'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 UTA's general ledger and/or UTA'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, UTA, and affiliated organizations. Agree the fair market value in the schedules to supporting documentation, UTA'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, UTA's general ledger, and/or audited financial statements, if available.

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



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## **Total Athletics Related Capital Expenditures**

73. Obtain a schedule of athletics related capital expenditures made by athletics, UTA, 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

UTA's management is responsible for the SRE and compliance with NCAA requirements. This report is intended solely for the information and use of UTA 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 UTA's financial statements.

## APPENDICES

Also attached to this report are the following appendices:

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

## REPORT DATE

January 14, 2022

## REPORT DISTRIBUTION

To: Teik C. Lim, Ph.D., President *ad interim*, UTA

Cc: Kelly Davis, Chief Financial Officer and Vice President, UTA

Jim Baker, Director of Athletics, UTA

Tony Burken, Senior Associate AD for Finance and Administration, UTA

David Price, Chief Audit Executive, UTA

UT System Administration Internal Audit Committee

External Agencies (State Auditor, Legislative Budget Board, Governor's Office)



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**APPENDIX A**

**THE UNIVERSITY OF TEXAS AT ARLINGTON DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**  
**STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Men's Track</b>	<b>Women's Track</b>	<b>Men's Tennis</b>	<b>Women's Tennis</b>
<b>Operating Revenues:</b>						
1 Ticket Sales	\$ 44,729	13,210	17,920	17,920	-	-
2 Direct State or Other Govt Support	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-
4 Direct Institutional Support	7,566	-	-	-	-	-
5 Less - Transfers to Institution	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	-
6A Indirect Inst Support - Debt, Lease, Rental	-	-	-	-	-	-
7 Guarantees	130,000	-	-	-	-	-
8 Contributions	54,320	2,108	2,465	2,465	2,250	2,250
9 In-Kind	792	800	-	-	-	-
10 3rd Party Compensation & Benefits	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-
12 NCAA Distributions	-	-	6,084	-	-	-
13 Conference Distributions	-	-	-	-	-	-
13A Conf Distribution of Bowl Revenue	-	-	-	-	-	-
14 Program Sales, Concessions, & Parking	-	-	-	-	-	-
15 Royalties, Advertising, & Sponsorships	-	-	-	-	-	-
16 Sports Camp Revenues	-	-	-	-	-	-
17 Athletics Rest Endow/Invest Income	9,270	1,431	-	-	-	-
18 Other Operating Revenue	-	-	36,622	36,620	3,297	3,298
19 Bowl Revenue	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>246,677</b>	<b>17,549</b>	<b>63,091</b>	<b>57,005</b>	<b>5,547</b>	<b>5,548</b>
<b>Operating Expenses:</b>						
20 Athletics Student Aid	494,919	494,443	336,178	476,079	111,770	205,761
21 Guarantees	14,500	9,000	-	-	-	-
22 Coaching Salaries & Benefits	1,006,353	710,668	189,685	216,322	94,804	72,910
23 3rd Party Compensation & Benefits	-	-	-	-	-	-
24 Support Staff/Admin Salaries & Benefits	10,088	-	-	-	-	-
25 3rd Party Support Staff	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-
27 Recruiting	17,985	23,723	333	205	-	-
28 Team Travel	177,174	111,817	96,422	81,335	26,411	25,092
29 Sports Equip, Uniforms, & Supplies	35,543	52,166	29,533	29,517	9,606	11,426
30 Game Expenses	114,083	63,522	11,776	11,577	10,717	11,017
31 Fund Raising, Mktg, Promotions	-	8,610	-	-	-	-
32 Sports Camp Expenses	112	405	-	-	-	-
33 Spirit Groups	-	-	-	-	-	-
34 Debt Service, Lease, Rental Fees	-	-	-	-	-	-
35 Direct Overhead/Admin Expenses	47,430	43,899	13,485	13,311	6,380	13,364
36 Indirect Institutional Support	-	-	-	-	-	-
37 Medical Expenses & Insurance	1,140	473	-	-	-	-
38 Memberships & Dues	330	1,940	450	450	550	550
39 Student-Athletic Meals (non-travel)	37,765	7,025	2,282	2,282	4,797	2,455
40 Other Operating Expenses	1,155	5,677	761	669	-	-
41 Bowl Expenses	-	-	-	-	-	-
41A Bowl Expenses - Coaching Compensation	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,958,577</b>	<b>1,533,368</b>	<b>680,905</b>	<b>831,747</b>	<b>265,035</b>	<b>342,575</b>
50 Excess Transfer to University	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-
<b>Total Expenses</b>	<b>1,958,577</b>	<b>1,533,368</b>	<b>680,905</b>	<b>831,747</b>	<b>265,035</b>	<b>342,575</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenses</b>	<b>\$ (1,711,900)</b>	<b>(1,515,819)</b>	<b>(617,814)</b>	<b>(774,742)</b>	<b>(259,488)</b>	<b>(337,027)</b>



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

**APPENDIX A**

**THE UNIVERSITY OF TEXAS AT ARLINGTON DEPARTMENT OF INTERCOLLEGIATE ATHLETICS**  
**STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

	Volleyball	Baseball	Softball	Men's Golf	Women's Golf	Non-Program Specific	Total
<b>Operating Revenues:</b>							
1 Ticket Sales	-	-	-	-	-	2,988	96,767
2 Direct State or Other Govt Support	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	6,941,892	6,941,892
4 Direct Institutional Support	-	-	-	-	-	3,307,966	3,315,532
5 Less - Transfers to Institution	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	655,232	655,232
6A Indirect Inst Support - Debt, Lease, Rental	-	81,880	81,880	-	-	-	163,760
7 Guarantees	10,546	-	-	-	-	-	140,546
8 Contributions	5,481	47,488	9,548	6,075	6,075	710,238	850,763
9 In-Kind	528	-	-	-	-	17,533	19,653
10 3rd Party Compensation & Benefits	-	-	-	-	-	-	-
11 Media Rights	-	-	-	-	-	-	-
12 NCAA Distributions	-	-	-	-	-	559,256	565,340
13 Conference Distributions	-	-	-	-	-	154,268	154,268
13A Conf Distribution of Bowl Revenue	-	-	-	-	-	-	-
14 Program Sales, Concessions, & Parking	-	-	-	-	-	-	-
15 Royalties, Advertising, & Sponsorships	-	-	-	-	-	472,601	472,601
16 Sports Camp Revenues	-	-	24,980	-	-	-	24,980
17 Athletics Rest Endow/Invest Income	-	13,476	-	2,895	-	35,209	62,281
18 Other Operating Revenue	-	2,074	-	-	6,000	237,119	325,030
19 Bowl Revenue	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>16,555</b>	<b>144,918</b>	<b>116,408</b>	<b>8,970</b>	<b>12,075</b>	<b>13,094,302</b>	<b>13,788,645</b>
<b>Operating Expenses:</b>							
20 Athletics Student Aid	395,680	412,469	309,313	97,608	137,985	188,479	3,660,684
21 Guarantees	-	-	-	-	-	-	23,500
22 Coaching Salaries & Benefits	293,263	256,836	259,294	105,334	92,075	215,573	3,513,117
23 3rd Party Compensation & Benefits	-	-	-	-	-	-	-
24 Support Staff/Admin Salaries & Benefits	-	-	-	-	-	3,114,404	3,124,492
25 3rd Party Support Staff	-	-	-	-	-	-	-
26 Severance Payments	-	-	-	-	-	-	-
27 Recruiting	6,338	3,184	6,835	149	837	-	59,589
28 Team Travel	64,568	180,744	120,188	40,220	27,155	-	951,126
29 Sports Equip, Uniforms, & Supplies	18,383	44,023	32,691	17,431	12,904	23,602	316,825
30 Game Expenses	22,783	37,499	19,232	-	5,566	34,522	342,294
31 Fund Raising, Mktg, Promotions	-	4,353	636	-	-	196,387	209,986
32 Sports Camp Expenses	8	-	4,933	-	-	-	5,458
33 Spirit Groups	-	-	-	-	-	-	-
34 Debt Service, Lease, Rental Fees	-	81,880	81,880	-	-	-	163,760
35 Direct Overhead/Admin Expenses	7,852	21,045	28,603	12,427	12,105	1,081,252	1,301,153
36 Indirect Institutional Support	-	-	-	-	-	655,232	655,232
37 Medical Expenses & Insurance	1,800	-	-	-	-	220,673	224,086
38 Memberships & Dues	1,224	-	320	600	300	86,382	93,096
39 Student-Athletic Meals (non-travel)	3,122	17,810	7,254	380	3,052	38,567	126,791
40 Other Operating Expenses	77	-	1,090	766	-	16,769	26,964
41 Bowl Expenses	-	-	-	-	-	-	-
41A Bowl Expenses - Coaching Compensation	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>815,098</b>	<b>1,059,843</b>	<b>872,269</b>	<b>274,915</b>	<b>291,979</b>	<b>5,871,842</b>	<b>14,798,153</b>
50 Excess Transfer to University	-	-	-	-	-	-	-
51 Conference Realignment	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>815,098</b>	<b>1,059,843</b>	<b>872,269</b>	<b>274,915</b>	<b>291,979</b>	<b>5,871,842</b>	<b>14,798,153</b>
<b>Excess (Deficiency) of</b>							
<b>Revenues Over (Under) Expenses</b>	<b>(798,543)</b>	<b>(914,925)</b>	<b>(755,861)</b>	<b>(265,945)</b>	<b>(279,904)</b>	<b>7,222,460</b>	<b>(1,009,508)</b>



## NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

### NOTE 1 – Summary of Significant Accounting Policies

*Fiscal Year* – UTA'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 UTA'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 UTA student body voted to implement an athletic fee to fund Athletics. The current athletic fee is \$8.50 per credit hour with a ceiling of \$115 per student per semester. Although UTA 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 were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10 percent or more of all contributions received for Athletics during the reporting period.

### NOTE 3 – Capital Assets

The Property Management Office at UTA 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 UTA 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 UTA. 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.



**NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**

NOTE 4 – Other Reporting Items

Category	Amount
Excess Transfers to Institution	Not Applicable
Conference Realignment Expenses	Not Applicable
Total Athletics-Related Debt	\$4,832,000
Total Institutional Debt	\$317,585,000
Value of Athletics Dedicated Endowments	\$ 2,342,182
Value of Institutional Endowments	\$220,586,002
Total Athletics-Related Capital Expenditures	\$783,379

NOTE 5 – Future Debt Repayment Schedules

UTA receives proceeds from bonds issued and held by UT System Administration to support capital projects of UT System Administration 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 UTA, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTA’s financial statements.

As of August 31, 2021, UTA (through UT System Administration) had outstanding debt related to the Athletics Department totaling \$4,094,000. Debt service requirements to maturity for this outstanding debt are summarized as follows:

Fiscal Year	Principal	Interest	Total
2021	179,000	163,760	342,760
2022	185,000	156,600	341,600
2023	193,000	149,200	342,200
2024	200,000	141,480	341,480
2025-2029	1,062,000	581,280	1,643,280
2030-2034	1,031,000	375,640	1,406,640
2035-2039	1,244,000	153,080	1,397,080
<b>Total Requirements</b>	<b>\$ 4,094,000</b>	<b>1,721,040</b>	<b>5,815,040</b>

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



**NOTES TO THE STATEMENT OF REVENUES AND EXPENSES**

As of August 31, 2021, UTA (through UT System) had outstanding commercial paper related to Athletics totaling \$738,000. Debt service requirements to maturity for this outstanding debt are summarized as follows:

<b>Fiscal Year</b>		<b>Principal</b>	<b>Interest*</b>	<b>Total</b>
2022	\$	72,000	3,786	75,786
2023		72,000	3,913	75,913
2024		72,000	4,140	76,140
2025		72,000	6,225	78,225
2026		72,000	6,860	78,860
2027-2031		378,000	14,340	392,340
<b>Total Requirements</b>	<b>\$</b>	<b>738,000</b>	<b>39,264</b>	<b>777,264</b>

\* Interest on commercial paper is variable. Interest rate is based on forecasted rates and is assumed to be 0.60% in FY22, 0.70% in FY23, 0.85% in FY24, 1.50% in FY25, and 2.00% in FY26 and beyond.



**VARIANCE ANALYSIS**

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

**Comparison to Prior Period**

The following SRE category met the threshold for investigation:

<b>SRE #</b>	<b>Category</b>	<b>FY 2021 SRE</b>	<b>FY 2020 SRE</b>	<b>Variance (\$)</b>	<b>Variance (%)</b>	<b>Variance Explanation</b>
4	Direct Institutional Support	\$3,315,532	\$3,717,398	\$(401,866)	(10.81)%	Primarily attributable to Athletics having identified a \$309,770 transfer posted in December 2019 intended to cover expenses incurred in FY 2019 but reported on the FY 2020 SRE. Excluding that transfer from the FY 2020 SRE to isolate the impact results in a variance of -\$92,096 (-2.70%).

**Comparison to Budget Estimates**

No items met the threshold for investigation.