

**SAN JOSE STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

**INDEPENDENT ACCOUNTANTS'
REPORT ON APPLYING
AGREED-UPON PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2019

**SAN JOSE STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
 AGREED-UPON PROCEDURES**

Dr. Mary Papazian, President
 San Jose State University:

We have performed the procedures enumerated below, which were agreed to by the President of San Jose State University (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (the Statement, see Exhibit I) of the the University's Intercollegiate Athletics Program (the Program) is in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2019. The University's management is responsible for the 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. 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.

Exceptions totaling the lesser of \$130,000 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 that we performed and our findings are as follows:

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

Procedure	Finding
All Revenue Categories	
<ul style="list-style-type: none"> 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. 	No exceptions noted.
<ul style="list-style-type: none"> Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation. 	No exceptions noted.

Procedure	Finding
<ul style="list-style-type: none"> 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. 	No variations that exceed the thresholds for total revenues to prior periods and budgeted estimates.
Ticket Sales	
<ol style="list-style-type: none"> 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, 2019, this procedure was not performed.
Student Fees	
<ol style="list-style-type: none"> 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. Obtain documentation of institution's methodology for allocating student fees to intercollegiate athletics programs. 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. 	<p>No exceptions noted.</p> <p>An understanding of the University's methodology was gained, and we noted the allocation was in accordance with the University's methodology.</p> <p>No exceptions noted.</p>
Direct State or Other Governmental Support	
<ol style="list-style-type: none"> 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, 2019, this procedure was not performed.
Direct Institutional Support	
<ol style="list-style-type: none"> 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	
<ol style="list-style-type: none"> 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, 2019, this procedure was not performed.

Procedure	Finding
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.	As indirect institutional support represents less than 4.0% of total revenues for the year ended June 30, 2019, this procedure was not performed.
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.	No exceptions noted.
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.	No exceptions noted.
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 there was no in-kind revenues for the year ended June 30, 2019, 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 was no compensation and benefits provided by a third party for the year ended June 30, 2019, this procedure was not performed.
Media Rights	
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.	No exceptions noted.

Procedure	Finding
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.	No exceptions noted.
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 exceptions noted.
Conference Distributions and Conference Distributions of Bowl Generated Revenue	
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.	No exceptions noted.
18. Compare and agree the related revenues to the Program's general ledger, and/or the statement and recalculate totals.	No exceptions noted.
Program Sales, Concessions, Novelty Sales and Parking	
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, 2019, this procedure was not performed.
Royalties, Licensing, Advertisements and Sponsorships	
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, 2019, this procedure was not performed.
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, 2019, this procedure was not performed.
Sports Camp Revenues	
22. Inspect sports camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of the Program's methodology for recording revenues from sports camps.	As sports camp revenues represent less than 4.0% of total revenues for the year ended June 30, 2019, this procedure was not performed.

Procedure	Finding
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 sports camp revenues represent less than 4.0% of total revenues for the year ended June 30, 2019, this procedure was not performed.
Athletics Restricted Endowment and Investment Income	
24. Obtain and inspect endowment agreements (if any) for relevant terms and conditions.	As there was no athletics restricted endowment and investment income for the year ended June 30, 2019, 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 defined within the related endowment agreement and recalculate totals.	As there was no athletics restricted endowment and investment income for the year ended June 30, 2019, this procedure was not performed.
Other	
26. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.	As other operating revenues represent less than 4.0% of total revenues for the year ended June 30, 2019, this procedure was not performed.
Bowl Revenues	
27. Obtain and inspect agreements related to the Program's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant term and conditions.	As there were no bowl revenues for the year ended June 30, 2019, 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 there were no bowl revenues for the year ended June 30, 2019, this procedure was not performed
All Expense Categories	
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation. 	No exceptions noted.
<ul style="list-style-type: none"> 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 variations that exceed the thresholds for total expenses to prior periods and budgeted estimates.

Procedure

Finding

Athletic Student Aid

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| 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. | A sample of 60 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: | No exceptions noted. |
| <ul style="list-style-type: none">• 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. |
| <ul style="list-style-type: none">• 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). | No exceptions noted. |
| <ul style="list-style-type: none">• 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). | No exceptions noted. |
| <ul style="list-style-type: none">• Full grant amount should be entered as a full year of tuition, not a semester or quarter. | No exceptions noted. |

Procedure	Finding
<ul style="list-style-type: none"> • Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00. 	No exceptions noted.
<ul style="list-style-type: none"> • Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football. 	No exceptions noted.
<ul style="list-style-type: none"> • 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. 	No exceptions noted.
<ul style="list-style-type: none"> • 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. 	No exceptions noted.
<ul style="list-style-type: none"> • 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). 	No exceptions noted.
<ul style="list-style-type: none"> • 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. 	As there were no discontinued sports for the year ended June 30, 2019, this procedure was not performed.
<ul style="list-style-type: none"> • All equivalency calculations should be rounded to two decimal places. 	No exceptions noted.
<ul style="list-style-type: none"> • 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. 	No exceptions noted.
<ul style="list-style-type: none"> • 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. 	No exceptions noted.
32. Recalculate totals for each sport and overall.	No exceptions noted.
Guarantees	
33. Obtain and inspect visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the 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, 2019, this procedure was not performed.

Procedure

Finding

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, 2019, this procedure was not performed.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

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 and two pay periods 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.

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.

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.

As there were no coaching other compensation and benefits paid by a third party expenses for the year ended June 30, 2019, 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 expenses for the year ended June 30, 2019, 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 expenses for the year ended June 30, 2019, this procedure was not performed.

Procedure	Finding
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	
42. Select a sample of support staff/administrative personnel employed by the Program and related entities during the reporting period.	A sample of five support staff/administrative personnel and two pay periods 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.
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 was no support staff/administrative other compensation and benefits paid by a third party expenses for the year ended June 30, 2019, 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 was no support staff/administrative other compensation and benefits paid by a third party expenses for the year ended June 30, 2019, 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 there were no severance payments for the year ended June 30, 2019, 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, 2019, 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, 2019, 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, 2019, this procedure was not performed.

Procedure	Finding
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.
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.	As equipment, uniform and supplies expense represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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 exceptions noted.
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.	As fund raising, marketing, and promotion represents less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As sports camp expenses represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As spirit groups represent less than 4.0% of the total expenses for the year ended June 30, 2019, this procedure was not performed.
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).	As athletic facility debt service, leases and rental fees represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.

Procedure	Finding
59. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.	As athletic facility debt service, leases and rental fees represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As there was no direct overhead and administrative expenses for the year ended June 30, 2019, this procedure was not performed.
Indirect Institutional Support	
61. Tested with revenue section- Indirect Institutional Support.	As indirect institutional support represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As medical expenses and medical insurance represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As memberships and dues represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As other operating expenses represent less than 4.0% of total expenses and there were no transfer to the institution for the year ended June 30, 2019, this procedure was not performed.
Student-Athlete Meals (non-travel)	
65. 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 student-athlete meals (non-travel) represent less than 4.0% of total expenses for the year ended June 30, 2019, this procedure was not performed.
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.	As there were no bowl expenses for the year ended June 30, 2019, this procedure was not performed.

MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

<u>Procedure</u>	<u>Finding</u>
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.	As there were no transfers to institution and conference realignment expenses for the year ended June 30, 2018, this procedure was not performed.
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.	As there was no athletics related debt at June 30, 2019, this procedure was not performed.
69. Agree the total annual maturities and total outstanding athletic related debt to supporting documentation and the institution's general ledger, as applicable.	As there was no athletics related debt at June 30, 2019, this procedure was not performed.
Total Institutional Debt	
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.
Value of Athletics Dedicated Endowments	
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 documentation, the general ledger(s) and audited financial statements, if available.	No exceptions noted.
Value of Institutional Endowments	
72. Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.	No exceptions noted.
Total Athletics Related Capital Expenditures	
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 NCAA revenue distributions, which is a financial benefit to the institution, the following procedure are required to be performed:

Procedure	Finding
<ul style="list-style-type: none"> • For Grants-in-Aid: <ul style="list-style-type: none"> ○ 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. 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. ○ 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%. 	<p>No exceptions noted.</p> <p>We noted no variance greater than threshold.</p>
<ul style="list-style-type: none"> • For Sports Sponsorship: <ul style="list-style-type: none"> ○ Obtain the institution's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year. 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. 	<p>No exceptions noted.</p>

Procedure	Finding
<ul style="list-style-type: none"> ○ 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. 	Increase due to the addition of men's indoor and outdoor track teams.
<ul style="list-style-type: none"> ● For Pell Grants: <ul style="list-style-type: none"> ○ 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 Program's financial aid records, of all student-athlete Pell Grants. Note: individual student-aid file testing in step 32 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. 	No exceptions noted.
<ul style="list-style-type: none"> ○ 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. 	Increase due to the addition of men's indoor and outdoor track teams.

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 Tower Foundation of San Jose State University (the Foundation) as the only 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 the Program. Included in the Program's Foundation accounts are the accounts of the Athletic Department. Expenditures for, or on behalf of the Program or its employees are made directly from the Foundation.

Total revenues	\$ 7,570,847
Total expenses	<u>(5,848,875)</u>
	<u>\$ 1,721,972</u>

Finding

No exceptions noted.

Procedure

2. 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 Association for the year ended June 30, 2019, noted through inquiry that there are no related management letters. The results of this procedure disclosed that the independent auditors expressed an unmodified opinion on the financial statements of the Association.

Finding

No exceptions noted.

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 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. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of the University, management of the Program, and the National Collegiate Athletic Association, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
January 31, 2020

**SAN JOSE STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES)**

	Football	Men's Basketball	Women's Basketball	Other Men's Sports	Other Women's Sports	Nonprogram Specific	Total
Revenues							
1 Ticket sales	\$ 379,759	\$ 94,662	\$ 41,171	\$ 17,181	\$ 27,420	\$ 62,973	\$ 623,166
2 Direct state or other government support	-	-	-	-	-	-	-
3 Student fees	-	-	-	-	-	9,038,711	9,038,711
4 Direct institutional support	2,268,780	1,006,413	482,659	1,004,095	2,285,772	4,389,834	11,437,553
5 Transfers to institution	-	-	-	-	-	-	-
6 Indirect institutional support	-	-	-	-	-	1,035,640	1,035,640
6A Indirect institutional support - athletic facilities debt service, leases and rental fees	-	-	-	-	-	-	-
7 Guarantees	2,224,025	127,500	27,500	15,000	24,300	-	2,418,325
8 Contributions	810,711	151,986	24,282	418,493	129,559	296,947	1,831,978
9 In-kind	-	-	-	-	-	-	-
10 Compensation and benefits provided by a third-party	-	-	-	-	-	-	-
11 Media rights	1,128,903	-	-	-	-	255,090	1,383,993
12 NCAA distributions	-	517,060	-	-	47,051	1,833,260	2,397,371
13 Conference distributions (non media and non bowl)	1,572,065	73,487	-	-	-	7,610	1,653,162
13A Conference distributions of bowl generated revenue	-	-	-	-	-	-	-
14 Program, novelty, parking and concession sale	84,328	2,070	-	-	309	5,824	92,531
15 Royalties, licensing, advertisement and sponsorship	220,000	42,300	42,300	45,950	88,988	330,463	770,001
16 Sports camp revenues	16,908	-	-	-	-	522	17,430
17 Athletics restricted endowment and investments income	-	-	-	-	-	-	-
18 Other operating revenue	9,384	116	597	198	207	77,014	87,516
19 Bowl revenues	-	-	-	-	-	-	-
Total operating revenues	8,714,863	2,015,594	618,509	1,500,917	2,603,606	17,333,888	32,787,377
Expenses							
20 Athletics student aid	2,861,619	542,153	528,932	941,830	3,257,010	118,962	8,250,506
21 Guarantees	600,000	125,000	-	-	3,625	-	728,625
22 Coaching salaries, benefits and bonuses paid by the university and related entities	3,053,911	994,590	537,473	1,309,799	2,481,471	-	8,377,244
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	519,165	64,750	175,279	59,217	22,610	4,958,960	5,799,981
25 Support staff and administrative other compensation and benefits paid by a third-party	-	-	-	-	-	-	-
26 Severance payments	-	-	-	-	-	-	-
27 Recruiting	218,978	54,884	51,642	55,236	96,329	1,333	478,402
28 Team travel	733,133	376,151	284,440	520,785	821,657	-	2,736,166
29 Sports equipment, uniforms and supplies	571,448	89,828	72,887	154,900	247,785	-	1,136,848
30 Game expenses	641,418	251,504	160,972	129,208	138,581	82,173	1,403,856
31 Fund raising, marketing and promoter	8,130	575	-	350	-	422,598	431,653
32 Sports camp expenses	70,665	-	-	-	-	182	70,847
33 Spirit groups	-	-	-	-	-	74,659	74,659
34 Athletic facilities debt service, leases and rental fee	3,656	-	-	20,070	79,408	74,887	178,021
35 Direct overhead and administrative expense:	-	-	-	-	-	-	-
36 Indirect institutional support	-	-	-	-	-	1,035,640	1,035,640
37 Medical expenses and medical insurance	12,105	-	-	-	-	609,197	621,302
38 Memberships and dues	180	2,500	200	10,590	14,389	254,521	282,380
39 Student-athlete meals (non-travel)	304,991	2,727	6,026	10,516	41,416	1,825	367,501
40 Other operating expenses	192,511	40,634	21,045	22,398	73,767	860,082	1,210,437
41 Bowl expenses	-	-	-	-	-	-	-
41A Bowl expenses - coaches compensation/bonuses	-	-	-	-	-	-	-
Total operating expenses	9,791,910	2,545,296	1,838,896	3,234,899	7,278,048	8,495,019	33,184,068
50 Excess transfers to institution	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenses	\$ (1,077,047)	\$ (529,702)	\$ (1,220,387)	\$ (1,733,982)	\$ (4,674,442)	\$ 8,838,869	\$ (396,691)
51 Conference realignment expense:							\$ -
52 Total athletics related debt							\$ -
53 Total institutional debt							\$ 497,203,305
54 Value of athletics dedicated endowments							\$ 6,198,132
55 Value of institutional endowments							\$ 153,212,205
56 Total athletics related capital expenditures							\$ 2,021,171

- See accompanying notes to statement of revenues and expenses -

**SAN JOSE STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

(1) **Basis of Presentation:**

The accompanying Statement of Revenues and Expenses of San Jose State University (the University) Intercollegiate Athletics Program (the Program) has been prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

(2) **Contributions:**

The San Jose State University Tower Foundation (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 the Program. Contributions of \$1,320,656 and \$511,322 were recognized from the Foundation and the University, respectively, for the year ended June 30, 2019, and have been included in the accompanying statement of revenues and expenses. Contributions received from the Foundation and the University were the only contributions exceeding 10% of total contributions, as reported in the statement of revenues and expenses, for the year ended June 30, 2019.

(3) **Capital Assets:**

The University capitalizes individual assets that exceed \$5,000 if the life expectancy is greater than one year. The University uses straight-line depreciation with zero salvage value and a useful life is determined for each asset.

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Building and building improvements	\$ 10,833,328	\$ -	\$ -	\$ 10,833,328
Improvements other than buildings	11,542,025	1,082,748	-	12,624,773
Infrastructure	-	864,381	-	864,381
Equipment	1,550,557	74,042	-	1,624,599
Intangible	256,621	-	-	256,621
Total capital assets being depreciated	<u>24,182,531</u>	<u>2,021,171</u>	<u>-</u>	<u>26,203,702</u>
Less accumulated depreciation for:				
Building and building improvements	(9,953,980)	-	-	(9,953,980)
Improvements other than buildings	(1,713,087)	(1,210,483)	-	(2,923,570)
Infrastructure	-	(10,805)	-	(10,805)
Equipment	(1,052,211)	(138,727)	-	(1,190,938)
Intangible	(253,621)	(3,000)	-	(256,621)
Total accumulated depreciation	<u>(12,972,899)</u>	<u>(1,363,015)</u>	<u>-</u>	<u>(14,335,914)</u>
Capital assets, net	<u>\$ 11,209,632</u>	<u>\$ 658,156</u>	<u>\$ -</u>	<u>\$ 11,867,788</u>

**SAN JOSE STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

(4) **Debt:**

As of June 30, 2019, there was no outstanding debt related to the Program.

(5) **Surplus/Deficit Allocations:**

The Program is allowed to carry forward all available funds at the end of each fiscal year to the next fiscal year. Deficits are funded by the Program to the extent there is sufficient net position available.