



January 16, 2018

Diana Natalicio, Ph.D., President  
The University of Texas at El Paso  
500 West University Avenue  
Administration Building, Room 500  
El Paso, Texas 79968-0500

Dear President Natalicio:

We have completed our Independent Auditor's Report on the Application of the Agreed-Upon Procedures for the Department of Intercollegiate Athletics at The University of Texas at El Paso (UTEP) for the Fiscal Year Ended August 31, 2017. The results of the engagement are detailed in the attached report.

We appreciate the assistance provided by management and staff from UTEP's Department of Intercollegiate Athletics.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

cc: Steven Leslie, Ph.D., Executive Vice Chancellor for Academic Affairs, UT System  
Richard Aauto III, Executive Vice President, UTEP  
Jim Senter, Director of Athletics, UTEP  
Daniel Garcia, Assistant Director of Internal Operations, UTEP  
Claudia Vanderslice, Athletics Business Manager, UTEP  
Fadia Rouhana, Athletics Aid Coordinator, UTEP  
Lori Wertz, Chief Audit Executive, UTEP

**The University of Texas at El Paso  
Department of Intercollegiate Athletics**

**Independent Auditor's Report on the  
Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**



**January 2018**

THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE  
210 WEST SEVENTH STREET  
AUSTIN, TX 78701  
(512) 499-4390



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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**INDEPENDENT<sup>1</sup> AUDITOR'S REPORT  
ON THE APPLICATION OF AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the President of The University of Texas at El Paso (UTEP), solely to assist UTEP management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTEP's Department of Intercollegiate Athletics (Athletics) is in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.15 for the fiscal year ended (FYE) August 31, 2017. UTEP's management is responsible for the SRE and compliance with NCAA 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 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.

The following pages outline the required procedures and results. Reportable findings are defined as errors or misclassifications equal to or greater than one percent of total revenues or expenses. *There were no reportable findings and recommendations identified as a result of the agreed-upon procedures performed.*

Also attached to this report are the following appendices:

- *Appendix A*, SRE of Athletics for the FYE August 31, 2017;
- *Appendix B*, Notes to the SRE;
- *Appendix C*, Budget to Actual Comparison of Major Revenue and Expense Categories; and
- *Appendix D*, FY 2016 to FY 2017 Comparison of Major Revenue and Expense Categories.

**Agreed-Upon Procedures Related to all Revenues, Expenses, and Other Reporting Items**

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

*Revenues, expenses, and other reporting items reported on the SRE materially agreed to the amounts reported in UTEP's general ledger. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTEP's general ledger, including out-of-state tuition waivers, indirect institutional support, and gifts in-kind. 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 UTEP. If a specific reporting category is less than 4.0% 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.

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<sup>1</sup> 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.



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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- ❖ 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 understanding of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

*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. If applicable, any material exceptions are noted below under the specific category.*

- Identify and document aspects of UTEP's internal control structure that are unique to Athletics. Test specific elements of the control environment and accounting systems that (1) are unique to Athletics and (2) have not been addressed in connection with the audit of UTEP'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' audited financial statements for the reporting period.

*UTEP identified the Century Club and the Touchdown Club as its affiliated and outside organizations for Athletics. Affiliated and outside organizations include entities that have a primary purpose that benefits Athletics and are not under the institution's accounting control. The Century Club is a not-for-profit 501(c)(3) fund-raising organization that supports Men's Golf. It is under UTEP's accounting control, and its revenues and expenses are recorded in UTEP's general ledger and are included in the SRE. The Touchdown Club is a not-for-profit 501(c)(3) fund-raising organization that supports Football by providing financial assistance to underwrite programs, training, coaching, equipment, and other activities. The Touchdown Club does not have audited financial statements and funded \$204.67 in expenses on behalf of football. Expenses funded by the Touchdown Club were recorded in the general ledger and included in the SRE.*

### **Agreed-Upon Procedures Related to 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 UTEP 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 UTEP in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain and document an understanding of the UTEP'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



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

---

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 UTEP during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation, and recalculate totals.

*Procedure was not applicable. Athletics did not receive direct state or other governmental support during the reporting period.*

**Direct Institutional Support**

6. Compare the direct institutional support recorded by UTEP during the reporting period with 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 UTEP with permanent transfers back to institution from the athletics department, and recalculate totals.

*Procedure was not applicable. Athletics did not have any transfers back to the institution during the reporting period.*

**Indirect Institutional Support**

8. Compare the indirect institutional support recorded by UTEP 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 UTEP'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 UTEP'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



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

---

organization that constituted 10% or more of all contributions received for intercollegiate athletics during the reporting period, and recalculate totals.

*Procedure was not applicable. There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10% or more of all contributions received for Athletics during the reporting period. As no individual contributions constituted 10% or more of all contributions received during the reporting period, we did not present a listing in a supplemental schedule to the SRE.*

**In-Kind**

12. Compare the in-kind recorded by UTEP 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 UTEP. Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, UTEP's general ledger, and/or the Summary, and recalculate totals.
14. If the third party was audited by independent auditors, obtain the related independent auditors' report.

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

**Media Rights**

15. Obtain and inspect agreements to understand UTEP's total media (broadcast, television, radio) rights received by UTEP or through their conference offices as reported in the SRE.
16. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and UTEP's general ledger, and recalculate totals.

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

**NCAA Distributions**

17. 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**

18. Obtain and inspect agreements related to UTEP's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.
19. Compare and agree the related revenues to UTEP's general ledger and/or the SRE, and recalculate totals.



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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

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

20. 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**

21. Obtain and inspect agreements related to UTEP's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.
22. Compare and agree the related revenues to UTEP's general ledger and/or the SRE, and recalculate totals.

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

**Sports-Camp Revenues**

23. Inspect sports-camp contracts between UTEP and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the UTEP's methodology for recording revenues from sports-camps.
24. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to UTEP'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**

25. Obtain and inspect endowment agreements to gain an understanding of the relevant terms and conditions.
26. 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**

27. 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**

28. Obtain and inspect agreements related to UTEP's revenues from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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29. Compare and agree the related revenues to UTEP's general ledger and/or the SRE, and recalculate totals.

*Procedures were not applicable. Athletics did not have any bowl revenues during the reporting period.*

**Agreed-Upon Procedures Related to Expenses**

**Athletic Student Aid**

30. Select a sample of students from the listing of institutional student aid recipients during the reporting period.
31. Obtain individual student-account detail for each selection, and compare the total aid in UTEP's student system to the student's detail in UTEP's report that ties directly to the NCAA Membership Financial Reporting System.
32. Perform a check of each student selected to ensure their information was reported accurately in the NCAA Membership Financial Reporting System.
33. Recalculate totals for each sport and overall.

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

**Guarantees**

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

36. Obtain and inspect a listing of coaches employed by UTEP and related entities during the reporting period. Select a sample of coaches' contracts, including football and men's and women's basketball from the listing.
37. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by UTEP and related entities in the SRE during the reporting period.
38. 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 UTEP and related entities expense recorded by UTEP in the SRE during the reporting period.
39. 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.*





**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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**Coaching Other Compensation and Benefits Paid by a Third Party**

40. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts, including football and men's and women's basketball, from the listing.
41. 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 UTEP in the SRE during the reporting period.
42. 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 UTEP in the SRE during the reporting period, and recalculate totals.

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

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

43. Select a sample of support staff/administrative personnel employed by UTEP and related entities during the reporting period.
44. 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 UTEP and related entities expense recorded by UTEP 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**

45. Select a sample of support staff/administrative personnel employed by third parties during the reporting period.
46. 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 paid by a third party expenses recorded by UTEP in the SRE during the reporting period, and recalculate totals.

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

**Severance Payments**

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

*Procedures were not applicable. Athletics did not make any severance payments during the reporting period.*

**Recruiting**

48. Obtain and document an understanding of UTEP's recruiting expense policies.
49. Compare and agree to existing institutional- and NCAA-related policies.



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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50. 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**

- 51. Obtain and document an understanding of UTEP's team travel policies.
- 52. Compare and agree to existing institutional- and NCAA-related policies.
- 53. 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**

- 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.*

**Game Expenses**

- 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.*

**Fund Raising, Marketing, and Promotion**

- 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.*

**Sports-Camps Expenses**

- 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.*

**Spirit Groups**

- 58. 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**

- 59. 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).



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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60. 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**

61. 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**

62. 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**

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.*

**Memberships and Dues**

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.*

**Other Operating Expenses and Transfers to Institution**

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.*

**Student-Athlete Meals (Non-travel)**

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

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

**Bowl 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.

*Procedure was not applicable. Athletics did not have any bowl expenses during the reporting period.*



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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**Additional Minimum Agreed-Upon Procedures**

- Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to UTEP's squad lists. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the justification in the AUP report.

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

- Obtain UTEP's Sports Sponsorship and Demographics Forms Report for the reporting period. Validate that the countable sports reported by UTEP 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 confirmed, ensure that UTEP has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

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

- 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 UTEP's financial aid records, of all student-athlete Pell Grants.

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

**Agreed-Upon Procedures Related to Other Reporting Items**

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

68. 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.

*Procedure was not applicable. Athletics did not have any excess transfers to the institution or conference realignment expenses during the reporting period.*

**Total Athletics Related Debt**

69. Obtain repayment schedules for all outstanding Athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.
70. Agree the total annual maturities and total outstanding athletic related to supporting documentation and UTEP's general ledger, if applicable.

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

**Total Institutional Debt**

71. Agree the total outstanding institutional debt to supporting documentation and UTEP's general



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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ledger and/or UTEP's audited financial statements, if available.  
*No material exceptions were noted as a result of this procedure.*

**Value of Athletics Dedicated Endowments**

72. Obtain a schedule of all athletics dedicated endowments maintained by athletics, UTEP, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, UTEP's general ledger, and/or audited financial statements, if available.

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

**Value of Institutional Endowments**

73. Agree the total fair market value of institutional endowments to supporting documentation, UTEP'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**

74. Obtain a schedule of athletics related capital expenditures made by athletics, UTEP, and affiliated organizations during the reporting period.  
75. 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.

*Procedures were not applicable. Athletics did not have any athletics-related capital expenditures during the reporting period.*

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying SRE of Athletics. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the procedures specified above and does not extend to UTEP's financial statements.

This report is intended solely for the information and use of UTEP management. It is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

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J. Michael Peppers, CPA, CIA, QIAL, CRMA  
Chief Audit Executive

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Eric Polonski, CPA, CIA  
Director of Audits



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

**APPENDIX A  
THE UNIVERSITY OF TEXAS AT EL PASO DEPARTMENT OF INTERCOLLEGIATE ATHLETICS  
STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

<b>REVENUES</b>	<b>Football</b>	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Other Sports</b>	<b>Non-Program Specific</b>	<b>Total</b>
<b>Operating Revenues:</b>						
1 Ticket Sales	\$ 970,382.50	\$ 1,074,726.00	\$ 36,398.23	\$ 11,467.27	\$ -	\$ 2,092,974.00
2 Direct State or Other Government Support	-	-	-	-	-	-
3 Student Fees	3,098,865.00	473,036.00	546,553.00	3,307,535.00	-	7,425,989.00
4 Direct Institutional Support	2,939,267.52	511,764.48	637,600.77	3,776,367.07	935,675.39	8,800,675.23
5 Transfers to Institution	-	-	-	-	-	-
6 Indirect Institutional Support	647,594.43	99,043.85	114,281.37	691,021.35	-	1,551,941.00
6A Indirect Institutional Support - Athletic Facilities						
Debt Service, Lease, and Rental Fees	498,247.66	18,132.31	20,921.90	170,094.59	-	707,396.45
7 Guarantees	1,000,000.00	-	-	12,000.00	-	1,012,000.00
8 Contributions	934,639.53	1,794,236.53	495,325.60	747,213.48	54,329.41	4,025,744.56
9 In-Kind	14,438.36	2,203.99	2,546.52	15,410.60	-	34,599.47
10 Compensation and Benefits Provided by a Third-Party	72,144.78	49,973.12	11,151.70	37,228.60	37,039.68	207,537.88
11 Media Rights	112,529.48	65,838.68	19,838.49	-	2,864.78	201,071.43
12 NCAA Distributions	602,158.69	92,094.86	106,263.30	642,538.74	-	1,443,055.58
13 Conference Distributions	458,740.30	72,077.25	83,166.05	502,877.40	-	1,116,861.00
14 Program, Novelty, Parking, and Concessions Sales	231,554.40	49,478.90	27,042.40	163,650.61	-	471,726.31
15 Royalties, Licensing, Advertisements, and Sponsorships	1,280,892.82	762,008.13	187,441.42	-	45,782.99	2,276,125.36
16 Sports Camp Revenues	8,857.04	31,467.09	-	39,433.29	-	79,757.42
17 Athletics Restricted Endowment and Investment Income	29,688.64	7,420.53	2,907.00	25,362.17	-	65,378.34
18 Other Operating Revenues	110,277.39	16,846.34	49,155.50	89,989.44	2,234.56	268,503.22
19 Bowl Revenues	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 13,010,278.54</b>	<b>\$ 5,120,348.06</b>	<b>\$ 2,340,593.24</b>	<b>\$ 10,232,189.61</b>	<b>\$ 1,077,926.80</b>	<b>\$ 31,781,336.25</b>
<b>EXPENSES</b>						
<b>Operating Expenses:</b>						
20 Athletic Student Aid	\$ 2,383,425.83	\$ 408,960.35	\$ 447,510.38	\$ 3,247,739.92	\$ 1,385,159.46	\$ 7,872,795.94
21 Guarantees	500,000.00	312,200.00	103,354.38	38,051.54	-	953,605.92
22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	2,149,493.21	1,280,603.15	734,397.05	1,500,537.70	-	5,665,031.12
23 Coaching Other Compensation and Benefits Paid by a Third-Party	50,434.78	45,273.12	11,151.70	37,228.60	-	144,088.20
24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	337,234.79	206,318.51	48,879.46	22,627.97	3,194,514.23	3,809,574.96
25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	21,710.00	4,700.00	-	-	37,039.68	63,449.68
26 Severance Payments	-	-	-	-	-	-
27 Recruiting	237,195.76	167,824.96	87,473.03	138,199.64	-	630,693.39
28 Team Travel	953,088.06	472,912.97	306,426.82	1,222,689.32	-	2,955,117.17
29 Sports Equipment, Uniforms, and Supplies	376,983.61	92,682.09	48,311.33	234,057.90	-	752,034.93
30 Game Expenses	736,132.77	277,454.08	115,285.82	138,716.58	-	1,267,589.25
31 Fund Raising, Marketing, and Promotions	387,871.91	134,859.07	84,544.92	353,776.37	75,506.79	1,036,559.06
32 Sports Camp Expenses	21,355.37	13,624.51	-	19,622.85	-	54,602.73
33 Spirit Groups	130,673.36	19,985.34	23,060.01	139,436.16	-	313,154.87
34 Athletic Facilities Debt Service, Leases, and Rental Fees	498,247.66	442,724.27	445,513.86	181,594.59	-	1,568,080.37
35 Direct Overhead and Administrative Expenses	338,508.61	67,536.96	49,662.57	370,637.63	23,256.98	849,602.75
36 Indirect Institutional Support	647,594.43	99,043.85	114,281.37	691,021.35	-	1,551,941.00
37 Medical Expenses and Medical Insurance	373,531.48	59,608.40	75,847.43	469,556.77	5,000.00	983,544.08
38 Memberships and Dues	137,613.86	22,761.48	24,431.22	150,274.45	7,449.00	342,530.00
39 Student-Athlete Meals	421,607.51	81,140.94	22,278.99	107,759.60	15,256.04	648,043.08
40 Other Operating Expenses	122,853.98	57,456.20	39,381.24	189,069.26	168,389.10	577,149.78
41 Bowl Expenses	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 10,825,556.98</b>	<b>\$ 4,267,670.24</b>	<b>\$ 2,781,791.56</b>	<b>\$ 9,252,598.22</b>	<b>\$ 4,911,571.28</b>	<b>\$ 32,039,188.28</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ 2,184,721.56</b>	<b>\$ 852,677.82</b>	<b>\$ (441,198.32)</b>	<b>\$ 979,591.39</b>	<b>\$ (3,833,644.48)</b>	<b>\$ (257,852.03)</b>



**The University of Texas at El Paso  
Independent Auditor’s Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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

**NOTE 1 – Presentation of the Statement of Revenues and Expenses**

The SRE is prepared in accordance with the NCAA financial reporting guidelines. Information used in the SRE’s preparation is obtained primarily from subsidiary ledger information recorded in UTEP’s financial accounting system. Other information, such as amounts estimated for non-cash trade-out agreements and gifts-in-kind, is obtained from records maintained by Athletics. The SRE presents activity for fiscal year (FY) 2017. UTEP’s FY is the period beginning each September 1<sup>st</sup> and ending each August 31<sup>st</sup> of the subsequent calendar year.

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

There were no individual contributions of moneys, goods, or services received directly by Athletics from an affiliated or outside organization that constituted 10 percent or more of all contributions received for Athletics during the reporting period.

**NOTE 3 – Capital Assets**

Athletics acquires, approves, depreciates, and disposes assets in accordance with UTEP institutional policy as follows:

- Acquisition – Athletics acquires capital assets through the normal process at the institution. All purchases are centralized and are to be made using the method that provides the best value to UTEP. Competitive bidding is required for all assets above \$5,000, which is the capitalization threshold.
- Approval – Requests made for debt-financed capital assets are approved by the Executive Vice President for Business Affairs.
- Depreciation – Depreciation is allocated to Athletics based on the assets, or portions of real-assets, under the control of Athletics. Depreciation is calculated on a straight-line basis.
- Disposal – Disposal of capital assets must be done in accordance with State of Texas law and institutional policy.

**NOTE 4 – Other Reporting Items**

<b>Category</b>	<b>Amount</b>
Excess Transfers to Institution	\$0.00
Conference Realignment Expenses	Not Applicable
Total Athletics Related Debt	\$13,015,000.00
Total Institutional Debt	\$267,546,000.00
Value of Athletics Dedicated Endowments	\$11,915,467.02
Value of Institutional Endowments	\$206,768,847.13
Total Athletics Related Capital Expenditures	\$0.00

**NOTE 5 – Future Debt Repayment Schedule**

UTEP receives proceeds from bonds issued and held by UT System to support capital projects of UT System and its institutions. All bonds issued by the UT System are defined as revenue bonds. As such, the revenues of all UT System institutions, including UTEP, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTEP’s financial statements.



**The University of Texas at El Paso**  
**Independent Auditor’s Report on the Application of Agreed-Upon Procedures**  
**For the Fiscal Year Ended August 31, 2017**

As of August 31, 2017, UTEP (through UT System) had outstanding debt related to Athletics totaling \$13,015,000.00. 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>
2018	\$	910,000.00	570,615.20	1,480,615.20
2019		595,000.00	530,496.44	1,125,496.44
2020		625,000.00	500,683.92	1,125,683.92
2021		410,000.00	469,433.92	879,433.92
2022		420,000.00	452,733.92	872,733.92
2023-2027		2,265,000.00	1,963,864.16	4,228,864.16
2028-2032		2,795,000.00	1,420,232.08	4,215,232.08
2033-2037		3,425,000.00	777,459.16	4,202,459.16
2038-2042		1,570,000.00	100,221.84	1,670,221.84
<b>Total Requirements</b>	<b>\$</b>	<b>13,015,000.00</b>	<b>6,785,740.64</b>	<b>19,800,740.64</b>

UTEP 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 UTEP, are pledged for repayment of the commercial paper. No amount of indebtedness related to the commercial paper has been recorded on UTEP’s financial statements.

As of August 31, 2017, UTEP (through UT System) had outstanding commercial paper related to Athletics totaling \$1,610,000.00. 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>
2018	\$	339,000.00	28,244.59	367,244.59
2019		326,000.00	25,846.88	351,846.88
2020		325,000.00	20,568.76	345,568.76
2021		322,000.00	13,729.38	335,729.38
2022		290,000.00	5,677.50	295,677.50
2023		8,000.00	127.50	8,127.50
<b>Total Requirements</b>	<b>\$</b>	<b>1,610,000.00</b>	<b>94,194.61</b>	<b>1,704,194.61</b>

\* Interest on commercial paper is variable. Interest rate is based on forecast rates and is assumed to be 2.00% in FY18, 2.25% in FY19, 2.50% in FY20, 2.75% in FY21, and 3.00% in FY22 and beyond.





**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

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**APPENDIX C**

**BUDGET TO ACTUAL COMPARISON OF MAJOR REVENUE AND EXPENSE CATEGORIES**

Amounts for each major revenue account over 10% of the total revenues was compared to budget estimate amounts. For variations greater than 10%, an understanding was obtained as noted below. All explanations appear to be reasonable.

<b>ID</b>	<b>Category</b>	<b>FY 2017 Revenue Estimate</b>	<b>FY 2017 SRE</b>	<b>Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
3	Student Fees	2,200,000.00	7,425,989.00	(5,225,989.00)	-237.5%	Projected event ticket sales and donor revenue was not met during the reporting period.

Amounts for each major expense account over 10% of the total expenses was compared to budget estimate amounts. There were no major expenses accounts over 10% of total expenses that had variances over 10%.



**The University of Texas at El Paso  
Independent Auditor's Report on the Application of Agreed-Upon Procedures  
For the Fiscal Year Ended August 31, 2017**

**APPENDIX D  
PRIOR PERIOD COMPARISON OF MAJOR REVENUE AND EXPENSE CATEGORIES**

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

<b>ID</b>	<b>Category</b>	<b>FY 2017 SRE</b>	<b>FY 2016 SRE</b>	<b>Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
3	Student Fees	7,425,989.00	6,180,513.00	1,245,476	20%	Projected event ticket sales and donor revenue was not met during the reporting period.
4	Direct Institutional Support	8,800,675.23	9,977,231.46	(1,176,556.22)	-12%	Projected interest revenue was not met during the reporting period. The decrease in interest revenue and special events along with the increase in student service fees accounted for this variance.

Amounts for each major expense account over 10% of the total expenses was compared to prior period amounts. There were no major expenses accounts over 10% of total expenses that had variances over 10%.