



January 16, 2018

T. Taylor Eighmy, Ph.D., President  
The University of Texas at San Antonio  
One UTSA Circle  
Main Building, Suite 4.122  
San Antonio, Texas 78249

Dear President Eighmy:

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 San Antonio (UTSA) 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 UTSA's Department of Intercollegiate Athletics.

Sincerely,

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

cc: Kathryn Funk-Baxter, Vice President for Business Affairs  
Lisa Campos, Vice President for Intercollegiate Athletics & Athletics Director  
Sherman Corbett, Assistant Athletic Director for Business Operations  
Paul Tyler, Interim Chief Audit Executive

**The University of Texas at San Antonio  
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 San Antonio  
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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 San Antonio (UTSA), solely to assist UTSA management in evaluating whether the accompanying Statement of Revenues and Expenses (SRE) of UTSA's Department of Intercollegiate Athletics (Athletics) is in compliance with the National Collegiate Athletic Association (NCAA) Constitution 3.2.4.15 for the fiscal year (FY) ended August 31, 2017. UTSA'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 total 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*, UTSA Intercollegiate Athletics Program SRE for the Fiscal Year Ended August 31, 2017;
- *Appendix B*, Notes to the Statement of Revenues and Expenses;
- *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 UTSA's general ledger.

*Revenues, expenses, and other reporting items reported on the SRE materially agreed to the amounts reported in UTSA's general ledger. In addition, there are certain items recorded on the SRE that are not required to be recorded in UTSA's general ledger, 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 UTSA. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category.

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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.



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- ❖ Compare and agree a sample of operating revenue receipts and operating expenses obtained from the above supporting schedules to adequate supporting documentation.
- ❖ 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 UTSA'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 UTSA's financial statements.

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

- Identify all intercollegiate athletics related affiliated and outside organizations and obtained those organizations' financial statements for the reporting period.

*Affiliated and outside organizations includes entities that have a primary purpose which benefits UTSA's Athletic Department and are not under UTSA's accounting control. The Roadrunner Foundation (Foundation) is an exempt charitable non-profit corporation, as defined under Internal Revenue Code section 501(c)(3), whose purpose is to support programs and activities of UTSA athletics. The governing board of the Foundation approves requests for assistance from UTSA Athletics and will pay certain expenses on behalf of Athletics, as funding allows. Expenses paid by the Foundation on behalf of Athletics is also recorded as contributions on the SRE.*

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

### **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 UTSA in the SRE and the related attendance figures and recalculate totals.

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

#### **Student Fees**

2. Compare and agree student fees reported by UTSA in the SRE for the reporting period to student enrollments during the same reporting period and recalculate totals.
3. Obtain and document an understanding of the UTSA's methodology for allocating student fees to intercollegiate athletics programs.



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4. If the athletics department is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

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

**Direct State or Other Governmental Support**

5. Compare direct state or other governmental support recorded by UTSA during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation and recalculate totals.

*Procedure was not applicable. Athletics did not receive direct state or other governmental support.*

**Direct Institutional Support**

6. Compare the direct institutional support recorded by UTSA during the reporting period with institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

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

**Transfers Back to Institution**

7. Compare the transfers back to UTSA with permanent transfers back to institution from the athletics department and recalculate totals.

*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 UTSA during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

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

**Guarantees**

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to UTSA's general ledger and/or the SRE and recalculate totals.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period. Compare and agree each selection to UTSA's general ledger and/or the SRE and recalculate totals.

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



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**Contributions**

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

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

**In-Kind**

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

*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 UTSA. Select a sample of funds from the Summary and compare and agree each selection to supporting documentation, UTSA's general ledger, and/or the Summary and recalculate totals.
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 UTSA's total media (broadcast, television, radio) rights received by UTSA 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 UTSA'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 UTSA's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions.



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19. Compare and agree the related revenues to UTSA's general ledger and/or the SRE and recalculate totals.

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

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

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 UTSA'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 UTSA's general ledger and/or the SRE and recalculate totals.

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

**Sports Camp Revenues**

23. Inspect sports-camp contracts between UTSA and persons conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the UTSA'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 UTSA's general ledger and/or the SRE and recalculate totals.

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

**Athletics Restricted Endowment and Investment Income**

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.*



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**Bowl Revenues**

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

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

**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 UTSA's student system to the student's detail in UTSA'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 UTSA during the reporting period and agree related expenses to UTSA's general ledger and/or the SRE and recalculate totals.
35. Obtain and inspect contractual agreements pertaining to expenses recorded by UTSA from guaranteed contests during the reporting period. Compare and agree related amounts expensed by UTSA during the reporting period to UTSA's general ledger and/or the SRE and recalculate totals.

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

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

36. Obtain and inspect a listing of coaches employed by UTSA 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 UTSA 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 UTSA and related entities expense recorded by UTSA 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.





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

**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 UTSA 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 UTSA in the SRE during the reporting period and recalculate totals.

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

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

43. Select a sample of support staff/administrative personnel employed by UTSA 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 UTSA and related entities expense recorded by UTSA in the SRE during the reporting period and recalculate totals.

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

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

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 expense recorded by UTSA in the SRE during the reporting period and recalculate totals.

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

**Severance Payments**

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

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

**Recruiting**

48. Obtain and document an understanding of UTSA's recruiting expense policies.



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49. Compare and agree to existing institutional- and NCAA-related policies.
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 UTSA'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).



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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-Athletic 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.

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



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**Additional Minimum Agreed-Upon Procedures**

- Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to UTSA'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 UTSA's Sports Sponsorship and Demographics Forms Report for the reporting period. Validate that the countable sports reported by UTSA meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirement. Once countable sports have been confirmed, ensure that UTSA 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 UTSA's financial aid records, of all student-athlete Pell Grants.

*Procedure was not applicable. No student-athletes received Pell grants during the reporting period.*

**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 transfers back to the institution or conference realignment expenses during the reporting period.*

**Total Athletics Related Debt**

69. 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.
70. Agree the total annual maturities and total outstanding athletic related to supporting documentation and UTSA's general ledger, as 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 the UTSA's



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audited financial statements, if available, or the UTSA's general ledger.

*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, UTSA, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and 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, UTSA's general ledger and/or audited financial statements, if available.

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

**Total Athletics Related Capital Expenditures**

74. Obtain a schedule of athletics related capital expenditures made by athletics, UTSA, 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.

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

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

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

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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



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APPENDIX A

THE UNIVERSITY OF TEXAS AT SAN ANTONIO DEPARTMENT OF INTERCOLLEGIATE ATHLETICS  
 STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

REVENUES	Football	Men's Basketball	Women's Basketball	Baseball	Men's Golf	Women's Golf	Women's Soccer
<b>Operating Revenues:</b>							
1 Ticket Sales	\$ 1,858,757.06	\$ 62,491.93	\$ 25,035.67	\$ 18,924.61	\$ -	\$ -	\$ 3,038.03
2 Direct State or Other Government Support	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-	-
4 Direct Institutional Support	-	-	-	-	-	-	-
5 Transfers to Institution	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	-	-
6A Indirect Institutional Support - Athletic Facilities							
Debt Service, Lease, and Rental Fees	-	-	-	-	-	-	-
7 Guarantees	800,000.00	225,000.00	42,000.00	-	-	-	-
8 Contributions	1,245,288.96	666.93	16,955.92	130,254.00	16,423.53	23,627.98	1,857.27
9 In-Kind	-	-	-	-	-	-	-
10 Compensation and Benefits Provided by a Third-Party	-	-	-	-	-	-	-
11 Media Rights	138,925.60	34,731.40	-	-	-	-	-
12 NCAA Distributions	-	80,206.00	80,206.00	-	-	-	-
13 Conference Distributions	735,925.00	27,994.00	5,357.00	-	-	-	-
14 Program, Novelty, Parking, and Concessions Sales	303,950.84	-	-	80.00	365.00	5.00	-
15 Royalties, Licensing, Advertisements, and Sponsorships	-	-	-	-	-	-	-
16 Sports Camp Revenues	74,450.00	56,346.00	25,560.00	113,450.00	-	-	96,267.00
17 Athletics Restricted Endowment and Investment Income	-	-	1,050.00	2,600.00	3,350.00	13,900.00	4,000.00
18 Other Operating Revenues	11,000.16	8,500.00	-	4,340.39	1,200.00	-	180.00
19 Bowl Revenues	659,528.00	-	-	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 5,827,825.62</b>	<b>\$ 495,936.26</b>	<b>\$ 196,164.59</b>	<b>\$ 269,649.00</b>		<b>\$ 37,532.98</b>	<b>\$ 105,342.30</b>
<b>EXPENSES</b>							
<b>Operating Expenses:</b>							
20 Athletic Student Aid	\$ 2,430,381.18	\$ 364,588.41	\$ 401,214.92	\$ 307,161.22	\$ 126,228.88	\$ 157,795.56	\$ 409,018.11
21 Guarantees	750,000.00	21,500.00	31,000.00	24,000.00	-	-	6,322.50
22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	2,355,093.83	696,767.70	429,215.00	388,665.89	137,349.04	112,575.69	303,161.28
23 Coaching Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-	-
24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	585,120.21	96,490.65	54,361.56	2,478.13	-	-	5,297.00
25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-	-
26 Severance Payments	101,450.00	122,898.00	9,330.20	-	-	-	-
27 Recruiting	301,628.07	121,938.99	59,836.91	23,502.75	4,685.10	4,479.04	19,170.75
28 Team Travel	1,308,466.91	339,964.63	199,159.55	227,679.13	51,928.41	68,300.71	128,014.40
29 Sports Equipment, Uniforms, and Supplies	550,270.66	81,029.72	52,575.36	79,194.51	27,943.02	27,305.96	21,867.95
30 Game Expenses	707,271.52	123,802.34	119,399.08	60,165.20	12.00	-	13,943.07
31 Fund Raising, Marketing, and Promotions	980.00	-	-	-	-	-	-
32 Sports Camp Expenses	43,462.79	24,241.20	16,192.88	17,452.88	-	-	28,756.82
33 Spirit Groups	-	-	-	-	-	-	-
34 Athletic Facilities Debt Service, Leases, and Rental Fees	438,342.00	4,975.00	7,625.00	5,642.00	15,400.00	20,370.00	2,665.00
35 Direct Overhead and Administrative Expenses	197,588.49	20,774.80	22,794.88	21,822.72	11,379.16	3,412.10	3,087.16
36 Indirect Institutional Support	-	-	-	-	-	-	-
37 Medical Expenses and Medical Insurance	-	-	315.00	-	-	-	-
38 Memberships and Dues	3,784.00	3,030.00	1,215.00	129.00	865.00	270.00	390.00
39 Student-Athlete Meals	40,361.34	9,727.57	8,429.35	9,441.44	1,788.71	8,539.38	-
40 Other Operating Expenses	305,924.31	77,782.30	24,433.80	23,099.48	6,841.21	2,734.70	4,188.72
41 Bowl Expenses	579,535.68	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$10,699,660.98</b>	<b>\$ 2,109,511.30</b>	<b>\$ 1,437,098.49</b>	<b>\$ 1,190,434.35</b>		<b>\$ 405,783.14</b>	<b>\$ 945,882.76</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ (4,871,835.36)</b>	<b>\$ (1,613,575.04)</b>	<b>\$ (1,240,933.90)</b>	<b>\$ (920,785.35)</b>		<b>\$ (368,250.16)</b>	<b>\$ (840,540.46)</b>

(continued)



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<b>REVENUES</b>							
<b>Operating Revenues:</b>	<b>Softball</b>	<b>Men's Tennis</b>	<b>Women's Tennis</b>	<b>Volleyball</b>	<b>Track</b>	<b>Non-Program Specific</b>	<b>Total</b>
1 Ticket Sales	\$ 10,287.78	\$ -	\$ -	\$ 14,538.50	\$ 5,713.52	\$ -	\$ 1,998,787.10
2 Direct State or Other Government Support	-	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	12,223,798.41	12,223,798.41
4 Direct Institutional Support	-	-	-	-	-	4,630,202.00	4,630,202.00
5 Transfers to Institution	-	-	-	-	-	-	-
6 Indirect Institutional Support	-	-	-	-	-	531,927.57	531,927.57
6A Indirect Institutional Support - Athletic Facilities							
Debt Service, Lease, and Rental Fees	-	-	-	-	-	-	-
7 Guarantees	1,200.00	-	-	8,900.00	-	-	1,077,100.00
8 Contributions	3,551.44	9,819.71	-	17,254.30	37,059.60	262,332.31	1,765,091.95
9 In-Kind	-	-	-	-	-	-	-
10 Compensation and Benefits Provided by a Third-Party	-	-	-	-	-	5,000.00	5,000.00
11 Media Rights	-	-	-	-	-	-	173,657.00
12 NCAA Distributions	-	-	-	-	-	1,178,741.54	1,339,153.54
13 Conference Distributions	-	-	-	-	-	522,813.00	1,292,089.00
14 Program, Novelty, Parking, and Concessions Sales	8,544.00	-	-	20.00	-	4,561.00	317,525.84
15 Royalties, Licensing, Advertisements, and Sponsorships	-	-	-	-	-	2,095,938.00	2,095,938.00
16 Sports Camp Revenues	32,337.00	-	-	80,713.00	-	22,963.74	502,086.74
17 Athletics Restricted Endowment and Investment Income	430.00	13,900.00	1,350.00	540.00	2,670.00	-	43,790.00
18 Other Operating Revenues	-	-	-	-	1,940.86	89,792.57	116,953.98
19 Bowl Revenues	-	-	-	-	-	-	659,528.00
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 56,350.22</b>	<b>\$ 23,719.71</b>	<b>\$ 1,350.00</b>	<b>\$ 121,965.80</b>	<b>\$ 47,383.98</b>	<b>\$ 21,568,070.14</b>	<b>\$ 28,772,629.13</b>
<b>EXPENSES</b>							
<b>Operating Expenses:</b>							
20 Athletic Student Aid	\$ 237,676.88	\$ 114,326.11	\$ 257,018.38	\$ 345,282.40	\$ 583,820.00	\$ 104,237.80	\$ 5,838,749.85
21 Guarantees	-	-	-	12,335.57	-	-	845,158.07
22 Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	192,223.06	128,794.86	76,080.94	339,822.79	423,748.59	-	5,583,498.67
23 Coaching Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-	-
24 Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	1,607.00	-	-	848.00	-	3,311,641.00	4,057,843.55
25 Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	5,000.00	5,000.00
26 Severance Payments	-	-	-	-	-	-	233,678.20
27 Recruiting	14,341.72	9,313.28	8,919.68	21,242.05	67,201.54	-	656,259.87
28 Team Travel	139,680.39	49,315.57	57,976.07	176,608.00	412,214.00	-	3,159,307.77
29 Sports Equipment, Uniforms, and Supplies	47,111.22	27,423.13	18,117.18	37,056.15	196,630.00	58,635.38	1,225,160.24
30 Game Expenses	26,000.93	7,388.00	5,160.00	20,869.00	24,509.00	420,462.10	1,528,982.24
31 Fund Raising, Marketing, and Promotions	-	-	-	-	-	338,502.29	339,482.29
32 Sports Camp Expenses	6,190.90	-	-	6,783.80	-	-	143,081.27
33 Spirit Groups	-	-	-	-	-	131,232.00	131,232.00
34 Athletic Facilities Debt Service, Leases, and Rental Fees	13,194.00	-	240.00	1,950.00	2,871.00	562,945.00	1,076,219.00
35 Direct Overhead and Administrative Expenses	7,312.08	5,722.95	1,161.18	14,422.00	20,375.00	1,752,043.00	2,081,895.51
36 Indirect Institutional Support	-	-	-	-	-	531,927.57	531,927.57
37 Medical Expenses and Medical Insurance	-	-	-	-	5,414.00	452,174.00	457,903.00
38 Memberships and Dues	320.00	495.00	540.00	355.00	700.00	361,182.00	373,275.00
39 Student-Athlete Meals	370.23	439.18	765.53	2,273.54	20,913.82	-	103,050.09
40 Other Operating Expenses	8,895.83	1,509.86	70.00	4,629.22	31,385.00	661,646.71	1,153,141.14
41 Bowl Expenses	-	-	-	-	-	-	579,535.68
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 694,924.24</b>	<b>\$ 344,727.94</b>	<b>\$ 426,048.95</b>	<b>\$ 984,477.52</b>	<b>\$ 1,789,781.95</b>	<b>\$ 8,691,628.85</b>	<b>\$ 30,104,381.00</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>\$ (638,574.02)</b>	<b>\$ (321,008.23)</b>	<b>\$ (424,698.95)</b>	<b>\$ (862,511.72)</b>	<b>\$ (1,742,397.97)</b>	<b>\$ 12,876,441.29</b>	<b>\$ (1,331,751.87)</b>



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**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 UTSA’s financial accounting system. Other information, such as amounts estimated for non-cash trade-out agreements and gifts-in-kind, is obtained from records maintained by the Athletics Department and the Office of Accounting. The SRE presents activity for fiscal year 2017. UTSA’s fiscal year is the period beginning each September 1st and ending each August 31st of the subsequent calendar year.

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

Revenue from contributions totaled \$1,765,091.95 for FY 2017. There was one contribution of \$250,000 received by Athletics from The Greehey Family Foundation 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 UTSA institutional policy as follows:

- Acquisition – Athletics acquires capital assets through the normal process at the institution. All purchases are centralized and are to be made using the method that provides the best value to UTSA. 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	\$2,092,257.75
Total Institutional Debt	\$351,368,000.00
Value of Athletics Dedicated Endowments	\$956,250.63
Value of Institutional Endowments	\$152,554,547.21
Total Athletics Related Capital Expenditures for FY 2017	\$16,724.50





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**NOTE 5 – Future Debt Repayment Schedule**

UTSA receives proceeds from bonds issued and held by UT System to support capital projects of UT System and its institutions. All bonds issued by the UT System are defined as revenue bonds. As such, the revenues of all UT System institutions, including UTSA, are pledged for repayment of the bonds. No amount of indebtedness related to these bonds has been recorded on UTSA’s financial statements. As of August 31, 2017, UTSA had no Athletics outstanding debt-related revenue bonds issued by UT System.

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

As of August 31, 2017, UTSA (through UT System) had outstanding commercial paper related to Athletics totaling \$2,092,257.75. 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	\$ 259,257.75	38,154.63	297,412.38
2019	260,000.00	39,048.76	299,048.76
2020	259,000.00	36,887.50	295,887.50
2021	259,000.00	33,474.38	292,474.38
2022	260,000.00	28,725.00	288,725.00
2023	261,000.00	20,925.00	281,925.00
2024	264,000.00	13,050.00	277,050.00
2025	215,000.00	5,302.50	220,302.50
2026	55,000.00	997.50	55,997.50
2027-2031	-	-	-
<b>Total Requirements</b>	<b>\$ 2,092,257.75</b>	<b>216,565.27</b>	<b>2,308,823.02</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.



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**APPENDIX C**

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

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

<b>S R E</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>
4	Direct Institutional Support	\$2,846,919.00	4,630,202.00	\$1,783,283.00	63%	One-time transfer of \$1,700,000 from Student Affairs

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

<b>S R E</b>	<b>Category</b>	<b>FY 2017 Expense Estimate</b>	<b>FY 2017 SRE</b>	<b>Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
20	Athletic Student Aid	\$6,521,553.00	\$5,838,749.85	\$(682,803.15)	-10%	UTSA under-executed financial aid in FY17
28	Team Travel	\$2,593,000.00	\$3,159,307.77	\$566,308.00	18%	Timing variance related to football charter flight bills



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**APPENDIX D**

**FY 2016 TO FY 2017 COMPARISON OF MAJOR REVENUE AND EXPENSE CATEGORIES**

Amounts for each major revenue category 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>S R E</b>	<b>Category</b>	<b>FY 2017 SRE</b>	<b>FY 2016 SRE</b>	<b>Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
4	Direct Institutional Support	4,630,202.00	3,093,707.00	1,536,495.00	50%	One-time transfer of \$1,700,000 from Student Affairs

Amounts for each major expense category over 10% of the total expenses 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>S R E</b>	<b>Category</b>	<b>FY 2017 SRE</b>	<b>FY 2016 SRE</b>	<b>Variance</b>	<b>% Variance</b>	<b>Variance Explanation</b>
20	Athletic Student Aid	5,838,749.85	5,243,088.00	595,661.85	11%	Starting in FY 2017, Athletic Student Aid included full cost of attendance stipends
22	Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	5,583,498.67	4,733,295.00	850,203.67	18%	Increase in football staff base salaries, as well as more camp payouts than the prior year
28	Team Travel	3,159,307.77	2,585,042.00	574,265.77	22%	Increase in football team travel, mostly as the result of a timing variance of charter flight bills