January 15, 2016

Ricardo Romo, Ph.D., President  
The University of Texas at San Antonio, Main Campus  
One UTSA Circle  
San Antonio, Texas 78249-1644

Dear Dr. Romo:

We have completed our NCAA Agreed-Upon Procedures for the Intercollegiate Athletics Program at The University of Texas at San Antonio for the fiscal year ended August 31, 2015. The results of the engagement are detailed in the attached report.

We appreciate the assistance provided to us by the various departments at The University of Texas San Antonio.

Sincerely,

\[signature\]

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

cc: Steven Leslie, Ph.D., Executive Vice Chancellor for Academic Affairs  
Kathryn Funk-Baxter, Vice President for Business Affairs  
Samuel Gonzales, Vice President for Student Affairs  
Lynn Hickey, Assistant Vice President/Director of Athletics  
Sherman Corbett, Assistant Athletic Director for Business Operations  
J. Richard Dawson, Chief Audit Executive  
Paul Tyler, Director of Auditing
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, 2015

January 2016

THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
210 WEST SIXTH STREET, SUITE B.140E
AUSTIN, TX 78701
(512) 499-4390
INDEPENDENT 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) Bylaw 3.2.4.16 for the fiscal year (FY) ended August 31, 2015. 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.

Our procedures and findings are explained in the following pages. Reportable findings are defined as errors or misclassifications equal to or greater than one percent of total revenues or total expenses. Also attached to this report are the following appendices:

- Appendix A, SRE of Athletics for the Fiscal Year Ended August 31, 2015;
- Appendix B, Findings and Recommendations;
- Appendix C, Follow-up on the Prior Year’s Recommendation;
- Appendix D, Notes to the SRE;
- Appendix E, Budget to Actual Analysis of Major Revenue and Expense Amounts; and
- Appendix F, FY 14 to FY 15 Variance Analysis of Major Revenue and Expense Amounts

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

Agreed-Upon Procedures Related to all Revenues and Expenses

1. Agreed the amounts reported on the SRE to UTSA’s general ledger.

In most instances, revenues and expenses reported on the SRE materially agreed to the amounts reported in UTSA’s general ledger cost centers. In addition, there are certain items recorded on the SRE that are not required to be recorded in athletic cost centers, such as gifts-in-kind. The NCAA requires that these items be reported on the SRE to fully reflect the operations of the Athletics Department. As a result of procedure performed, we identified nine material adjustments that were made to the SRE. Six of the nine errors were overstatements or understatements that affected either total revenue or total expenses. Three of the nine errors were the result of misclassifications that had no net effect to the bottom line of the SRE. Management agreed and recorded the nine adjustments in the SRE located in Appendix A of this report.

1 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.
Consistent with our recommendation from the FY 2014 agreed-upon procedures engagement, we provided management one recommendation to reduce the risk of errors going forward. See the recommendation in Appendix B for details. The specific adjustments identified and recorded are described for the affected SRE revenue and expense categories in the results below.

2. Performed the following procedures for all revenue and expense categories applicable to the SRE:
   a. Compared and agreed each operating revenue and expense category reported in the SRE during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 0.5% of the total revenues, no procedures are required for that specific category.
   b. Compared and agreed a sample of operating revenue receipts and operating expenses obtained from the above supporting schedules to adequate supporting documentation.
   c. Compared each major revenue and expense account over 10% of the total revenues or total expenses to prior period amounts and budget estimates. Obtained and documented an understanding of any variations over the lesser of $1 million or 10%. (See Appendices E and F for Variance Analyses.)
   d. Recalculated totals.

As part of the procedure described in #1 above and from comparing and agreeing each operating revenue and expense category reported on the SRE during the reporting period to supporting schedules provided by the institution, we identified material adjustments that management agreed to record in the SRE. These are the same adjustments described in item #1 above and are described for the affected SRE line items in the results below.

3. Identified and documented aspects of UTSA’s internal control structure that is unique to Athletics. Tested 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 the institution’s financial statements.

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

4. Identified all intercollegiate athletics related affiliated and outside organizations and obtained those organizations’ financial statements for the reporting period.

   No exceptions were noted in performing this procedure. (See Appendix D, Note 5)

Agreed-Upon Procedures Related to Revenues

Ticket Sales
1. Compared 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 recalculated totals.

   No material exceptions were noted as a result of these procedures.
Student Fees
2. Compared and agreed student fees reported by UTSA in the SRE for the reporting period to student enrollments during the same reporting period and recalculated totals.
3. Obtained and documented an understanding of the institution’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, recalculated the totals of their methodology for supporting that they are able to count each sport. Tied 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. The agreed-upon procedures require that we 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.

Athletics reported a $138,584.00 contribution received by the Roadrunner Foundation into Direct State or Other Government Support. Based upon reporting guidelines from the NCAA’s agreed-upon procedures and communication with the NCAA, contribution revenue from the Roadrunner Foundation should only be reported when an expense is paid by the Foundation on behalf of the university and not when the contribution is received by the Foundation. The initial reported amount was removed from the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Direct Institutional Support.
6. Compared the direct institutional support recorded by UTSA during the reporting period with institutional supporting budget transfers, documentation, and other corroborative supporting documentation and recalculated totals.

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

Transfers Back to Institution
7. Compared the transfers back to institution with permanent transfers back to institution from the athletics department and recalculate totals.

The Athletic Department did not provide a transfer of funds back to the institution.

Indirect Institutional Support
8. Compared 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. Selected a sample of settlement reports for away games during the reporting period and agreed 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. Compared 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.

Contributions
11. Obtained and reviewed 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 percent or more of all contributions received for intercollegiate athletics during the reporting period and recalculated totals. (See Appendix C, Note 3)

From the procedures performed, we identified two material errors:
- The contribution from the Roadrunner Foundation to fund the Kansas State University (KSU) football game cancellation fee was inadvertently recorded twice in this line item resulting in a $500,000.00 overstatement of this reporting category.
- All contributions generated by the Roadrunner Foundation in FY15 were recorded in this line item resulting in an overstatement of $443,185.75. Based upon reporting guidelines from the NCAA’s agreed-upon procedures and communication with the NCAA, contribution revenue from the Roadrunner Foundation should only be reported when an expense is paid by the Foundation on behalf of the university and not when the contribution is received by the Foundation.

The Contribution category was corrected for both errors in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

In-Kind
12. Compared the in-kind recorded by UTSA during the reporting period with a schedule of in-kind donations and recalculated totals.

According to guidelines in the NCAA’s 2015 Agreed-Procedures, “if a specific reporting category is less than 0.5% of the Total Revenues, no procedures are required for that specific category.” Because the total category amount was less than 0.5% of Total Revenues, no testing procedures were performed.

Compensation and Benefits Provided by a Third-Party
13. Obtained the summary of revenues from affiliated and outside organizations (Summary) as of the end of the reporting period from UTSA. Selected a sample of funds from the Summary and compared and agreed 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.
Athletics personnel did not receive compensation or benefits directly from a third party that is guaranteed by the institution; however, certain Athletic personnel have the use of courtesy vehicles which are provided by third parties. UTSA reported the value associated with courtesy vehicles in Royalties, Licensing, Advertisements, and Sponsorships. No material exceptions were noted.

Media Rights
15. Obtained and inspected 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. Compared and agreed 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. Compared the amounts recorded in the revenue and expense reporting to UTSA’s general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

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

Conference Distributions
18. Obtained and inspected 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.
19. Compared and agreed the related revenues to UTSA’s general ledger and/or the SRE and recalculated totals.

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

Program Sales, Concessions, Novelty Sales, and Parking
20. Compared the amount recorded in the revenue reporting category to UTSA’s 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 these procedures.

Royalties, Licensing, Advertisements, and Sponsorships
21. Obtained and inspected 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. Compared and agreed 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. Inspected 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. Obtained schedules of camp participants and selected 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. Obtained and inspected endowment agreements to gain an understanding of the relevant terms and conditions.
26. Compared and agreed the classification and use of endowments and investment income reported in the SRE during the reporting period to the uses of income deferred within the related endowment agreement and recalculated totals.

According to guidelines in the NCAA’s 2015 Agreed-Procedures, “if a specific reporting category is less than 0.5% of the Total Revenues, no procedures are required for that specific category.” Because the total category amount was less than 0.5% of Total Revenues, no testing procedures were performed.

Other Operating Revenue
27. Performed minimum agreed-upon procedures referenced for all revenue categories and recalculate totals (see page 1).

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

Agreed Upon Procedures Related to Expenses

Athletic Student Aid
28. Selected a sample of students from the listing of institutional student aid recipients during the reporting period.
29. Obtained individual student-account detail for each selection and compared the total aid allocated from the related aid award letter to the student’s account.
30. Performed a check of each student selected to ensure their information was reported accurately in the NCAA Membership Financial Reporting System.
31. Recalculate totals for each sport and overall.

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

Guarantees
32. Obtained and inspected visiting institution’s away game settlement reports received by UTSA during the reporting period and agreed related expenses to UTSA’s general ledger and/or the SRE and recalculate totals.
33. Obtained and inspected contractual agreements pertaining to expenses recorded by UTSA from guaranteed contests during the Reporting period. Compared and agreed related amounts expensed by the institution during to UTSA's general ledger and/or the SRE and recalculate totals.

Due to scheduling conflicts, UTSA cancelled an away football game with Kansas State University (KSU) that was to have taken place in Manhattan Kansas. As result of the cancellation, UTSA was contractually obligated to pay $500,000.00 to KSU. UTSA remitted the obligation to KSU in FY 2015. Athletics reported the settlement payment as a Guarantee expense. According to the reporting guidelines from the NCAA's agreed-upon procedures, Guarantee expenses incurred are limited to amounts paid to visiting teams. Consequently, the initial amount reported as Guarantee expense was over-stated and the amount remitted to KSU, which is not a recurring type of expense, should have been reported as an Other Operating Expense. There was no net effect to the bottom line of the SRE as the result of this misclassification. The Guarantee expense category was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities
34. Obtained and inspected a listing of coaches employed by UTSA and related entities during the reporting period. Selected a sample of coaches’ contracts, including football and men’s and women’s basketball from the listing.
35. Compared and agreed 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.
36. Obtained and inspected payroll summary registers for the reporting year for each selection. Compared and agreed 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.
37. Compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

According to the reporting guidelines from the NCAA’s agreed-upon procedures, Coaching Salaries should include compensation from sports camps hosted by the university. We determined that $326,695.57 in Coaching Salaries were initially included in Sports Camp Expenses. Consequently, Sports Camp expenses were over-stated by this amount while Coaching Salaries were understated by this same amount. There was no net effect to the bottom line of the SRE as the result of this misclassification. Each of these categories was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Coaching Other Compensation and Benefits Paid by a Third-Party
38. Obtained and inspected a listing of coaches paid by third parties during the reporting period. Selected a sample of coaches’ contracts, including football, and men's and women's basketball from the listing.
39. Compared and agreed 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.
40. Obtained and inspected reporting period payroll summary registers for each selection. Compared and agreed 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 recalculated totals.

Athletics personnel did not receive compensation or benefits directly from a third party that is guaranteed by the institution; however, certain Athletic personnel have the use of courtesy vehicles which are provided by third parties. Consequently, procedures 38, 39, and 40 did not need to be performed.

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

41. Selected a sample of support staff/administrative personnel employed by UTSA and related entities during the reporting period.

42. Obtained and inspected reporting period summary payroll register for each selection. Compared and agreed 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.

According to the reporting guidelines from the NCAA’s agreed-upon procedures Coaching Salaries and Support Staff/Administrative Compensation should include compensation from sports camps hosted by the university. We determined that $52,739.79 in Support Staff/Administrative Salaries were initially included in Sports Camp Expenses. Consequently, Sports Camp expenses were over-stated by this amount while Support Staff/Administrative Salaries were understated by this same amount. There was no net effect to the bottom line of the SRE as the result of this misclassification. Each of these categories was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

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

43. Selected a sample of support staff/administrative personnel employed by third parties during the reporting period.

44. Obtained and inspected reporting period payroll summary registers for each selection. Compared and agreed 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.

Athletics personnel did not receive compensation or benefits directly from a third party that is guaranteed by the institution; however, certain Athletic personnel have the use of courtesy vehicles which are provided by third parties. Consequently, Procedures 43 and 44 did not need to be performed.

Severance Payments

45. 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.
Procedure 45 did not need to be performed as Athletics did not make severance payments during the reporting period.

Recruiting
46. Obtained and documented an understanding of UTSA's recruiting expense policies.
47. Compared and agreed to existing institutional- and NCAA-related policies.
48. 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
49. Obtained and documented an understanding of UTSA's team travel policies.
50. Compared and agreed to existing institutional- and NCAA-related policies.
51. 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.

Sports Equipment, Uniforms, and Supplies
52. 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.

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

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

Fund Raising, Marketing, and Promotion
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 these procedures.

Sports Camps 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.

According to the reporting guidelines from the NCAA's agreed-upon procedures Coaching Salaries and Support Staff/Administrative Compensation should include compensation from sports camps hosted by the university. We determined that $379,435.36 in Coaching and Support Staff/Administrative Salaries were initially included in Sports Camp Expenses. Consequently, Sports Camp expenses were over-stated by $379,435.36 while Coaching Salaries were understated by $326,695.57 and Support Staff/Administrative Salaries were understated by
$52,739.79. There was no net effect to the bottom line of the SRE as the result of these misclassifications. Each of these categories was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Spirit Groups
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.

According to guidelines in the NCAA’s 2015 Agreed-Procedures, “if a specific reporting category is less than 0.5% of the Total Revenues, no procedures are required for that specific category.” Because the total category amount was less than 0.5% of Total Revenues, no testing procedures were performed.

Athletic Facility Debt Service, Leases and Rental Fees
57. 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).
58. 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
59. 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.

From the procedures performed, we identified two material errors in this reporting category:

- Direct Overhead and Administrative expenses were understated by $1,469,618.51. This amount was initially included as Other Operating Expenses. Based upon communication with the NCAA, administrative expenses previously reported as Other Expenses are to be reported as Direct Overhead Expenses. According to the NCAA, the new guidance provided for Direct Overhead Expenses was an attempt to clean up the “other” category as it was being used by many institutions as place to report a wide range of expenses and was growing in size compared to some other SRE expense categories. There was no net effect to the bottom line of the SRE as the result of this misclassification.

- In addition to the understatement described above, we determined the initial total amount reported for Direct Overhead and Administrative Expenses included expenses that were already accounted for in other SRE categories, resulting in an overstatement of $292,623.36 for this category.

Both errors were corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.
Indirect Institutional Support

60. Tested with revenue section - Indirect Institutional Support (see procedure # 8 on page 3).

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

Medical Expenses and Medical Insurance

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 these procedures.

Memberships and Dues

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.

From the procedures performed, we determined that Memberships and Dues were missing $220,090.60 in reportable expenses; consequently, this category was initially understated on the SRE. The Memberships and Dues category was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Other Operating Expenses and Transfers to Institution

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.

From the procedures performed, we identified three material errors in this reporting category:

- Other Operating Expenses were overstated by $1,469,618.51. This amount should have been included as part of Direct Overhead and Administrative Expenses. Based upon communication with the NCAA, administrative expenses previously reported as Other Expenses are to be reported as Direct Overhead Expenses. According to the NCAA, the new guidance provided for Direct Overhead Expenses was an attempt to clean up the “other” category as it was being used by many institutions as place to report a wide range of expenses and was growing in size compared to some other SRE expense categories. There was no net effect to the bottom line of the SRE as the result of this misclassification.

- UTSA had to cancel an away football game with Kansas State University (KSU) that was to have taken place in Manhattan Kansas. As result of the cancellation, UTSA was contractually obligated to pay $500,000.00 to KSU. UTSA remitted the obligation to KSU in FY 2015. Athletics reported the settlement payment as a Guarantee expense. According to the reporting guidelines from the NCAA’s agreed-upon procedures, Guarantee expenses incurred are limited to amounts paid to visiting teams. Consequently, the initial amount reported as Guarantee expense was over-stated and the amount remitted to KSU, which is not a recurring type of expense, should have been reported as an Other Operating Expense. There was no net effect to the bottom line of the SRE as the result of this misclassification.
In addition, Other Operating Expenses included $443,962.56 in expenses that were already accounted for in other SRE categories, resulting in an overstatement of this category.

Each of the errors described above was corrected in the final SRE that appears in Appendix A of this report. See the recommendation in Appendix B.

Additional Minimum Agreed-Upon Procedures

- Compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution.

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 and 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.

J. Michael Peppers, CPA, CIA, QIAL, CRMA
Chief Audit Executive
January 15, 2016

Eric J. Polonski, CPA, CIA
Assistant Director of Audits
January 15, 2016
# APPENDIX A - THE UNIVERSITY OF TEXAS AT SAN ANTONIO'S DEPARTMENT OF INTERCOLLEGIATE ATHLETICS STATEMENT OF REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

## Operating Revenues

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<th>Description</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Baseball</th>
<th>Men's Golf</th>
<th>Women's Golf</th>
<th>Soccer</th>
<th>Softball</th>
<th>Men's Tennis</th>
<th>Women's Tennis</th>
<th>Track &amp; Field</th>
<th>Volleyball</th>
<th>Non-Program Specific</th>
<th>Total</th>
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<td>Ticket Sales</td>
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<td>$59,597.30</td>
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<td>$15,572.00</td>
<td>$4,622.00</td>
<td>$9,451.00</td>
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<td>$17,464.00</td>
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<td>$2,155,481.91</td>
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<td>Direct State and Other Gov't Support</td>
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<td>Student Fees</td>
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<td>Direct Institutional Support</td>
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<td>Less - Transfers to the Institution</td>
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<td>Guarantees Revenue</td>
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<td>40,000.00</td>
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<td>9,700.00</td>
<td>4,080.00</td>
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<td>12,022,856.86</td>
<td>12,022,856.86</td>
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<tr>
<td>Contributions</td>
<td>220,972.66</td>
<td>1,019.00</td>
<td>2,533.00</td>
<td>25,486.79</td>
<td>54,174.72</td>
<td>36,490.51</td>
<td>3,370.00</td>
<td>26,179.18</td>
<td>931.39</td>
<td>370.00</td>
<td>14,698.39</td>
<td>207.00</td>
<td>14,698.39</td>
<td>2,493,605.65</td>
</tr>
<tr>
<td>In-Kind</td>
<td>48,797.58</td>
<td>9,837.50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>57,735.58</td>
<td>-</td>
</tr>
<tr>
<td>Camp &amp; Benefits Provided by a 3rd Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Media Rights</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NCAA Distributions</td>
<td>-</td>
<td>-</td>
<td>9,356.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conference Distributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prog., Novelty, Parking &amp; Concess. Sales</td>
<td>284,932.55</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>284,932.55</td>
<td>-</td>
</tr>
<tr>
<td>Royalties, Licensing, Adver. &amp; Sponsor.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sports Camp Revenues</td>
<td>52,410.00</td>
<td>51,724.00</td>
<td>20,243.00</td>
<td>98,075.00</td>
<td>76,612.00</td>
<td>45,200.00</td>
<td>43,715.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,005.00</td>
<td>-</td>
</tr>
<tr>
<td>Athletics Rest., Endow., &amp; Invest. Income</td>
<td>-</td>
<td>-</td>
<td>1,833.34</td>
<td>1,833.34</td>
<td>3,000.00</td>
<td>3,000.00</td>
<td>8,833.33</td>
<td>400.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,000.00</td>
<td>2,450.00</td>
</tr>
<tr>
<td>Other Operating Revenues</td>
<td>208,998.74</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>208,998.74</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$1,082,492.53</td>
<td>$527,393.14</td>
<td>$105,712.90</td>
<td>$218,360.79</td>
<td>$527,247.32</td>
<td>$64,498.50</td>
<td>$102,956.33</td>
<td>$85,119.18</td>
<td>$46,302.39</td>
<td>$1,507.00</td>
<td>$30,419.58</td>
<td>$39,473.33</td>
<td>$2,445,734.85</td>
<td>$26,607,472.48</td>
</tr>
</tbody>
</table>
APPENDIX B
FINDINGS AND RECOMMENDATIONS

The following are our engagement findings, related recommendations, and management’s responses.

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation &amp; Management’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparation of the SRE</strong>&lt;br&gt;From the agreed-upon procedures performed, we identified nine material errors. Three were misclassification errors which did not affect the net revenues or net expenses. The remaining six errors led to both over and understatement of revenue and expense categories. Adjustments to correct the errors were made to the final SRE that appears Appendix A of this report. Factors contributing to the observed errors include the following and, in many instances, reflect conditions that existed during the FY 2014 agreed-upon-procedures engagement:</td>
<td><strong>Recommendation:</strong> Consistent with our recommendation from the FY 2014 Report on UTSA’s Application of Agreed-Upon Procedures, the Athletics Department, in coordination with other UTSA departments such as Student Affairs, Business Affairs, and the PeopleSoft Sustainment Center should work together to develop a streamlined approach to creating the Statement of Revenues and Expenses (SRE) to include the following actions:&lt;br&gt;- Develop (PeopleSoft) reports that pull all Athletics transactions, transfers, Athletic student fees, and Athletics endowments and scholarship information.&lt;br&gt;- Review and modify standard accounts and cost centers to ensure appropriate mapping of transactions to each SRE line item.&lt;br&gt;- Develop written procedures and checklists to document the steps for creating the SRE.&lt;br&gt;- Create the SRE quarterly or at mid-year to ensure transactions are processed correctly.&lt;br&gt;- Cross train staff on the SRE process.&lt;br&gt;&lt;br&gt;<strong>Management Response:</strong> UTSA Athletics agrees with the recommendations outlined above. The former Sr. Associate Athletics Director for Business began implementation of certain recommendations. These included a PeopleSoft revenue and expense query specific to NCAA reporting, additional cost centers and account codes to improve mapping of transactions, a service agreement with software provider, Jumpforward (Elevation), to provide financial reporting support to EADA and NCAA specifications, and involvement of additional Athletics’ staff members in the development of the SRE. Athletics will continue to work with the appropriate departments to improve reports for a streamlined approach and continue to develop written procedures to encompass all procedures needed for the report.</td>
</tr>
<tr>
<td>Finding</td>
<td>Recommendation &amp; Management’s Response</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>institutions.</td>
<td>Anticipated Implementation Date:</td>
</tr>
<tr>
<td>• Documented procedures/processes for creating the SRE and cross-training do not exist.</td>
<td>August 31, 2016</td>
</tr>
<tr>
<td>• The SRE is not created quarterly or at mid-year for Athletics personnel to review and ensure transactions are being processed correctly or to measure the financial activity of each sport.</td>
<td></td>
</tr>
</tbody>
</table>
The following are our engagement findings from fiscal year 2014 and related follow-up.

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation &amp; Management’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preparation of the SRE</strong></td>
<td><strong>Recommendation:</strong> The Athletics Department, in coordination with appropriate UT San Antonio accounting personnel and with appropriate UTShare personnel at the Arlington Regional Data Center, should develop a customized PeopleSoft, Envision, or other automated report that can generate a SRE from the athletic department accounts and, if possible, from other applicable UT San Antonio accounts.</td>
</tr>
<tr>
<td>Preparation of the SRE is a manual, time consuming process that includes information from UT San Antonio’s general ledger and information that does not have a direct financial impact on athletic departmental accounts such as depreciation, out-of-state waivers, overhead charges, and gifts-in-kind. Prior to FY 2014, the SRE was prepared by the Senior Associate Athletic Director for Business Operations. The individual who held this position for several years left UT San Antonio during FY 2014. Preparation of the FY 2014 SRE became the responsibility of the Assistant Athletic Director for Business Operations, who had no prior experience in preparing an SRE. Though the former Senior Associate Athletic Director for Business Operations left working papers that provided general guidance on SRE preparation, he did not provide training for preparing the SRE. In addition to a change in personnel, UT San Antonio experienced a change in accounting systems from the legacy *DEFINE system to the PeopleSoft based UTShare system. This complicated preparation of the SRE requiring the combination of financial information from disparate systems. With the change in accounting systems and change in personnel, we identified several material adjustments that were incorporated into the SRE.</td>
<td></td>
</tr>
<tr>
<td>Management Response:</td>
<td>UTSA Athletics agrees with the recommendations outlined above. UTSA Athletics will work with the appropriate departments to develop automated reports for a streamlined approach. Written procedures</td>
</tr>
</tbody>
</table>
The University of Texas at San Antonio
Independent Auditor’s Report on the Application of Agreed-Upon Procedures
For the Fiscal Year Ended August 31, 2015

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation &amp; Management’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>will be developed to encompass all of the procedures needed for the report.</td>
</tr>
<tr>
<td></td>
<td><strong>Anticipated Implementation Date:</strong></td>
</tr>
<tr>
<td></td>
<td>August 31, 2015</td>
</tr>
</tbody>
</table>

**Follow-Up Status: Partially Implemented**

**Request for Extension:** The recommendation from FY 2014 is essentially the same as the recommendation for FY 2015. Prior to commencement of the FY 2015 agreed-upon procedures engagement, the Athletics Department, in August 2015, requested an extension to fully implement the recommendation described above by August 31, 2016. The request was approved by the UTSA Internal Audit Committee.

**Reason Provided by the Athletic Department in August 2015 to Request an Extension:**
The conversion to PeopleSoft has caused difficulties in getting the necessary reporting, therefore, Athletics is working with a software provider for financial reporting. The contract was signed on June 5, 2015 and work has been ongoing to get the system programmed as soon as possible.

**Status Update Provided by the Athletic Department as of January 2016:**

1. The former Senior Associate Athletics Director for Business requested from UTShare/PeopleSoft a customized query to pull revenue and expense transactions specific to Athletics. UTShare provided the query, UTS_FL_ATHLETIC_TRANS; its detail was used for NCAA reporting purposes.
2. During the budget process for FY16, the former Senior Associate Athletics Director for Business requested additional cost centers be added to Athletics in order to better account for and categorize business activity within Athletics. Existing and additional cost centers such as Marketing, Development, Ticketing, Communications, and the Business Office were given stand-alone budgets separate of the former “all-encompassing” Administrative cost center. Also, additional accounts codes were identified by the Business Office to use for specific business activity. These cost centers and account codes are in present use and will improve the mapping of transactions in the Athletics Department.
3. Athletics has contracted with JumpForward, LLC, to provide financial reporting tools that compile and audit data for EADA and NCAA reports. Presently, Athletics uploads monthly transactions from the PeopleSoft query to Elevation, JumpForward’s business tool. Elevation downloads the information into their system that mirrors the EADA and NCAA reports. On-going work continues between Athletics and Elevation for the proper mapping of cost centers and account codes. Weekly educational meetings continue to properly use the software for its intended purpose.
4. Athletics hired an Administrative Manager whose main responsibility is a human resource liaison. This person works closely with Human Resources and deals directly with the Payroll Office. She receives the Payroll Distribution Reports from the Athletics
<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation &amp; Management’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director which are then used to develop the coaches’ and staff’s salaries and benefits lines on the SRE. Along with the Asst. AD for Business Operations, the new Accounting Technician is to take an expanded role in developing the SRE.</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D
NOTES TO THE STATEMENT OF REVENUES AND EXPENSES

NOTE 1 – Summary of Significant Accounting Policies
Fiscal Year – UT San Antonio’s fiscal year is the period beginning each September 1st and ending each August 31st of the subsequent calendar year.

Principles of Preparation – The statement of revenues and expenses (SRE) is prepared in accordance with the NCAA agreed-upon procedures guidelines. Information used in the SRE’s preparation is obtained primarily from subsidiary ledger information recorded in UT San Antonio’s financial accounting system. Other information, such as amounts estimated for non-cash trade-out agreements, gifts-in-kind, and other information is obtained from records maintained by the Athletics Department and the Office of Accounting.

NOTE 2 – Student Fees
For the Fall of 2014 and the Spring and Summer of 2015 semesters, the Athletics Department received $12,026,673.92 in student fees, which is based upon a student athletic fee of $20.00 per semester credit hour enrolled, with a maximum fee cap of $240 (12 hours) per student per semester.

NOTE 3 – Contributions Constituting More than Ten Percent of All Contributions
Revenue from contributions was $3,044,421.47 for FY 2015. The Athletic Department received one contribution for operating activities that was greater ten percent of all contributions combined:

The Roadrunner Foundation made a contribution totaling $500,000.00.

NOTE 4 – Capital Assets
Athletics acquires, 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 $5,000.00, which is the capitalization threshold.
- 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 5 – Affiliated and Outside Organizations
Affiliated and outside organizations includes entities that have a primary purpose which benefits UT San Antonio’s Athletic Department and are not under UT San Antonio’s accounting control. The Roadrunner 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 UT San Antonio athletics. A governing board of the Foundation approves requests for assistance from UT San Antonio Athletics and makes such disbursements as funding allows. UT San Antonio has no institutional control over the Foundation.

NOTE 6 – Future Debt Repayment Schedule
UTSA and all UT System institutions receive 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, 2015, UTSA (through UT System) had outstanding commercial paper related to Athletics totaling $1,960,000. Debt service requirements to maturity for this outstanding debt are estimated to be and summarized as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$196,000.00</td>
<td>18,865.00</td>
<td>214,865.00</td>
</tr>
<tr>
<td>2017</td>
<td>199,000.00</td>
<td>33,803.00</td>
<td>232,803.00</td>
</tr>
<tr>
<td>2018</td>
<td>202,000.00</td>
<td>44,678.00</td>
<td>246,678.00</td>
</tr>
<tr>
<td>2019</td>
<td>202,000.00</td>
<td>51,490.00</td>
<td>253,490.00</td>
</tr>
<tr>
<td>2020</td>
<td>202,000.00</td>
<td>46,123.00</td>
<td>248,123.00</td>
</tr>
<tr>
<td>2021-2025</td>
<td>959,000.00</td>
<td>102,112.00</td>
<td>1,061,112.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,960,000.00</td>
<td>297,070.00</td>
<td>2,257,070.00</td>
</tr>
</tbody>
</table>

* The interest on commercial paper is variable, is based on forecast rates, and is assumed to be 1.00% in FY16, 2.00% in FY17, 3.00% in FY18, 4.00% in FY19, and 4.25% in FY20 and beyond.

Note 7 – Other Required Disclosures:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Transfers to Institution</td>
<td>$0.00</td>
</tr>
<tr>
<td>Conference Realignment Expenses</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Total Athletics Related Debt</td>
<td>$1,960,000.00</td>
</tr>
<tr>
<td>Total Institutional Debt</td>
<td>$329,362,000.00</td>
</tr>
<tr>
<td>Value of Athletics Dedicated Endowments</td>
<td>$914,907.72</td>
</tr>
<tr>
<td>Value of Institutional Endowment</td>
<td>$121,961,618.63</td>
</tr>
</tbody>
</table>
### APPENDIX E

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

**FY 15 Budget to FY 15 Actual Variance Analysis**

<table>
<thead>
<tr>
<th>Major SRE Revenue Categories</th>
<th>Actual Total</th>
<th>Budget Total</th>
<th>Variance</th>
<th>Percent Variance</th>
<th>Explanation for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$12,032,205.86</td>
<td>$12,933,000.00</td>
<td>$(900,794.14)</td>
<td>-7.5%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Contributions</td>
<td>3,044,421.25</td>
<td>2,390,539.00</td>
<td>653,882.25</td>
<td>21.5%</td>
<td>$500,000 of the increase is from the Athletics Foundation for the Kansas State game cancellation payout; remaining increase due to increased efforts by Development for contributions to the R.A.F.</td>
</tr>
<tr>
<td>Royalties, Licensing, Advertisements and Sponsorships</td>
<td>2,835,136.15</td>
<td>1,612,900.00</td>
<td>1,222,236.15</td>
<td>43.1%</td>
<td>Increase due to budget exclusion of Trademark and Adidas revenue and from trade and other revenue from the Learfield settlement.</td>
</tr>
<tr>
<td>Ticket Sales</td>
<td>2,155,481.91</td>
<td>2,351,000.00</td>
<td>(195,518.09)</td>
<td>-9.1%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Direct Institutional Support</td>
<td>1,522,944.00</td>
<td>1,198,552.00</td>
<td>324,392.00</td>
<td>21.3%</td>
<td>Increase due to inclusion of Work Study and Compliance funds not included in Direct Institutional Support part of the budget.</td>
</tr>
<tr>
<td>NCAA Distributions</td>
<td>1,301,203.94</td>
<td>1,697,306.00</td>
<td>(396,103.06)</td>
<td>-30.4%</td>
<td>Decrease due to separation of Conference-USA distribution. Category specific to NCAA distributions.</td>
</tr>
<tr>
<td>Media Rights</td>
<td>1,185,717.00</td>
<td>1,247,516.00</td>
<td>(61,799.00)</td>
<td>-5.2%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major SRE Expense Categories</th>
<th>Actual Total</th>
<th>Budget Total</th>
<th>Variance</th>
<th>Percent Variance</th>
<th>Explanation for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic Student Aid</td>
<td>$5,088,760.70</td>
<td>$5,029,075.00</td>
<td>$59,685.70</td>
<td>1.2%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities</td>
<td>4,244,804.39</td>
<td>4,062,605.00</td>
<td>182,205.09</td>
<td>4.3%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Support Staff/Administrative Compensation Benefits and Bonuses Paid by the University and Related Entities</td>
<td>3,887,630.79</td>
<td>3,358,821.00</td>
<td>528,809.79</td>
<td>13.6%</td>
<td>Increase due to increase in salaries and additional positions to the Athletics Department</td>
</tr>
<tr>
<td>Direct Overhead and Administrative Expenses</td>
<td>2,409,751.51</td>
<td>700,000.00</td>
<td>1,709,751.51</td>
<td>71.0%</td>
<td>Variance due to change in FY15 AUP definition; Line 35 now captures a wide array of recurring expenses previously in Other Expenses; significant expenses included are ticket commissions of $461,756 and non-team travel expenses of $282,322.</td>
</tr>
<tr>
<td>Team Travel</td>
<td>2,371,558.57</td>
<td>2,333,000.00</td>
<td>38,558.57</td>
<td>1.6%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Fund Raising, Marketing and Promotion</td>
<td>1,305,286.00</td>
<td>1,441,915.00</td>
<td>(136,629.00)</td>
<td>-10.5%</td>
<td>The reduction is mainly due to a reduction of sport-specific expenses in Baseball, Golf, and Track. There was also a reduction in the non-sports specific Marketing expenses from FY14 and FY15.</td>
</tr>
<tr>
<td>Game Expenses</td>
<td>1,269,164.11</td>
<td>1,144,468.00</td>
<td>124,696.11</td>
<td>9.8%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>1,109,741.19</td>
<td>1,833,789.00</td>
<td>(724,047.81)</td>
<td>-65.2%</td>
<td>Variance due to change in FY15 AUP definition; majority of reduction of $1,469,619 accounts for recurring administrative expenses (see Line 35).</td>
</tr>
</tbody>
</table>

**Note:** Major Revenue and Expense SRE Categories were limited to those, that when summed together, comprised of 80% or more of Total Revenue and Expense Categories.
## APPENDIX F
### ACTUAL TO ACTUAL ANALYSIS OF MAJOR REVENUE AND EXPENSE CATEGORIES

**FY 2014 to FY 2015 Variance Analysis**

<table>
<thead>
<tr>
<th>Major SRE Revenue Categories</th>
<th>FY15</th>
<th>FY14</th>
<th>Difference</th>
<th>Percent Variance</th>
<th>Explanation for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$12,032,205.86</td>
<td>$12,158,967.15</td>
<td>$(126,761.29)</td>
<td>-1.1%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Contributions</td>
<td>$3,044,421.25</td>
<td>$2,500,751.29</td>
<td>543,669.96</td>
<td>17.9%</td>
<td>$500,000 of the increase is from the Athletics Foundation for the Kansas State game cancellation payout; remaining increase due to increased efforts by Development for contributions to the Roadrunner Athletic Fund.</td>
</tr>
<tr>
<td>Royalties, Licensing, Advertisements and Sponsorships</td>
<td>$2,835,136.15</td>
<td>$2,851,118.40</td>
<td>$(15,982.25)</td>
<td>-0.6%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Ticket Sales</td>
<td>$2,155,481.91</td>
<td>$2,368,530.23</td>
<td>$(213,048.32)</td>
<td>-9.9%</td>
<td>Variance due to omission of tuition waivers available to all students ($845,270) and reduction of part of Pepsi contract ($190,000) that were both included the year before.</td>
</tr>
<tr>
<td>Direct Institutional Support</td>
<td>$1,522,914.00</td>
<td>$2,060,610.00</td>
<td>$(537,696.00)</td>
<td>-35.3%</td>
<td>Decrease due to separation of conference distribution.</td>
</tr>
<tr>
<td>NCAA Distributions</td>
<td>$1,301,203.00</td>
<td>$2,388,987.80</td>
<td>$(1,087,784.80)</td>
<td>-83.6%</td>
<td>Category specific to NCAA distributions as updated for the FY15 AUP.</td>
</tr>
<tr>
<td>Media Rights</td>
<td>$1,185,717.00</td>
<td>$1,185,717.00</td>
<td>0.0%</td>
<td></td>
<td>Increase due to specific conference distribution for TV revenue. No specific distribution was given in FY14.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major SRE Expense Categories</th>
<th>FY15</th>
<th>FY14</th>
<th>Variance</th>
<th>Percent Variance</th>
<th>Explanation for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletic Student Aid</td>
<td>$5,088,761</td>
<td>$5,845,179</td>
<td>$(756,418)</td>
<td>-14.9%</td>
<td>Decrease due to omission of tuition waivers available to all students that are no longer required to be reported in the SRE ($845,270).</td>
</tr>
<tr>
<td>Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities</td>
<td>$4,244,894</td>
<td>$4,108,830</td>
<td>136,065</td>
<td>3.2%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities</td>
<td>$3,887,631</td>
<td>$3,592,581</td>
<td>295,050</td>
<td>7.6%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Direct Overhead and Administrative Expenses</td>
<td>$2,409,752</td>
<td>$1,808,799</td>
<td>600,953</td>
<td>24.9%</td>
<td>Variance due to change in FY15 AUP definition; Line 3 now captures a wide array of recurring expenses previously in Other Expenses; significant expenses included are ticket commissions of $461,756 and non-team travel expenses of $282,322.</td>
</tr>
<tr>
<td>Team Travel</td>
<td>$2,371,559</td>
<td>$2,607,543</td>
<td>$(235,984)</td>
<td>-10.0%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Fund Raising, Marketing and Promotion</td>
<td>$1,305,286</td>
<td>$1,441,915</td>
<td>$(136,629)</td>
<td>-10.5%</td>
<td>The reduction is mainly due to a reduction of sport-specific expenses in Baseball, Golf, and Track. There was also a reduction in the non-sports specific Marketing expenses from FY14 and FY15.</td>
</tr>
<tr>
<td>Game Expenses</td>
<td>$1,269,164</td>
<td>$1,275,886</td>
<td>$(6,722)</td>
<td>-0.5%</td>
<td>Variance between fiscal year 2014 and 2015 was not greater than 10% or $1,000,000.</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>$1,109,741</td>
<td>$2,240,224</td>
<td>$(1,130,482)</td>
<td>-101.9%</td>
<td>Variance due to change in FY15 AUP definition; majority of reduction of $1,469,619 accounts for recurring administrative expenses (see Line 35).</td>
</tr>
</tbody>
</table>

**Note:** Major Revenue and Expense SRE Categories were limited to those, that when summed together, comprised of 80% or more of Total Revenue and Expense Categories.