



May 3, 2017

The Audit Committee of the Board of Regents
and Mr. John Valery White, Acting Chancellor
Nevada System of Higher Education
2601 Enterprise Road
Reno, NV 89512

Grant Thornton LLP
100 West Liberty Street, Suite 770
Reno, NV 89501
T 775.786.1520
F 775.786.7091
www.GrantThornton.com

Dear Audit Committee and Mr. White:

This letter (the "Engagement Letter"), the Agreed-Upon Procedures attached as Exhibit A, the NSHE Special Terms and Conditions attached as Exhibit B, and the Fee Estimate Proposal attached as Exhibit C, documents our mutual understanding of the arrangements between the Nevada System of Higher Education (the "System") and Grant Thornton LLP ("Grant Thornton") for the services described herein. The parties expect the service relationship to extend to January 31, 2018, pursuant to the terms of this Engagement Letter and may be continued for additional periods upon mutual agreement of the parties.

Scope of services

Grant Thornton will apply certain agreed-upon procedures identified herein enumerated in Exhibit A to the Nevada System of Higher Education Component Units: University of Nevada Reno and University of Nevada Las Vegas Statements of Revenue and Expenses of the Athletic Departments for the year ended June 30, 2017 (the "Subject Matter") solely for the purpose of assisting the System (the "Specified Parties") in connection with verifying compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.16. Our engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

An agreed-upon procedures engagement consists of issuing a report of findings based on specific procedures performed on subject matter. Agreed-upon procedures are performed solely to assist specified parties in evaluating the subject matter as a result of a need or needs of specified parties. Because specified parties best understand their own needs, the specified parties assume responsibility for the sufficiency of the procedures.

An agreed-upon procedures engagement does not constitute an audit, examination, or review, the objective of which is the expression of an opinion or limited assurance. Accordingly, agreed-upon procedures cannot be relied upon to disclose errors, fraud, or illegal acts. In addition, an agreed-upon procedures engagement does not constitute a legal determination of a company's compliance with specified requirements. However, in connection with the agreed-upon procedures, if matters come to our attention by other means that significantly contradict the Subject Matter (or written assertion related thereto); we will disclose those matters in our report.

Our overall objective will be the completion of the agreed-upon procedures identified herein and the rendering of our report in the form of procedures and findings. Accordingly, we will not express an opinion

or any other form of assurance. The sufficiency of the agreed-upon procedures is solely the responsibility of the Specified Parties. Consequently, we accept no responsibility and make no representation regarding the sufficiency of the agreed-upon procedures either for the purpose for which our report has been requested or for any other purpose. We will not perform procedures beyond the agreed-upon procedures identified herein or determine the differences between the agreed-upon procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attest engagement.

It is possible that because of unexpected circumstances, we may determine that we cannot render a report or otherwise complete the engagement. If, in our professional judgment, the circumstances require, we may resign from the engagement prior to completion.

Specified party acknowledgment

The System, as a Specified Party, must agree upon the procedures to be performed and take responsibility for the sufficiency of those procedures. The procedures we will perform on the Subject Matter, which is the System's responsibility, are described in Exhibit A. Each specified party must independently conclude that the agreed-upon procedures are sufficient for its purposes.

By signing this Engagement Letter, the System acknowledges that it agrees to the procedures to be performed and accepts responsibility for their sufficiency for its purposes.

Responsible party acknowledgment

By signing this Engagement Letter, the System also acknowledges that it is responsible for the completeness, accuracy, and reliability of the Subject Matter. In addition, management of the System is responsible for:

- providing access to all documents, records, and related information and to management and personnel with information of relevance pertaining to the Subject Matter and this engagement
- disclosing to us all known matters contradicting the Subject Matter
- disclosing to us any communications from regulatory agencies affecting the Subject Matter
- providing any needed legal interpretations related to the procedures and findings

Use of our report

Our report is intended solely for the information and use of the Specified Parties and is not intended to be, and should not be, used by anyone other than these Specified Parties. Accordingly, the use of our report will be restricted to such parties.

Our report is not intended for a non-specified party's (parties other than those identified in our report or otherwise named as specified parties) benefit, use, or reliance, and therefore, Grant Thornton disclaims any contractual or other responsibility or duty of care to non-specified parties. Grant Thornton may agree to add other parties as specified parties, subject to our terms and conditions, including obtaining an affirmative written acknowledgment from the other parties of their understanding of the nature of the engagement, their responsibility for the sufficiency of the procedures, and the related report.

Unless required by law or regulation, our report to non-specified parties (parties other than those identified in our report), without obtaining our report should not be publicized or referred to in any electronic site or other forum, without our prior permission. Our report is not intended for a non-specified party's benefit, use, or reliance, and therefore, Grant Thornton disclaims any contractual or other responsibility or duty of care to non-specified parties.

Grant Thornton may agree to add other parties as specified parties in Grant Thornton's sole discretion. It is important that you give us timely notice of the System's intention to issue our report to non-specified parties, in order for us to obtain an affirmative written acknowledgement from the other parties of their understanding of the nature of the engagement, the criteria used in the engagement, and the related report.

We reserve the right to not add other parties as specified parties.

Fees

Standard billings

Our billings for the services set forth in this Engagement Letter, outlined in Exhibit C, will be rendered on a monthly basis and are payable upon receipt.

We have committed to an all-inclusive maximum fee, including all out-of-pocket expenses, for performing the audit for each of the three years of the contract with the Nevada System of Higher Education. We recognize that the all-inclusive fee includes any subsequent changes in accounting and audit standards that impact the cost of performing the audit unless such impacts exceed 20% of the estimated hours bid for performing the audit. Should conditions require a change in scope exceeding 20% of the estimated hours bid, approval must be granted by NSHE's Board of Regents in order to proceed.

Commencing July 1, 2017, Grant Thornton shall submit a monthly bill identifying services performed as stated in Exhibit C, and expenses, together with a summary of the total fees and costs incurred for the billing period. The initial billing will include time and expenses incurred prior to July 1, 2017.

From time to time, Grant Thornton may receive certain incentives in the form of bonuses and rewards from its corporate card and other vendors. Such incentives to the extent received will be retained by Grant Thornton to cover firm expenses.

Additional billings

Of course, circumstances may arise that will require us to do more work. Some of the more common circumstances include changing accounting and reporting requirements from professional and regulatory bodies, incorrect accounting applications, errors in System records, failure to furnish accurate and complete information to us on a timely basis, and unforeseen events, including legal and regulatory changes.

At Grant Thornton, we pride ourselves on our ability to provide outstanding service and meet our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our professional staff.

We will coordinate a convenient time for Grant Thornton to begin work. If, after scheduling our work, you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed-upon date(s) for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

Other costs

Except with respect to a dispute or litigation between Grant Thornton and the System, our costs and time spent in legal and regulatory matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration, industry, or government regulatory inquiries, whether made at the System's request or by subpoena, will be billed to the System separately.

Right to terminate services for nonpayment

In the event of nonpayment, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this Engagement Letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid as agreed. Alternatively, if we elect to terminate our services for nonpayment, the System will be obligated to compensate us for all time expended and to reimburse us for all expenses through the date of termination.

Other matters

Relationship to Grant Thornton International Ltd

Grant Thornton is the U.S. member firm of Grant Thornton International Ltd (“GTIL”), an organization of independently owned and managed accounting and consulting firms. References to GTIL are to Grant Thornton International Ltd. GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. These firms are not members of one international partnership or otherwise legal partners with each other internationally, nor is any one firm responsible for the services or activities of any other firm.

Use of third-party service providers and affiliates

Grant Thornton may use third-party service providers, such as independent contractors, specialists, or vendors, to assist in providing our professional services. The partners and staff of the member firms of Grant Thornton International or other accounting firms are also considered third-party service providers.

Privacy

Grant Thornton is committed to protecting personal information. We will maintain such information in confidence in accordance with professional standards and governing laws. Therefore, any personal information provided to us by the System will be kept confidential and not disclosed to any third party unless expressly permitted by the System or required by law, regulation, legal process, or professional standards. The System is responsible for obtaining, pursuant to law or regulation, consents from parties that provided the System with their personal information, which will be obtained, used, and disclosed by Grant Thornton for its required purposes.

Documentation

The documentation for this engagement is the property of Grant Thornton and constitutes confidential information. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention.

Pursuant to law or regulation, we may be requested to make certain documentation available to regulators, governmental agencies, or their representatives (“Regulators”). If requested, access to the documentation will be provided to the Regulators under our supervision. We may also provide copies of selected documentation, which the Regulators may distribute to other governmental agencies or third parties. You hereby acknowledge we will allow and authorize us to allow the Regulators access to, and copies of, the documentation in this manner.

Electronic communications

During the course of our engagement, we may need to electronically transmit confidential information to each other and to third-party service providers or other entities engaged by either Grant Thornton or the System. Electronic methods include telephones, cell phones, e-mail, secure file transfers, use of SharePoint sites, and fax. These technologies provide a fast and convenient way to communicate. However, all forms of electronic communication have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. The System agrees to the use of electronic methods to transmit and receive information, including confidential information.

Standards of performance

We will perform our services in conformity with the terms expressly set forth in this Engagement Letter, including all applicable professional standards. Accordingly, our services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance must be clearly and convincingly shown.

With respect to the services and this Engagement Letter, in no event shall the liability of Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors for any claim, including but not limited to Grant Thornton's own negligence, exceed the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of Grant Thornton's gross negligence or willful misconduct. In addition, Grant Thornton shall not be liable for any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, interest, taxes, penalties, loss of savings, or lost business opportunity) even if Grant Thornton was advised in advance of such potential damages. This paragraph and the paragraph directly below shall apply to any type of claim asserted, including contract, statute, tort, or strict liability, whether by the System, Grant Thornton, or others.

Further, except to the extent limited by NRS 41.0305 to 41.039, the System shall, upon receipt of written notice, indemnify and hold harmless Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors from and against any liability and damages (including punitive damages), fees, expenses, losses, demands, and costs (including defense costs) associated with any claim arising from or relating to the System's knowing misrepresentations, false or incomplete information provided to Grant Thornton, or unauthorized use or disclosure of our report. In the event of any controversy or claim against Grant Thornton arising from or related to the services described herein, Grant Thornton shall be entitled to defend itself from such controversy or claim and to participate in any settlement, administrative, or judicial proceedings.

If because of a change in the System's status or due to any other reason, any provision in this Engagement Letter would be prohibited by laws, regulations, or published interpretations by governmental bodies, commissions, state boards of accountancy, or other regulatory agencies, such provision shall, to that extent, be of no further force and effect, and the Engagement Letter shall consist of the remaining portions.

Dispute resolution

Any controversy or claim arising out of or relating to the services, related fees, or this Engagement Letter shall first be submitted to mediation. A mediator will be selected by agreement of the parties, or if the parties cannot agree, a mediator acceptable to all parties will be appointed by the American Arbitration Association ("AAA"). The mediation will proceed in accordance with the customary practice of mediation. In the unlikely event that any dispute or claim cannot be resolved by mediation, we both recognize that the matter will probably involve complex business or accounting issues that would be decided most equitably to us both by a judge hearing the evidence without a jury. Accordingly, to the extent now or hereafter permitted by applicable law, the System and Grant Thornton agree to waive any right to a trial by jury in any action, proceeding, or counterclaim arising out of or relating to our services or this Engagement Letter.

If the above jury trial waiver is determined to be prohibited by applicable law, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Grant Thornton office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that pre-hearing discovery must be

specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

Authorization

This Engagement Letter, including Exhibits A-C, sets forth the entire understanding between the System and Grant Thornton regarding the services described herein and supersedes any previous proposals, correspondence, and understandings, whether written or oral. If any portion of this Engagement Letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

Please confirm your acceptance of this Engagement Letter by signing below and returning one copy to us in the enclosed self-addressed envelope. We appreciate the opportunity to continue to work with the System.

Sincerely,

GRANT THORNTON LLP



Kimberly K. McCormick
Partner

KKM:th

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cc: Allison Stephens, Chairman of the Audit Committee

Enc: Exhibit A – Agreed-Upon Procedures
Exhibit B
Exhibit C

Agreed and accepted by:

NEVADA SYSTEM OF HIGHER EDUCATION

John Valery White, Acting Chancellor

Date: _____

Exhibit A – Agreed-Upon Procedures

This Exhibit A identifies the agreed-upon procedures that will be applied by Grant Thornton on the Subject Matter solely for the purpose of assisting the System in complying with the National Collegiate Athletic Association (“NCAA”) Bylaw 3.2.4.16. The System is responsible for the Subject Matter. The following procedures are consistent with the guidance provided by the NCAA’s agreed-upon procedures manual.

The sufficiency of the agreed-upon procedures is solely the responsibility of the System. Consequently, Grant Thornton accepts no responsibility and makes no representation regarding the sufficiency of the agreed-upon procedures either for the purpose for which our report has been requested or for any other purpose.

Agreed-upon procedures

The procedures Grant Thornton will perform on the Subject Matter at each institution (University of Nevada Reno and University of Nevada Las Vegas) are listed below.

Revenues

For each type of athletics revenue on the statement of revenues and expenses for the year ended June 30, 2017 (the “Statement”), we will perform the following procedures:

1. Compare and agree operating revenue by category reported on the Statement during the reporting period to supporting schedules provided by the Department.
2. Compare and agree three (3) operating revenue receipts for each of the revenue categories from the Statement to relevant supporting documentation, as applicable, including check copies and deposit slips.
3. Obtain an analysis prepared by the System comparing revenue by category, for categories greater than or equal to 10% of total revenue as reported on the Statement, to the prior period amounts and to budgeted amounts for the same period. Obtain explanations for all variances in excess of \$1,000,000 and 10%.

In addition to the above procedures, we will perform the following with regard to each revenue category reported on the Statement:

Ticket sales

- Agree total tickets sold and complimentary tickets provided and the related attendance figures for three (3) games held during the year ended June 30, 2017 to the related revenue reported by the Department on the Statement and to the financial report for the game.
- Recalculate totals for the three (3) selected games.

Student fees

- Compare and agree student fees reported by the Department in the Statement for the reporting to student enrolments during the same reporting period.
- Obtain and document an understanding of the University’s methodology for allocating student fees to intercollegiate athletics programs.
- Recalculate totals.

Game guarantees

- Select a sample of three (3) settlement reports for away games during the year ended June 30, 2017 and agree the associated receipts to the general ledger.
- Select a sample of three (3) contractual agreements pertaining to revenues derived from guaranteed contests during the year ended June 30, 2017 and compare and agree each selection to the University's general ledger.
- Obtain a listing of all away games for which game guarantees were received and recalculate game guarantee revenues and agree the totals to the University's general ledger.

Contributions

- For contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2017 we will obtain relevant supporting documentation for each contribution, including donor correspondence and cash receipts and compare the contributions amount in this documentation to the Statement.

In-Kind

- Compare the in-kind contributions recorded by the Department during the reporting period with a schedule of all in-kind donations.
- Recalculate totals.

Compensation and benefits provided by a third-party

- Obtain a summary of revenues from affiliated and outside organizations (the "Summary") during the year ended June 30, 2017 from the institution.
- Select a sample of three (3) transactions from the Summary and compare and agree each transaction to supporting documentation and the University's general ledger.
- Recalculate totals.
- If the third party was audited by independent auditors, obtain the related independent auditors' report.

Direct state or other governmental support

- Compare direct state or other governmental support recorded by the Department during the year ended June 30, 2017 with state appropriations, institutional authorizations and/or other corroborative supporting documentation.
- Recalculate totals.

Direct institutional support

- Agree the direct institutional support recorded by the Department on the Statement for the year ended June 30, 2017 with a corresponding analysis for the same periods, sourced from the University's general ledger.
- Recalculate totals.

Indirect Institutional Support

- Agree the indirect institutional support recorded by the Department on the Statement for the year ended June 30, 2017 with a corresponding analysis for the same periods, sourced from the University's general ledger.
- Recalculate totals.

Transfers Back to Institution

- Compare the transfers back to institution with permanent transfers back to institution from the athletics department.
- Recalculate totals.

NCAA distributions

- Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documentation.
- Recalculate totals.

Conference distributions

- Obtain a detail of all agreements related to the Department's conference distributions and participation in revenues from tournaments during the year ended June 30, 2017.
- Compare and agree the related revenues to the University's general ledger and/or the Statement.
- Recalculate totals.

Media rights

- Obtain and inspect a sample of three (3) agreements related to the Department's participation in revenues from broadcast, television, radio and internet rights to gain an understanding of the relevant terms and conditions.
- Compare and agree related revenues to the University's general ledger and the Statement.
- Recalculate totals.

Program sales, concessions, novelty sales and parking

- Compare and agree revenue by category reported on the Statement to supporting schedules provided by the institution.
- Compare and agree three (3) receipts from the Statement to relevant supporting documentation, as applicable, including check copies and deposit slips.
- Recalculate totals.

Royalties, licensing, advertisements, and sponsorships

- Obtain and inspect a sample of three (3) agreements related to the Department's participation in revenues from royalties, licensing, advertisements, and sponsorships for the year ended June 30, 2017.
- Compare and agree the related revenues to the University's general ledger and/or the Statement.
- Recalculate totals.

Sports camp revenues

- Inspect a sample of three (3) sports-camp contracts between the Department and persons conducting institutional sports-camps or clinics during the year ended June 30, 2017 to obtain an understanding of the University's methodology for recording revenues from sports-camps.
- Obtain schedules of camp participants.
- Select a sample of three (3) individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the University's general ledger and / or the Statement.
- Recalculate totals.

Athletic Restricted Endowment and Investment Income

- Obtain and inspect a sample of three (3) endowment agreements to gain an understanding of the relevant terms and conditions. Compare and agree the classification and use of the endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreements.
- Recalculate totals.

Other revenues

- Compare and agree a sample of three (3) revenue receipts for other revenues to relevant supporting documentation, as applicable, including check copies and deposit slips.
- Recalculate totals.

Expenses

- For each type of athletics expense on the Statement, we will perform the following procedures:
 1. Compare and agree each athletics expense category reported on the Statement to supporting schedules provided by the institution.
 2. Compare and agree a sample of three (3) operating expenses for each of the expense categories, judgmentally selected, comprising the totals reported on the Statement and obtain relevant supporting documentation, including invoices and check copies.
 3. Obtain an analysis prepared by the institution comparing expenses by category, as reported on the Statement, to the prior period amounts and to budgeted amounts for the same period. Obtain explanations for all variances in excess of \$1,000,000 and 10%.

In addition to the above procedures, we will perform the following with regard to each expense category reported on the Statement:

Athletic student aid

- Select a sample of students (10% of the total student athletes for institutions who have used NCAA's Compliance Assistant software to prepare athletic aid detail and 20% of total student athletes for institutions who have not) from the listing of institutional student aid recipients for the year ended June 30, 2017.
- Obtain individual student-account detail for each selection and compare total aid allocated from the related aid award letter to the respective student's account.

- Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
 1. The equivalency value for each student-athlete is all sports, including head-count sports, need to be converted to a full-time equivalency value (calculated by using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator). If using the NCAA Compliance Assistant software, this equivalency value should already be calculated.
 2. If an athlete participates in more than one sport, the Rev. Dist. Equivalent Award can only be included in one sport. NCAA Compliance Assistant software will place an asterisk by the student athlete within the sport that is not countable towards grants-in-aid revenue distribution.
 3. All equivalency calculations should be rounded to two decimal places. The NCAA Compliance Assistant software and the on-line summary form will automatically round to two decimal places.
 4. The full grant amount should be the full cost of tuition for an academic year, not semester.
 5. If a sport is discontinued and the grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
 6. Student athletes who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
 7. Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and football should be included in the calculation.
- Recalculate totals for each sport and overall.

Guarantees

- Obtain and inspect a sample of three (3) home-game settlement reports received by the University during the year ended June 30, 2017 and agree the related expenses to the University's general ledger.
- Obtain and inspect a sample of three (3) contractual agreements pertaining to expenses recorded by the Department from guaranteed contests during the year ended June 30, 2017.
- Compare and agree related amounts expensed by the Department for contest guarantees to the University's general ledger.
- Recalculate totals.

Coaching salaries, benefits, and bonuses paid by the University and related entities

- Obtain a schedule of all compensation paid to coaches during the year ended June 30, 2017.
- Agree the schedule provided to the general ledger and the Statement.
- Select three (3) personnel that must include football, and men's and women's basketball from the listing provided and agree total compensation to the related payroll records and registers. Sample of coaches must include personnel from football, and men's and women's basketball.
- Obtain and inspect W2's, 1099's, etc. for each selection.
- Compare and agree related W2's, 1099's, etc. to the coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the Department in the Statement during the year ended June 30, 2017.
- Recalculate totals.

Coaching other compensation and benefits paid by a third-party

- Obtain and inspect a listing of coaches employed by third parties during the year ended June 30, 2017. Sample of coaches must include personnel from football, and men's and women's basketball from the listing.
- Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third-party and recorded by the Department in the Statement during the year ended June 30, 2017.
- Obtain and inspect W2's, 1099's, etc. for each selection.
- Compare and agree related W2's, 1099's, etc. to the coaching other compensation and benefits paid by a third-party expenses recorded by the Department in the Statement during the year ended June 30, 2017.
- Recalculate totals.

Support staff / administrative salaries, benefits, and bonuses paid by the University and related entities

- Obtain a schedule of all compensation paid to athletics-related administrative personnel during the year ended June 30, 2017.
- Agree the schedule provided to the general ledger and the Statement.
- Select three (3) personnel from the listing provided and agree total compensation to the related payroll records and registers.
- Obtain and inspect W2's, 1099's, etc. for each selection.
- Compare and agree related W2's, 1099's, etc. to the related support staff / administrative salaries, benefits, and bonuses paid by the University and related entities expense recorded by the Department in the Statement during the year ended June 30, 2017.
- Recalculate totals.

Support staff / administrative other compensation and benefits paid by a third-party

- Select a sample of three (3) support staff / administrative personnel employed by the third parties during the year ended June 30, 2017.
- Obtain and inspect W2's, 1099's, etc. for each selection.
- Compare and agree related W2's, 1099's, etc. to the related support staff / administrative other compensation and benefits expense recorded by the Department in the Statement during the year ended June 30, 2017.
- Recalculate totals.

Severance payments

- Select a sample of three (3) employees receiving severance payments by the Department during the year ended June 30, 2017 and agree each severance payment to the related termination letter or employment contract.
- Recalculate totals.

Recruiting

- Obtain and inspect the Department's recruiting expense policies, and compare and agree to existing institutional/NCAA related policies.
- Select a sample of three (3) recruiting expense reimbursement forms and determine whether such expenses are in compliance with established allowable expense guidelines.

Team travel

- Obtain and inspect the Department's team travel expense policies, and compare and agree to existing institutional/NCAA related policies.
- Select a sample of three (3) travel expense reimbursement forms and determine whether such expenses are in compliance with established allowable expense guidelines.

Equipment, uniforms and supplies

- Compare and agree a sample of three (3) equipment, uniforms and supplies expenses to relevant supporting documentation, including invoices and check copies.

Game expenses

- Compare and agree a sample of three (3) game expenses to relevant supporting documentation, including invoices and check copies.

Fundraising, marketing and promotion

- Compare and agree a sample of three (3) fundraising, marketing and promotion expenses to relevant supporting documentation, including invoices and check copies.

Sports camp expenses

- Compare and agree a sample of three (3) sports camp expenses to relevant supporting documentation, including invoices and check copies.

Athletic facility debt service, leases and rental fees

- 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).
- Compare amounts recorded to amounts listed in the general ledger detail.
- Recalculate totals.

Direct overhead and administrative expenses

- 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.
- Recalculate totals.

Spirit groups

- Compare and agree a sample of three (3) spirit group expenses to relevant supporting documentation, including invoices and check copies.

Medical expenses and medical insurance

- Compare and agree a sample of three (3) medical expenses and medical insurance expenses to relevant supporting documentation, including invoices and check copies.

Membership and dues

- Compare and agree a sample of three (3) membership and dues expenses to relevant supporting documentation, including invoices and check copies.

Other operating expenses

- Compare and agree a sample of three (3) other operating expenses to relevant supporting documentation, including invoices and check copies.

Additional minimum agreed upon procedures

- In order for NCAA to place reliance on the financial reporting for NCAA distributions purposes, the following procedures will be performed:
 1. Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and validate that the discrepancy is justifiable and report the justification in the AUP report.
 2. Obtain the institution's Sports Sponsorship and Demographics Forms Report for the year ended June 30, 2017. Verify the countable sports reported meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and that all countable sports are properly recorded.

As agreed to by the System, Grant Thornton will perform sampling on a random or scope basis from details of the athletics revenue, expenses and athletics-related capitalized assets during the year ended June 30, 2017. As a result, there is an inherent sampling risk that arises from the possibility that, when procedures are applied to a sample, our findings may be different from those that would be reported if those procedures were applied to all the items in the population.

Grant Thornton will report all findings from the application of the agreed-upon procedures.

Exhibit B

Special Terms and Conditions

- A. **AFFIRMATIVE ACTION:** Contractor shall not maintain or provide racially segregated facilities for employees at any establishment under its control. Contractor agrees to adhere to the principles set forth in Executive Order 11246 and 11375, Section 503 of the Rehabilitation Act of 1973, and USC 2012 (Disabled Veterans and Veterans of the Vietnam Era), and to undertake specifically; to maintain employment policies and practices that affirmatively promote equality of opportunity for minority group persons and women; to take affirmative steps to hire and promote women and minority group persons at all job levels and in all aspects of employment; and to discuss with the System his policies and practices relating to his Affirmative Action Program. **BIDDER MUST BE AN EQUAL OPPORTUNITY EMPLOYER.**
- B. **LIABILITY CLAUSE:** The contractor, in performance of contract, shall release and discharge the Nevada System of Higher Education and the Board of Regents from liability for, and assume the risk of, loss or damage to property of the contractor. Further, subject to the limitation of liability clause under Standards of Performance in the Engagement Letter, the contractor shall save the Nevada System of Higher Education and the Board of Regents harmless from and defend against all losses, all liabilities, expenses and other detriments of every nature and description, to which the Nevada System of Higher Education and the Board of Regents may be subjected that is proven to have been cause by any negligent act or omission of the contractor, or any of the contractor's subcontractors, employees, agents, invitees or licensees where such loss, liability, expense or other detriment arises out of or in connection with the performance of work under the contract including, but not limited to liens, personal injury and loss of or damage to property of the Nevada System of Higher Education or others.
- C. **CONTRACTOR'S LIABILITY INSURANCE:** The contractor shall maintain Comprehensive General Liability insurance in the amount of not less than \$1,000,000 Combined Single Limit (Bodily Injury & Property Damage) that will protect him from claims for damages and personal injury, including death, which may arise from operation under this Contract, whether such operations be by himself or by any subcontractor or anyone directly or indirectly employed by either of them. The policies shall name the Board of Regents and the Nevada System of Higher Education as additional insured. Certificates of such insurance shall be filed with the Director of Purchasing and shall be subject to his approval for adequacy of protection prior to commencing work.
- D. **WORKMAN'S COMPENSATION INSURANCE:** Nevada Law requires that the contractor shall provide worker's compensation insurance as stated in NRS 616B.627 or proof that compliance with the provisions of NRS Chapter 616A-D and all other related chapters is not required. The contractor shall require the same insurance when the work is to be performed by a subcontractor. Certificates of contractor's insurance shall be filed with the Director of Purchasing and shall be subject to his approval for adequacy of protection prior to commencing work.
- E. **PROFESSIONAL LIABILITY/ERRORS & OMISSIONS INSURANCE:** The contractor shall maintain Professional Liability insurance in the amount of not less than **\$10,000,000** per wrongful act and **\$30,000,000** annual aggregate that will protect him from claims which may arise from operation under this Contract, whether such operations be by himself or by any subcontractor or anyone directly or indirectly employed by either of them. Certificates of such insurance shall be filed with the Director of Purchasing and shall be subject to his approval for adequacy of protection prior to commencing work.

- F. CHOICE OF LAW: The contract will be governed by the laws of the State of Nevada and venue of any dispute will be in the state courts of Nevada.**
- G. TERMINATION: The NSHE may terminate the contract for its convenience upon 30 days written notice, subject to payment for fees incurred as of that date. Contractor may terminate upon 90 days written notice. Except for termination due to (i) non-payment of invoices, (ii) material breach of the Engagement Letter by NSHE or (iii) as required under professional standards as determined by Contractor in its professional judgment, Contractor shall not terminate prior to completion of any current audit, except with the NSHE's written approval.**

Exhibit C



Audit Tax Advisory
 Grant Thornton LLP
 100 W Liberty Street, Suite 770
 Reno, NV 89501-1965
 T 775.786.1520
 F 775.786.7091
www.GrantThornton.com

Fee Estimate Proposal

	Current Contract
	2017
Consolidated financial statements for NSHE, including Uniform Guidance and NCAA audits for the University of Nevada, Reno and the University of Nevada, Las Vegas	\$ 561,500
Out-of-pocket expenses	49,500
Administrative charges	22,500
All-inclusive maximum fee for NSHE	\$ 633,500
Less use of NSHE internal audit (200 hours at \$105/hour)	
<i>**Actual hours to be determined based on availability of internal audit staff</i>	(21,000)
Estimated all-inclusive maximum fee for NSHE with use of internal audit staff	\$ 612,500
Financial statements for the University School of Medicine Plan	\$ 116,500
Out-of-pocket expenses	9,500
Administrative charges	4,500
All-inclusive maximum fee for the University School of Medicine Plan	\$ 130,500
ALL-INCLUSIVE MAXIMUM FEE	\$ 764,000
Less use of NSHE internal audit (200 hours at \$105/hour)	
<i>**Actual hours to be determined based on availability of internal audit staff</i>	(21,000)
ESTIMATED ALL-INCLUSIVE MAXIMUM FEE with use of internal audit staff	\$ 743,000