

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

Bowling Green State University
Year Ended June 30, 2006
With Reports of Independent Auditors



Mary Taylor, CPA
Auditor of State

January 8, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**Auditor of State
Betty Montgomery**

Board of Trustees
Bowling Green State University
907 Administration Building
Bowling Green, Ohio 43403

We have reviewed the *Independent Auditor's Report* of the Bowling Green State University, Wood County, prepared by Ernst & Young LLP, for the audit period July 1, 2005 to June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bowling Green State University is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

December 27, 2006

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Bowling Green State University

Financial Statements and
Supplemental Information

Year Ended June 30, 2006

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Report of Independent Auditors
On Basic Financial Statements and
Schedule of Expenditures of Federal Awards

The Board of Trustees
Bowling Green State University

We have audited the accompanying statements of net assets of Bowling Green State University (the University), a component unit of the State of Ohio, and its discretely presented component unit as of June 30, 2006 and 2005 and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Bowling Green State University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the University's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bowling Green State University and its discretely presented component unit as of June 30, 2006 and 2005 and the changes in its net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2006 on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries to management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of Bowling Green State University taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2006, is presented for the purpose of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Ernst + Young LLP

October 6, 2006

BOWLING GREEN STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements and Financial Analysis

This section of the Bowling Green State University ("University") annual financial report presents management's discussion and analysis of the financial performance of the University during the fiscal years ended June 30, 2006, 2005 and 2004. This discussion provides an overview of the University's financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units*, amending GASB Statement No. 14, provides additional guidance for determining whether certain organizations, such as not-for-profit foundations, should be displayed in the University's financial report. The University has determined that Bowling Green State University meets the GASB 39 criteria for inclusion in the University's financial statements as a discretely presented component unit.

The Statement of Net Assets includes all assets and liabilities. Over time, an increase or decrease in net assets (the difference between assets and liabilities) is one indicator of the improvement or erosion of the University's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities.

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. A public university's dependency on State aid and gifts typically results in operating deficits because the financial reporting model classifies State appropriations and gifts as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflow summarized by operating, noncapital financing, capital financing and related investing activities, and helps measure the ability of the institution to meet financial obligations as they mature.

The University's financial position changed and grew in most areas during the fiscal year ended June 30, 2006 as compared to the previous year as evidenced by:

- The University's total assets increased over the prior year by \$12.3 million, of which \$13.3 million is attributed to an increase in current assets. Capital assets increased by \$5.3 million while restricted investments decreased by \$6.3 million.
- Total liabilities decreased by \$2.3 million due primarily to the \$10.4 million decrease in long-term debt and other obligations and a \$8.1 million increase in current liabilities.

- The University's net assets increased to \$365.6 million, an increase of \$14.5 million compared to the prior year's increase of \$22.8 million. Contributing to the change was a \$4.8 million increase in investment in capital assets, net of related debt. Of the total net assets, \$238.4 million is invested in either capital assets or is restricted. The remaining \$127.2 million is unrestricted, an increase of \$10.8 million from the prior year.
- Total operating revenues increased by \$16.4 million compared to the prior year with \$8.5 million directly related to increased student tuition and fees and \$5.0 million related to auxiliary enterprises.
- The University's operating expenses increased by \$19.6 million, \$15.0 million in educational and general expenses, \$3.5 million in auxiliary enterprise expenses and \$1.1 million in other expenses. Changes in the educational and general expenses included an increase of \$6.1 million for instruction and research, and an aggregate increase of \$8.9 million for the other educational and general expense categories.
- Nonoperating revenues decreased, primarily due to the decrease in state appropriations of \$1.7 million for the year.

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation.

A summary of the University's assets, liabilities and net assets at June 30, 2006, 2005 and 2004 follows in thousands:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
ASSETS			
Current assets	\$172,885	\$159,578	\$142,622
Noncurrent assets:			
Capital assets	303,432	298,145	294,352
Other	<u>48,331</u>	<u>54,664</u>	<u>24,043</u>
Total noncurrent assets	<u>351,763</u>	<u>352,809</u>	<u>318,395</u>
Total assets	<u>524,648</u>	<u>512,387</u>	<u>461,017</u>
LIABILITIES			
Current liabilities	50,239	42,121	38,080
Noncurrent liabilities	<u>108,783</u>	<u>119,162</u>	<u>94,652</u>
Total liabilities	<u>159,022</u>	<u>161,283</u>	<u>132,733</u>
NET ASSETS			
Invested in capital assets, net of related debt	221,039	216,283	\$222,186
Restricted, expendable	17,391	18,427	7,669
Unrestricted	<u>127,196</u>	<u>116,394</u>	<u>98,429</u>
Total net assets	<u>\$365,626</u>	<u>\$351,104</u>	<u>\$328,284</u>

At June 30, 2006, total University assets were \$524.6 million, compared to \$512.4 million in fiscal 2005. The University's largest asset is its investment in capital assets of \$303.4 million at June 30, 2006 compared to \$298.1 million in fiscal 2005.

In fiscal 2006, the University's current assets of \$172.9 million were sufficient to cover current liabilities of \$50.2 million (current ratio of 3.4:1). Cash increased by \$2.0 million in 2006 compared to a decrease of \$1.5 million in 2005 due to normal operations. At June 30, 2006, University investments were \$192.3 million, or 37% of total assets, and increased by \$2.5 million in 2006 due primarily to the \$4.1 million appreciation of investments. Capital assets (net of depreciation) of \$303.4 million represent 58% of the University's total assets.

University liabilities totaled \$159.0 million at June 30, 2006, 30% of assets and \$2.3 million less than the prior year. Long-term debt decreased \$10.4 million to \$108.8 million in 2006. Accounts payable and accrued expenses at \$17.4 million were \$5.8 million more than the 2005 balance.

Total net assets increased \$14.5 million to \$365.6 million in 2006, due in part to an increase of \$4.8 million investment in capital assets. Unrestricted net assets total \$127.2 million in 2006, while \$17.4 million was restricted or designated for loans and capital projects.

2005 Versus 2004

- In fiscal 2005, current assets of \$159.6 million were sufficient to cover current liabilities of \$42.1 million (current ratio of 3.8:1).
- Cash decreased by \$1.5 million to \$1.6 million in 2005.
- Investments increased by \$45.6 million in 2005 due primarily to the \$4.3 million appreciation of investments and \$35.0 million in bond proceeds from the November 2004 bond issue.
- Liabilities at \$161.3 million were \$28.5 million more than the prior year and were 31% of total assets.
- Total net assets increased \$22.8 million to \$351.1 million, due in part to the \$3.8 million increase in capital assets, and an increase of \$24.5 million of long-term debt and other obligations.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the operating results of the University, as well as the nonoperating revenues and expenses. Operating revenues primarily include net student tuition and fees, grants and contracts, and revenue from auxiliary activities. Given a public university's dependency on revenues such as state appropriations and investment income which are prescribed by GASB as nonoperating revenues, operating expenses will typically exceed operating revenues resulting in an operating loss. To determine the increase or decrease in Net Assets, net nonoperating revenue or expense and other changes need to be included.

A summary of the University's revenues, expenses and changes in net assets for the years ended June 30, 2006, 2005 and 2004 follows in thousands:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Operating Revenues:			
Student tuition and fees	\$145,547	\$136,999	\$124,714
Auxiliary enterprises	73,898	68,849	62,750
Grants and contracts	17,963	17,402	14,366
Sales and service	8,766	7,934	7,525
Other operating revenues	<u>3,713</u>	<u>2,291</u>	<u>3,125</u>
Total operating revenues	<u>249,887</u>	<u>233,475</u>	<u>212,480</u>
Operating Expenses:			
Educational and general	270,718	255,735	240,249
Auxiliary enterprises	68,720	65,253	59,920
Other expenses	<u>1,588</u>	<u>413</u>	<u>767</u>
Total operating expenses	<u>341,026</u>	<u>321,401</u>	<u>300,936</u>
Operating loss	<u>(91,139)</u>	<u>(87,926)</u>	<u>(88,456)</u>
Nonoperating revenues:			
State appropriations	81,485	83,173	85,366
Other nonoperating revenues and expenses	<u>21,974</u>	<u>24,132</u>	<u>19,309</u>
Total nonoperating revenues	<u>103,459</u>	<u>107,305</u>	<u>104,675</u>
Income before other changes	12,320	19,379	16,219
Capital appropriations, grants and gifts	<u>2,202</u>	<u>3,441</u>	<u>1,935</u>
Total increase in net assets	14,522	22,820	18,154
Net assets at the beginning of the year	<u>351,104</u>	<u>328,284</u>	<u>310,130</u>
Net assets at the end of year	<u>\$365,626</u>	<u>\$351,104</u>	<u>\$328,284</u>

The most significant sources of operating revenues for the University are tuition and fees of \$145.5 million (net of scholarships which increased \$7.1 million) for 2006, an increase of \$8.5 million, or 6.3% over 2005, which is attributable to a composite 6.0% increase in tuition and fees effective for Fall Semester 2005. Auxiliary enterprise revenue was \$73.9 for 2006, an increase of \$5.0 million, or 7.4% from the prior year. The increase in sales was due in part to revenue increases of Bookstore for \$.8 million, Residence Halls for \$.5 million, and Dining Halls for \$.8 million, the latter two increases reflecting average fee increases of 3.0% and 4.2% (for the least expensive meal plan), respectively. Grants and contracts revenue increased \$.6 million to \$18.0 million for 2006. Sales and services of educational departments increased by \$.8 million to \$8.8 million.

Total operating expenditures at \$341.0 million increased \$19.6 million, or 6.1% in 2006. Educational and General expenses increased \$15.0 million with instructional expense and depreciation expense increasing \$5.8 million and \$1.1 million, respectively, while student aid increased \$.7 million. Auxiliary enterprises at \$68.7 million increased \$3.5 million over last year. The increase in expenses was due in part to the Bookstore for \$1.0 million, Residence Halls for \$2.4 million, and Dining Halls for \$.4 million. The operating loss for 2006 of \$91.1 million was \$3.2 million more than 2005.

State appropriations, the most significant nonoperating revenue, totaled \$81.5 million in the current, year down \$1.7 million from \$83.2 million in 2005. Net investment income was up by \$.1 million, \$9.5 million to \$9.6 million. Capital appropriations decreased \$1.4 million from fiscal 2005 to 2006. This decrease was attributable to less State funded projects capitalized during the year.

2005 versus 2004

- The operating revenue increase is due to tuition and fees (net of scholarships) which increased \$12.3 million or 9.9% from 2004 to 2005.
- Auxiliary enterprise revenue of \$68.8 million was an increase of \$6.1 million.
- Operating expenditures of \$321.4 million were \$20.5 million greater than the prior year.
- State appropriations decreased \$2.2 million. Capital appropriations increased \$1.5 million.

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and payments during the year. The Statement of Cash Flows helps users assess the University's ability to generate future net cash flows, meet its obligations as they come due, and meet the needs for external financing.

The Statement of Cash Flows is split into five sections. The first section includes operating cash flows (the net cash provided/used in operating activities). The second section includes cash flows from non-capital financing activities, which reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section includes cash flows from capital and related financing activities including the cash used for capital acquisition and construction. The fourth section includes the cash flows from investing which reflects the purchases, proceeds, and interest received from investing activities. The last section reconciles the net cash to operating income (loss) as reflected in the Statement of Revenues, Expenses, and Changes in Net Assets.

A summary of the University's cash flows for the years ended June 30, 2006, 2005, and 2004 in thousands:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cash provided by (used in):			
Operating activities	\$ (66,685)	\$(70,975)	\$(72,884)
Noncapital financing activities	96,073	99,883	99,639
Capital and related financing activities	(34,274)	6,213	(32,252)
Investing activities	<u>6,867</u>	<u>(36,607)</u>	<u>6,529</u>
Net change in cash	1,981	(1,486)	1,032
Cash—beginning of year	<u>1,603</u>	<u>3,089</u>	<u>2,057</u>
Cash—end of year	<u>\$3,584</u>	<u>\$1,603</u>	<u>\$3,089</u>

The most significant sources of cash included student tuition and fees of \$144.5 million in 2006 compared to \$140.0 million in 2005, state appropriations of \$81.5 million in 2006 compared to \$83.2 million in 2005, auxiliary enterprises of \$74.2 million in 2006 compared to \$68.7 million in 2005, and grants and contracts of \$36.3 million in 2006 compared to \$33.8 million in 2005. The largest payments were for vendors of \$96.9 million in 2006 compared to \$91.3 million in 2005 and employees benefits of \$202.7 million in 2006 compared to \$197.0 million in 2005.

2005 versus 2004

- Major sources of cash included student tuition of fees of \$140.0 million in 2005 compared to \$125.4 million in 2004, state appropriations of \$83.2 million in 2005 compared to \$85.4 million in 2004, auxiliary enterprises of \$68.7 million in 2005 compared to \$64.1 million in 2004, grants and contracts of \$33.8 million in 2005 compared to \$29.5 million in 2004, and proceeds from capital debt of \$71.1 million in 2005.
- The largest payments were for vendors of \$91.3 million in 2005 compared to \$82.5 million in 2004 and employees and benefits of \$197.0 million in 2005 compared to \$192.4 million in 2004.

Capital Assets and Debt Administration

The University has an ongoing capital improvement program consisting of new construction and the renovation of existing facilities. During the fiscal year ended June 30, 2006, construction was commenced on the Sebo Athletic Center, as well as renovations projects for various student housing facilities and utility upgrades.

The University will continue construction of the Sebo Athletic Center in 2007, as well as continued student housing facility renovations and utility upgrades. Capital improvement projects are expected to be funded from a variety of sources including gifts, state capital appropriations, debt financing, and University funds.

The University has \$303.4 million of capital assets, net of accumulated depreciation of \$231.8 million at June 30, 2006, compared to \$298.1 million of capital assets for the prior fiscal year. The charges for depreciation included in the Statement of Revenues, Expenses, and Changes in Net Assets was \$19.2 million for 2006 and \$18.1 million for 2005. Detailed information about the University's capital assets is presented in the Notes to the Financial Statements

The University has a strong financial position and manages its financial resources effectively, including the prudent use of debt to finance capital projects. Standard & Poor's Rating Services assigns an underlying rating ranging from AAA to BBB on investment grade insured bond issues. Moody's Investor Services, Inc. also assigns an underlying rating for investment grade long-term issues ranging from Aaa to Baa. The University's underlying ratings are A and A2, respectively

Economic Factors That Will Affect the Future

The ability of the University to fulfill its mission and execute its strategic plan is directly influenced by enrollment, legislative restrictions on tuition, changes in State support, and the cost of employee compensation, health care, and utilities.

The economic position of the University is closely tied to the economic condition of the State, as all state universities in Ohio receive State financial support for both operations and designated capital improvements through appropriations by the legislature. These appropriations contribute substantially to the successful maintenance and operation of the University.

The Board of Trustees approved a 5.84% increase in student tuition. Enrollment numbers as of the census day was substantially unchanged from the prior year.

Requests for Information

This financial report is designed to provide a general overview of the finances of Bowling Green State University. Questions concerning any of the information provided in this report or requests for addition financial information should be directed to Gaylyn J. Finn, Associate Vice President Finance/Treasurer, Bowling Green State University, 907 Administration Building, Bowling Green, Ohio 43403.

Bowling Green State University
Statements of Net Assets
June 30

	Bowling Green State University		Bowling Green State University Foundation, Inc.	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
ASSETS				
Current Assets				
Cash	\$ 3,583,944	\$ 1,602,976	\$ 515,583	\$ 858,185
Investments	151,712,659	142,773,438		
Accrued interest receivable	836,388	687,238	219,552	195,445
Accounts receivable, net	10,177,526	8,654,924	1,656,902	9,162,503
Inventories	4,897,033	4,632,625		
Notes receivable	1,356,724	1,011,490		
Other assets	320,804	215,156		
Total current assets	172,885,078	159,577,847	2,392,037	10,216,133
Noncurrent Assets				
Accounts receivable, net			12,575,872	8,981,889
Restricted investments	40,537,573	46,956,558	84,707,308	74,835,764
Cash surrender value of life insurance and annuities	376,713	316,268	666,491	668,200
Notes receivable	7,417,099	7,391,302		
Capital assets, net	303,431,729	298,144,829		
Total noncurrent assets	351,763,114	352,808,957	97,949,671	84,485,853
Total assets	524,648,192	512,386,804	100,341,708	94,701,986
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	17,380,714	11,582,362	298,165	730,000
Deferred revenue	16,735,252	14,541,019		
Deposits	182,237	538,532		
Current portion of long-term debt and other obligations	15,940,398	15,458,580		
Total current liabilities	50,238,601	42,120,493	298,165	730,000
Noncurrent Liabilities				
Long-term debt and other obligations	108,783,191	119,162,516	1,042,331	1,048,980
Total liabilities	159,021,792	161,283,009	1,340,496	1,778,980
NET ASSETS				
Invested in capital assets, net of related debt	221,038,977	216,283,586		
Restricted for expendable:				
Loans	883,782	911,957		
Capital projects	16,127,713	17,123,705		
Debt service	379,600	390,800		
Unrestricted	127,196,328	116,393,744	2,145,832	2,355,512
Temporarily restricted			37,760,472	36,016,694
Permanently restricted			59,094,908	54,550,800
Total net assets	\$ 365,626,400	\$ 351,103,792	\$ 99,001,212	\$ 92,923,006

See accompanying notes to financial statements

Bowling Green State University
Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended June 30

	<u>Bowling Green State University</u>		<u>Bowling Green State University Foundation, Inc.</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
REVENUES				
Operating Revenues				
Student tuition and fees (net of scholarship allowances of \$57,829,534 for 2006 and \$50,712,544 for 2005)	\$ 145,547,100	\$ 136,999,488	\$	\$
Federal grants and contracts	7,446,409	8,459,330		
State grants and contracts	1,830,455	1,445,729		
Local grants and contracts	25,987	185,765		
Nongovernmental grants and contracts	8,660,428	7,311,271		
Contributions and gifts			7,186,154	9,770,055
Sales and services of educational departments	8,765,484	7,933,707		
Auxiliary enterprises (net of scholarship allowances of \$1,611,107 for 2006 and \$1,541,879 for 2005)	73,897,741	68,848,616		
Other operating revenues	3,713,688	2,290,855	1,632,000	1,788,953
Total operating revenues	249,887,292	233,474,761	8,818,154	11,559,008
EXPENSES				
Operating Expenses				
Educational and General				
Instruction	114,911,377	109,153,827		
Research	7,400,084	7,022,225		
Public services	9,007,173	8,367,100		
Academic support	28,750,711	28,182,831	10,330,653	11,003,374
Student services	24,210,984	23,523,602		
Institutional support	28,270,205	26,284,606	518,815	476,324
Support of college fundraising			885,425	842,825
Operations and maintenance of plant	22,762,031	19,645,690		
Depreciation	19,228,999	18,109,620		
Student aid	16,176,657	15,445,608		
Auxiliary enterprises	68,719,692	65,253,287		
Other expenses	1,588,765	412,786		
Total operating expenses	341,026,678	321,401,182	11,734,893	12,322,523
Operating loss	(91,139,386)	(87,926,421)	(2,916,739)	(763,515)
NONOPERATING REVENUES (EXPENSES)				
State appropriations	81,485,451	83,172,929		
Nonexchange grants and contracts	14,588,073	16,710,472		
Investment income, net	9,596,401	9,525,865	5,302,766	5,382,615
Additions to permanent endowments			3,692,179	6,201,112
Interest on capital asset-related debt	(4,553,935)	(4,541,308)		
Other nonoperating revenues	2,343,378	2,436,815		
Net nonoperating revenues	103,459,368	107,304,773	8,994,945	11,583,727
Income before other changes	12,319,982	19,378,352	6,078,206	10,820,212
OTHER CHANGES				
Capital appropriations	1,845,366	3,240,126		
Capital grants and gifts	357,260	200,905		
Total other changes	2,202,626	3,441,031		
Increase in net assets	14,522,608	22,819,383	6,078,206	10,820,212
NET ASSETS				
Net assets at the beginning of year	351,103,792	328,284,409	92,923,006	82,102,794
Net assets at the end of year	\$ 365,626,400	\$ 351,103,792	\$ 99,001,212	\$ 92,923,006

See accompanying notes to financial statements

Bowling Green State University
Statements of Cash Flows
Years Ended June 30

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 144,538,906	\$ 139,990,535
Research grants and contracts	19,018,084	14,540,152
Payments to vendors for supplies and services	(96,947,062)	(91,333,958)
Payments to employees and benefits	(202,748,125)	(196,979,828)
Payments for scholarships and fellowships	(16,176,657)	(15,445,608)
Student loans granted, net of repayments	(379,949)	(206,634)
Auxiliary enterprises	74,175,382	68,733,978
Sales and services of educational departments	8,765,484	7,933,707
Other receipts	3,068,642	1,792,602
Net cash used in operating activities	<u>(66,685,296)</u>	<u>(70,975,054)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	81,485,451	83,172,929
Direct Lending Receipts	79,705,516	75,506,175
Direct Lending Disbursements	(79,705,516)	(75,506,175)
Grants received for other than capital purposes	14,588,073	16,710,472
Net cash provided by noncapital financing activities	<u>96,073,524</u>	<u>99,883,401</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from capital debt	-	71,103,088
Capital appropriations	1,845,366	3,240,126
Capital grants received	2,700,638	2,637,720
Purchases of capital assets	(24,515,899)	(21,902,061)
Principal paid on long-term debt	(9,750,000)	(44,325,000)
Interest paid on long-term debt	(4,553,935)	(4,541,308)
Net cash (used in) provided by capital financing activities	<u>(34,273,830)</u>	<u>6,212,565</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	200,430,821	222,116,418
Interest on investments	9,447,248	9,331,562
Purchase of investments	(203,011,502)	(268,054,848)
Net cash provided by (used in) investing activities	<u>6,866,567</u>	<u>(36,606,868)</u>
Net increase (decrease) in cash	1,980,965	(1,485,956)
Cash--beginning of year	1,602,976	3,088,932
Cash--end of year	<u>\$ 3,583,942</u>	<u>\$ 1,602,976</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (91,139,386)	\$ (87,926,421)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	19,228,999	18,109,620
Amortization of bond premium	(539,398)	(453,552)
Workers' compensation allocation		
Changes in assets and liabilities:		
Accounts receivable, net	(1,522,602)	(2,197,934)
Inventories	(264,408)	(437,426)
Other assets	(105,648)	(44,701)
Accounts payable and accrued liabilities	5,798,352	(808,690)
Deferred revenue	2,194,233	2,528,324
Deposits held for others	(356,295)	(312,457)
Compensated absences	391,891	778,285
Loans to students	(371,031)	(210,102)
Net cash used by operating activities	<u>\$ (66,685,293)</u>	<u>\$ (70,975,054)</u>

See accompanying notes to financial statements

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

1. ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Bowling Green State University is an instrumentality of the State of Ohio that serves the state, national, and international communities by providing its students with opportunities in learning, leadership, and research by providing expert faculty, premier facilities and modern resources.

Reporting Entity: Bowling Green State University (the "University"), founded in 1910, is a component unit of the State of Ohio as established by the General Assembly of the State of Ohio under Chapter 3341 of the Revised Code of the State of Ohio. The University offers degrees at the undergraduate, masters, and doctoral levels.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include those activities and functions over which the University is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the State's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the State.

Financial Statement Presentation: The accompanying financial statements consist of the University and Bowling Green State University Foundation, Inc. (the "Foundation"). GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", requires the University to reflect the Foundation as a discretely presented component unit in the financial statements based on the significance of its relationship with the University. The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The thirty-six member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing and amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

During the year ended June 30, 2006 and 2005, the Foundation distributed \$6,608,254 and \$6,448,570, respectively, to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Assistant Vice President for Advancement Services/Controller at Mileti Alumni Center, Bowling Green, Ohio 43403.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

Basis of Accounting: For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant interfund transactions have been eliminated.

The University follows all applicable GASB pronouncements. In addition, the University has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The University has elected not to apply FASB pronouncements issued after the applicable date.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts.

Inventories: Inventories are stated at the lower of average cost or market (net realizable value).

Investments: All investments are stated at fair value in accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments in publicly traded securities are stated at fair value as established by major securities markets. Nonpublicly traded investments are valued based on independent appraisals and estimates considering market prices of similar investments. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenue, Expenses, and Changes in Net Assets.

Short-term Investments: Short-term investments include highly liquid and short duration assets (maturities less than 90 days). These assets can be withdrawn on demand.

Restricted Investments: Restricted investments are assets that have been set aside for restricted purposes.

Capital Assets: Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a cost of \$3,500 or more, and an estimated useful life of greater than one year. Renovations to buildings that exceed 5% of the cumulative building cost are capitalized. Infrastructure and improvements other than to buildings are capitalized if the cost exceeds \$100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 20 to 30 years for infrastructure and improvements, and 5 to 12 years for equipment. Library materials are capitalized and written off over 10 years.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

Deferred Revenue: Deferred revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but related to the subsequent accounting period. Summer term revenue and expenditures are recorded net in the accompanying financial statements and are allocated to the appropriate accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences: University employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited. The liability and expense incurred are recorded at year-end as long-term liabilities in the Statement of Net Assets, and as a component of operating expense in the Statement of Revenues, Expenses, and Changes in Net Assets.

Noncurrent Liabilities: Noncurrent liabilities include (1) principal amounts of revenue and general receipts bonds and notes payable with contractual maturities greater than one year and (2) estimated amounts for accrued compensated absences that will not be paid within the next fiscal year and (3) federal student loan deposits.

Net Assets: The University's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of Invested in capital assets, net of related debt.

Restricted for expendable: Restricted expendable net assets include resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties for loans, capital projects and debt service.

Unrestricted: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general obligations of the University, and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

Temporarily restricted: Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Foundation.

Permanently restricted: Permanently restricted net assets represent contributions received whereby the donors have stipulated that the corpus is to be maintained permanently, but permit the Foundation to use or expend part or all of the income for either specified or unspecified purposes. The unexpended income from these donated assets are classified as temporarily restricted funds.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Tax: The University, as an instrumentality of the State of Ohio, is excluded from Federal income taxes under Section 115 of the Internal Revenue Code, as amended. Certain activities of the University may be subject to taxation as unrelated business income.

Revenues: The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: *Operating* revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, and (3) most Federal, state and local grants and contracts.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No 34, such as State appropriations and investment income.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Auxiliary Enterprises: Auxiliary activities mainly represent revenues generated from Residence Halls and Dining Services, Intercollegiate Athletics, Bookstore, and various other activities that provide services to the student body, faculty, staff and general public.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Eliminations: In preparing the financial statements, the University eliminates inter-fund assets and liabilities that would otherwise be reflected twice in the Statement of Net Assets. Similarly, revenues and expenses related to internal activities are also eliminated from the Statement of Revenues, Expenses and Changes in Net Assets. Student tuition and residence fees are presented net of scholarships and fellowships applied to student accounts where the University has discretion over such expenses, while stipends and other payments made directly to students are presented as scholarships and fellowships expenses.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

2. CASH AND INVESTMENTS

Monies held in the University treasury are pooled for the purpose of cash and investment management.

Deposits

Amounts available for deposit are as follows:

	June 30,	
	<u>2006</u>	<u>2005</u>
Cash (Carrying amounts)	\$ 3,463,402	\$ 1,481,796
Reconciling items (net) to arrive at bank balances of deposits	<u>(281,945)</u>	<u>2,545,163</u>
Total available for deposit and investment (Bank balances of deposits)	<u>\$ 3,181,457</u>	<u>\$ 4,026,959</u>

The carrying amount shown above does not include \$120,542 in 2006 and \$121,180 in 2005 held in cash funds.

Any public depository, at the time it receives a University deposit or investment in a certificate of deposit, is required to pledge to the University as collateral eligible securities of aggregate market value that, when added to the portion of the deposit insured by the Federal Deposit Insurance Corporation, equals or exceeds the amount of University funds deposited. Of the bank balance, \$210,391 in 2006 and \$177,207 in 2005 was covered by federal depository insurance, and \$2,971,066 in 2006 and \$3,849,752 in 2005 was covered by the pledge described above.

The University invests in STAR Ohio, an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company but does operate in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2006.

A public depository may at its option pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. The current market value of the pool of securities so pledged together with the amount covered by federal insurance must be at least equal to 110% of all public monies on deposit with the depository.

Investments

The University's investment policy authorizes the University to invest operating funds; the University has no endowment funds, in the following investments:

- Obligations of the US Treasury and other federal agencies and instrumentalities
- Municipal and state bonds

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

- Ohio State Treasurer's investment pool
- Certificates of deposit (domestic and Eurodollar)
- Repurchase agreements
- Mutual funds
- Commercial paper
- Banker's acceptances
- Corporate bonds and notes
- Common and preferred stock
- Real estate
- Collateralized mortgage obligations
- Asset-backed securities

The University operates with a long-term investment goal of preserving the purchasing power of the principal in a diversified portfolio.

All common stocks, corporate bonds, money market instruments, mutual funds and other investments are invested through a trust agreement with Fifth Third Bank which is the custodian for all funds managed by external money managers. Short-term investments with Sky Bank are secured with internally designated securities as pledged to the University.

The values of investments at June 30, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Money Market	\$ 17,726,469	\$ 14,938,223
Common Stock	9,880,260	8,748,141
Equity mutual funds	64,884,867	57,405,521
US government obligations	3,970,229	6,411,100
US government agency obligations	85,319,569	85,602,439
Municipal Bonds	300,000	300,000
Corporate bonds and notes	8,351,674	14,110,718
State pooled government obligations	1,693,766	1,616,706
Other	<u>123,398</u>	<u>597,148</u>
Total	<u>\$ 192,250,232</u>	<u>\$ 189,729,996</u>

Net appreciation in the fair value of investments includes both realized and unrealized gains and losses on investments. During the year ended June 30, 2006, the University realized a net gain of \$2,197,198 from the sale of investments. The calculation of realized gains and losses is independent of the new appreciation in the fair value of investments held at year-end. Realized gains and losses on investments that had been held for more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year and the current year. The net appreciation in the fair value of investments during the year ended June 30, 2006 was \$5,277,821. This amount includes all changes in fair value, both realized and unrealized, that occurred during the year. The unrealized appreciation during the year on investments was \$3,080,623 the University's investments are temporary investments designated by management.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

In 2005 the University adopted GASB Statement No. 40, Deposits and Investment Risk Disclosure, which requires certain additional disclosures related to the interest rate, credit, foreign currency and custodial risks associated with interest-bearing investments. At the present time, the University does not have formal policies addressing these types of risks.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes interest rates.

As of June 30, 2006, the University had the following interest-bearing investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
US Treasuries	\$ 3,970,229	\$ 397,420	\$ -	\$ 2,795,275	\$ 777,534
US Agencies	85,319,569	55,659,966	15,995,851	5,157,782	8,505,970
Corporate Bonds	8,351,674	62,829	4,630,988	2,413,400	1,244,457
Municipal Bonds	300,000	32,744	90,851	105,322	71,083
Money Market	17,726,469	17,726,469	-	-	-
Foreign Bonds	123,398	30,111	93,287	-	-
Total	<u>\$ 115,791,339</u>	<u>\$ 73,909,539</u>	<u>\$ 20,810,977</u>	<u>\$ 10,471,779</u>	<u>\$ 10,599,044</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality information – as commonly expressed in terms of the credit ratings issued by the nationally recognized statistical rating organizations (NRSRO's) such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings – provides a current depiction of potential variable cash flows and credit risk.

The credit ratings of the University's interest-bearing investments at June 30, 2006 are as follows:

<u>Credit Rating (Moody's)</u>	<u>Total</u>	<u>U.S. Government Obligations</u>	<u>U.S. Agency Obligations</u>	<u>Corporate Bonds</u>	<u>Municipal Bonds</u>
Aaa	\$ 107,791,749	\$ 21,696,698	\$ 85,319,569	\$ 775,482	-
Aa	2,189,932	-	-	2,189,932	-
A	4,178,174	-	-	4,178,174	-
Baa	1,208,086	-	-	1,208,086	-
Ba	-	-	-	-	-
Unquoted	423,398	-	-	123,398	300,000
Total	<u>\$ 115,791,339</u>	<u>\$ 21,696,698</u>	<u>\$ 85,319,569</u>	<u>\$ 8,475,072</u>	<u>\$ 300,000</u>

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University facilitates several Study Abroad Programs in Austria, Spain, and France with a total cash balance of \$275,141 at June 30, 2006. The University also has investments in foreign bonds whose fair market value was \$123,398 at June 30, 2006.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University's investment of \$1,693,766 State Treasurer's investment program is not evidenced by securities that exist in physical or book entry form. The remaining investments are uninsured and unregistered with securities held by the counter party's trust department or agent in the University's name.

3. ACCOUNTS RECEIVABLE

The composition of accounts receivable is summarized as follows:

	June 30,	
	<u>2006</u>	<u>2005</u>
Student receivables for fees, room and board	\$ 5,817,904	\$ 4,180,772
Research and sponsored programs	4,731,551	4,854,999
Other	<u>278,071</u>	<u>269,153</u>
	10,827,526	9,304,924
Less allowance for doubtful accounts	<u>650,000</u>	<u>650,000</u>
TOTALS	<u><u>\$ 10,177,526</u></u>	<u><u>\$ 8,654,924</u></u>

4. NOTES RECEIVABLE

Principal repayment and interest rate terms of federal and university loans vary considerably. Federal loan programs are funded principally with federal contributions to the University under the Perkins and Nursing Loan programs. All amounts recorded are believed collectible. Any uncollectible amounts are not expected to have a significant impact on the financial statements.

The University distributed \$77,950,048 for student loans in 2006 and \$73,616,286 in 2005 through the U.S. Department of Education federal direct lending program. These distributions and related funding sources are not included as expenses and revenues or as cash disbursements and cash receipts in the accompanying financial statements.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

5. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets				
Land	\$ 4,940,021	\$415,949	-	\$5,355,970
Construction in progress	7,902,023	17,179,737	4,739,086	20,342,674
Non-depreciable assets	12,842,044	17,595,686	4,739,086	25,698,644
Buildings	366,040,785	5,321,782	-	371,362,567
Infrastructure	51,544,260	1,157,584	-	52,701,844
Equipment	57,545,859	2,571,613	2,921,255	57,196,217
Library materials	27,722,651	2,807,510	2,305,777	28,224,384
Depreciable assets	502,853,555	11,858,489	5,227,032	509,485,012
Total Capital Assets	515,695,599	29,454,175	9,966,118	535,183,656
Less accumulated depreciation				
Buildings	155,701,927	8,966,902	-	164,668,829
Infrastructure	20,351,908	1,945,191	-	22,297,099
Equipment	28,452,075	5,776,241	2,722,065	31,506,251
Library materials	13,044,860	2,540,665	2,305,777	13,279,748
Total Accumulated Depreciation	217,550,770	19,228,999	5,027,842	231,751,927
Capital Assets, Net	\$ 298,144,829	\$ 10,225,176	\$ 4,938,276	\$ 303,431,729

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The composition of accounts payable and accrued expenses is summarized as follows:

	June 30,	
	2006	2005
Accounts payable	\$ 7,910,675	\$ 2,777,015
Payroll and withholdings	7,870,039	7,305,347
Health claims	1,600,000	1,500,000
TOTALS	\$ 17,380,714	\$ 11,582,362

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

7. LONG-TERM DEBT AND OTHER OBLIGATIONS

Long-term debt and other obligations for June 30, 2006 are summarized as follows:

Bonds & notes payable:	Beginning Balance	Additions	Reductions	Ending Balance	Due In One Year
Notes payable	\$ 340,000		\$ 340,000		
Dormitory system bonds	34,710,000		3,790,000	30,920,000	4,060,000
Other bonds	73,950,000		5,620,000	68,330,000	5,845,000
Bond premium	5,253,940		539,398	4,714,542	539,398
Total bonds & notes payable	114,253,940		10,289,398	103,964,542	10,444,398
Other liabilities:					
Vacation pay	8,062,724	6,238,833	5,765,942	8,535,615	5,179,000
Sick leave	3,986,000	271,545	352,545	3,905,000	317,000
Federal student loan deposits	8,318,432			8,318,432	
Total other liabilities	20,367,156	6,510,378	6,118,487	20,759,047	5,496,000
Total long-term liabilities	\$ 134,621,096	\$ 6,510,378	\$ 16,407,885	\$ 124,723,589	\$ 15,940,398

The scheduled maturities of the bonds for the five fiscal years subsequent to June 30, 2006, and subsequent periods thereafter are as follows:

	<u>Revenue</u>		<u>General Receipts</u>		<u>Total</u>
	<u>Student Facilities</u>	<u>Dormitory System</u>	<u>Other</u>	<u>Interest</u>	
Interest rate	4.0% - 4.5%	2.5% - 5.75%	3.125% - 5.75%		
2007	\$ 365,000	\$ 4,060,000	\$ 5,480,000	\$ 5,028,850	\$ 14,933,850
2008		4,265,000	4,790,000	4,476,488	13,531,488
2009	-	3,050,000	4,985,000	3,974,650	12,009,650
2010	-	3,175,000	5,190,000	3,532,725	11,897,725
2011	-	3,310,000	5,450,000	3,114,943	11,874,943
2012 - 2016	-	10,040,000	32,110,000	9,812,816	51,962,816
2017 - 2020	-	3,020,000	9,960,000	1,343,126	14,323,126
Totals	\$ 365,000	\$ 30,920,000	\$ 67,965,000	\$ 31,283,598	\$ 130,533,598

BOWLING GREEN STATE UNIVERSITY
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On June 1, 2005, the University issued \$28,345,000 General Receipt Bonds, Series 2005 with an average interest rate of 4.5% to partially advance refund \$27,880,000 of the General Receipt Bonds, Series 2000 with an average interest rate of 5.3%. The proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the General Receipt Bonds, Series 2000. As a result, the refunded portion of the General Receipt Bonds, Series 2000 are considered to be defeased, and the liability for those bonds has been removed from the balance sheet. The balance of debt issuance defeased in substance in prior years that remains outstanding as of June 30, 2006 is \$27,880,000. During 2004 the University advance refunded the General Receipt Bonds, Series 2000 to reduce its total debt service payments over the next eleven years by \$1,349,537 and to obtain an economic gain (difference between the present values of the old and new debt service payment) of \$1,244,840.

On November 2, 2004, the University issued \$40,570,000 General Receipt Bonds, Series 2004 to finance an information technology system, improvements to certain education and auxiliary facilities and to partially advance refund \$7,185,000 of the General Receipt Bonds, Series 1996. The General Receipt Bonds, Series 2004 has an average interest rate of 3.8% and the General Receipt Bonds, Series 1996 have an average interest rate of 5.1%. The proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the General Receipt Bonds, Series 1996. As a result, the refunded portion of the General Receipt Bonds, Series 1996 are considered to be defeased, and the liability for these bonds have been removed from the balance sheet. The balance of debt issuance defeased in substance in prior years that remains outstanding as of June 30, 2006 is \$7,185,000. During 2004 the University advance refunded the General Receipt Bonds, Series 1996 to reduce its total debt service payments over the next seven years by \$357,914 and to obtain an economic gain (difference between the present values of the old and new debt service payment) of \$354,914.

In May 2003, the University issued \$27,225,000 General Receipt Bonds, 2003 to finance dormitory renovations, Bowen Thompson Student Union renovations, Recreation Center air conditioning, campus infrastructure project and to advance refund the General Receipt Bonds, Series 1991 and 1992. Interest rates range from 4.75% to 5.75%. The proceeds for the advance refunding were deposited with an escrow trustee for all future debt service payments on the General Receipt Bonds, 1991 and 1992. As a result, the bonds outstanding were considered defeased, and the liability was removed from the balance sheet. The balance of debt issuance defeased in substance in prior years that remains outstanding as of June 30, 2006 is \$3,470,000.

In November 2000, the University issued \$54,660,000 General Receipts Bonds for dormitory renovations, Bowen Thompson Student Union renovation, Recreation Center air conditioning and the campus infrastructure project. Interest rates range from 4.75% to 5.75%.

In accordance with the trust agreements relating to the bond issues not included in the aforementioned debt escrow agreements, reserves must be maintained equal to specific future debt service requirements on the outstanding bonds. At June 30, 2006 such reserves amounted to approximately \$374,000 which exceeded the requirements on that date. Unspent bond proceeds of \$40,537,573 as of June 30, 2006 are classified as Restricted Investments.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

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The principal and interest payments of all General Receipts Bonds are collateralized by the pledge of the general receipts of the University. The bond indentures have various restrictive covenants with which the University management believes they have complied.

8. RETIREMENT BENEFITS

The University contributes to two cost-sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (OPERS), and (2) State Teachers Retirement System of Ohio (STRS). Both plans provide retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code (ORC). OPERS and STRS issue stand-alone financial reports. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377 for PERS, and 275 East Broad Street, Columbus, Ohio, 43215-3771, or by calling (614) 227-4090 or 1-888-227-7877 for STRS.

The funding policy for the above plans is as follows:

OPERS: The ORC provides statutory authority for employee and employer contributions and administers three separate pension plans as described below:

Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.

Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulated retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulated retirement assets in a manner similar to the Member-Directed Plan.

During fiscal year 2006, the contribution percentages changed. From July 1, 2005, through December 31, 2005, OPERS employees contributed 8.5% of their salary to the plan and the University contributed 13.31% of covered payrolls to the plan. From January 1, 2006, through June 30, 2006, employees contributed 9.0% while the University contributed 13.54%. From July 1, 2005, through December 31, 2005, law enforcement employees contributed 10.1% of their salary and the University contributed 16.7% of covered payrolls. From January 1, 2006, through June 30, 2006, law enforcement employees contributed 10.10% and the University contributed 16.93%. The total employer contributions to OPERS for the years ended June 30, 2004, 2005, and 2006 were \$7,803,000, \$7,906,000, and \$8,594,000 respectively, which were equal to 100% of the required contributions for each year.

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STRS: STRS is a statewide retirement plan for licensed teachers and other faculty members and provides a choice of three retirement plan options.

Defined Benefit Plan (DB Plan) – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years until 100% of final average salary is reached. For members with 35 or more years of Ohio contribution service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

Define Contribution Plan (DC Plan) – Benefits are established under Sections 3307.80 to 3307.89 of the ORC. For members who select the DC Plan all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

The ORC provides statutory authority for employee and employer contributions. During 2006, STRS employees contributed 10% of their salary to the plan and the University contributed 14.0% of covered payrolls to the plan. The total employer contributions to STRS for the years ended June 30, 2004, 2005, and 2006 were \$7,297,000, \$7,469,000, and \$7,609,000 respectively, which were equal to 100% of the required contributions for each year.

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Ohio Amended Substitute House Bill 586 (Ohio Revised Code 3305.2) became effective March 31, 1998, authorizing an alternative retirement system (ARP) for academic and administrative university employees of public institutions of higher education who are currently covered by the State Teachers Retirement System or Public Employees Retirement System. The Bowling Green State University board of trustees adopted such a plan effective January 25, 2000. Ohio Amended Substitute Senate Bill 133 became effective September 15, 2004, authorizing participation in an alternative retirement system (ARP) by classified university employees. On September 30, 2005, the Bowling Green State University board of trustees amended its alternative retirement plan to conform with this legislative change effective August 1, 2005. This plan is a defined contribution plan under IRS section 401(a). The total employer contribution to ARP for the years ended June 30, 2004, 2005, and 2006, were \$3,140,000, \$3,576,000, and \$3,934,000 respectively.

Employees have 120 days from their employment date to select a retirement plan. A retiree of STRS or OPERS is eligible for reemployment following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Benefits are increased annually by 3% of the original base amount for the DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

9. POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the Ohio Revised Code provides the statutory authority requiring the University to fund postretirement health care through employer contributions to OPERS and STRS.

OPERS provides postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. In order to qualify for postretirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB), as described in GASB Statement No. 12. A portion of each employer's

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2006 employer contribution rate for state employers was 13.31% of covered payroll; 4% was the portion that was used to fund health care for the year. The law enforcement employer rate for 2006 was 16.70% and 4% was used to fund health care.

OPEB's are advance-funded on an actuarially determined basis. Summary of assumptions are as follows:

Actuarial Review – The assumptions and calculations were based on the latest actuarial review performed as of December 31, 2004.

Funding Method – An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assess Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

Investment Return – The investment assumption rate for 2004 was 8%.

Active Employee Total Payroll – An annual increase of 4%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from .5% to 6.3%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

At year-end 2005, the number of active contribution participants in the Traditional and Combined Plans totaled 376,109. The University contributed 13.31% for state employees of which 4% was used to fund health care and 16.7% for law enforcement employees of which 4% was used to fund health care. The total employer contributions to PERS for the years ended June 30, 2003, 2004, and 2005 were \$2,378,000, \$2,345,000 and \$2,376,000, respectively. The amount of \$10.8 billion represents the actuarial value of OPERS' net assets available for OPEB's at December 31, 2004. The actuarial accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

BOWLING GREEN STATE UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

STRS provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physician fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the STRS board has discretionary authority over how much, if any, of associated health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the health care benefits are not guaranteed and the cost of the coverage paid from STRS funds shall be included in the employer's contribution rate, currently 14% of covered payroll.

The STRS Board allocates employer contributions to the post-employment health care fund from which health care coverage is subsidized. For the fiscal years ended June 30, 2005, and June 30, 2004, the Board allocated employer contributions equal to 1% of covered payroll to this fund which had ending balances of \$3.3 billion and \$3.1 billion respectively.

For the year ended June 30, 2005, the net health care benefit expenses paid by STRS were \$254,780,000, and there were 115,395 eligible benefit recipients.

10. RISK MANAGEMENT

During the normal course of operations, the University has become a defendant in various legal and administrative actions. In accordance with FASB Statement No. 5, liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. However, in the opinion of legal counsel and University management, the disposition of all pending litigation will not have a material adverse effect on the financial condition of the University.

The University self-insures its health care program up to a specific limit of \$200,000 per individual event. Specific stop loss coverage is provided by Medical Mutual of Ohio.

Risk financing methods for Property and Casualty exposures include a combination of insurance, self insurance and risk pooling-via a joint program formed with other four-year publicly funded universities in the State. This program is referred to as the Inter-University Council Insurance Consortium [IUC-IC] and it obligates member institutions to realize the first \$100,000 per covered loss for most exposures before the claim reaches the pool and eventually the insured layers of the program. All of the eligible fifteen member schools participate in the program with the exception of Ohio State.

BOWLING GREEN STATE UNIVERSITY
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JUNE 30, 2006 AND 2005

Changes in the balances of claims liabilities for the years indicated for the health coverage are as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Unpaid claims - July 1	\$ 1,500,000	\$ 1,400,000	\$ 1,300,000
Incurred claims	16,544,114	14,489,656	13,422,022
Paid claims	16,444,114	14,389,656	13,322,022
	<hr/>	<hr/>	<hr/>
Unpaid claims - June 30	<u>\$ 1,600,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,400,000</u>

This actuarially determined liability for estimates of losses retained by the University for outstanding claims and claims incurred but not reported is the University's best estimate based on past experience and current claims outstanding. Actual claims experience may differ from the estimate. Settlements have not exceeded insurance coverage in each of the past three years.

The University participates in a State pool of agencies and universities that pays workers' compensation premiums into the State Insurance Fund on a pay-as-you-go basis (the Plan), which pays workers' compensation benefits to beneficiaries who have been injured on the job. Losses from asserted and unasserted claims for the participating state agencies and universities in the Plan are accrued by the Ohio Bureau of Worker's Compensation (the Bureau) based on estimates that incorporate the past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. Participants in the Plan annually fund the worker's compensation liability based on rates set by the Bureau to collect the cash needed in subsequent fiscal years to pay the worker's compensation claims of participating State agencies and universities.

11. CONTINGENCIES

In the normal course of its activities, the University is a party in various legal and administrative actions. Although some actions have been brought for large amounts, the University has not experienced significant losses or costs. After taking into consideration legal counsel's evaluation of pending action and information relative to potential future claims based on past events, the University's management is of the opinion that the outcome thereof will not have a material effect on the University's financial position.

Grants and contracts - The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. Revenues from government grants and contracts are recognized when all eligibility requirements have been met. The University records indirect costs related to such grants and contracts at predetermined rates that are negotiated with the University's federal cognizant agency. Both direct and indirect costs charged to the grants or contracts are subject to audit and approval by the granting agencies. University management believes any adjustments of costs resulting from such examination by the granting agency would be insignificant.

Supplemental Information

Bowling Green State University
Schedule of Federal Expenditures

Year Ended June 30, 2006

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Student Financial Aid Cluster:			
U.S. Department of Education:			
Federal Supplemental Educational Opportunity Grants	84.007	U.S. Department of Education	\$ 781,542
Federal-Work Study Program	84.033	U.S. Department of Education	984,885
Federal Pell Grant Program	84.063	U.S. Department of Education	<u>10,427,283</u>
Total Student Financial Aid Cluster			<u>12,193,710</u>
Research and Development Cluster:			
U.S. Department of Agriculture:			
Agricultural Research_Basic and Applied Research			
Pass-through from:			
Ohio State University Research Foundation:			
Greenhouse Nurseries, OH	10.001	(1)	85,615
Grants for Agricultural Research, Special Research Grants			
Pass-through from:			
University of Toledo:			
Agricultural Sewage Sludge	10.200	(1)	65,991
Agricultural Sewage Sludge P2	10.200	(1)	64,781
Ohio State University Research Foundation:			
Greenhouse Nurseries	10.200	(1)	1,354
BGSU Greenhouse 04-05 Supplement	10.200	(1)	42,722
Greenhouse Nursuries Yr3 05-06	10.200	(1)	<u>105,794</u>
			<u>280,642</u>
Total U.S. Department of Agriculture			366,257
U.S. Department of Commerce:			
Sea Grant Support			
Pass-through from:			
Ohio Sea Grant:			
Employing Trace Element Contents	11.417	(1)	31,119
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes			
Pass-through from:			
Ohio Sea Grant:			
Develop MODIS Image Product Map	11.432	(1)	8,822
SABRE Systems, Inc.:			
Foreign-Born Population	11.XXX	3800-BGS	<u>15,699</u>
Total U.S. Department of Commerce			55,640
U.S. Department of Defense:			
Basic and Applied Scientific Research			
Pass-through from:			
Office of Naval Research:			
Energy Cure Remote Location	12.300	N00014-04-1-0406	88,187
Energy Cure Remote Location	12.300	N00014-05-1-0372	205,137
UV Light ONR - SPARWAR Systems Center	12.300	N660001-06-C-2010	<u>19,688</u>
			<u>313,012</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
U.S. Department of Defense (continued):			
Military Medical Research and Development			
Pass-through from:			
U.S. Army Research Lab:			
Luminescent Materials/Displays	12.420	DAAD190320032	27,749
Air Force Defense Research Sciences Program			
Pass-through from:			
Air Force Science Research Lab:			
Programmable Triplet Formation	12.800	FA9550-05-1-0276	95,465
Mathematical Sciences Grants Program			
Pass-through from:			
National Security Agency:			
Phan's and Curtis	12.901	(1)	12,994
Research and Technology Development			
Pass-through from:			
Defense Advanced Research Projects Agency:			
Polymer Bioinspired Sensor	12.910	04-02	134,657
Total U.S. Department of Defense			<u>583,877</u>
U.S. Department of the Interior:			
Water Reclamation and Reuse Program			
Pass-through from:			
Central State University:			
Satellite Mapping of Water Quality - Bureau of Reclamation	15.504	(1)	17,221
Coastal Program			
Pass-through from:			
Great Lakes Fishery Commission:			
Round Goby/Smallmouth Bass	15.630	(1)	35,327
Conservation Grants Private Stewardship for Imperiled Species			
Pass-through from:			
U.S. Fish and Wildlife Service:			
Risk Assessment/Audubon's Caracara	15.632	401815G027	37,969
State Wildlife Grants			
Pass-through from:			
Ohio Department of Natural Resources:			
Consequences Management Strategy	15.634	(1)	17,790
Identify Critical Ecology Requirements	15.634	(1)	23,435
Evaluating Needs of Lake Sparrows	15.634	(1)	26,891
Total U.S. Department of Interior			<u>158,633</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
U.S. Department of Labor:			
Occupational Safety and Health_State Program			
Pass-through from:			
University of Cincinnati - NIOSH:			
Dementia	17.503	A064500008022	4,747
Total U.S. Department of Labor			<u>4,747</u>
National Aeronautic Space Administration (NASA):			
Aerospace Education Services Program			
Pass-through from:			
NASA Glenn Research Center:			
Mars Eva Prototype-Phase 1	43.001	NCC3-1093	(1,701)
Dartmouth College:			
Global Clusters/Halo Stars	43.001	536969.575	22,742
			<u>21,041</u>
Technology Transfer			
Pass-through from:			
NASA Glenn Research Center:			
Constellation University Inst Project	43.002	(1)	137,113
Hybrid Diesel Vehicle Project	43.002	NAG3-2790	279,983
External Funded Research Professor	43.002	NNC04GB60G	33,384
University of Oklahoma:			
Drosophila Melanogaster	43.002	(1)	76,027
Ohio Aerospace Institute:			
NASA Glenn Ohioview FY 02-03	43.002	(1)	11,644
Space Telescope Science Institute:			
Normal Giant Ellipticals	43.002	(1)	350
			<u>538,501</u>
Total National Aeronautic Space Administration			559,542
National Endowment for the Humanities:			
Promotion of the Humanities_Fellowships and Stipends			
Education for the Working Man	45.160	(1)	24,714
Promotion of the Humanities_Research			
Pass-through from:			
Ohio State University Research Foundation:			
Rational Sentimentalism	45.161	(1)	17,894
Total National Endowment for the Humanities			<u>42,608</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
National Science Foundation:			
Engineering Grants			
Sensors: Signal Transduction	47.041	(1)	73,374
Mathematical and Physical Sciences			
Graduate Math/Science Reform	47.049	(1)	115,120
Metalloendrimers/Multi-Anon	47.049	(1)	10,636
Polymers/Networks - OLED Applications	47.049	(1)	138,035
Photo-initiated Polymerization	47.049	(1)	(422)
Luminescent Inorganic Compounds	47.049	(1)	117,388
Develop Photo-Switchable Analogs	47.049	(1)	102,574
Halo Stars	47.049	(1)	18,321
Pass-through from:			
University of Toledo:			
NW Ohio Partnership for Alternative Energy	47.049	(1)	5,825
			507,477
Geosciences			
Lake Superior - P & FE Cycles	47.050	(1)	59,608
Cyanobacterial Bioreporters	47.050	(1)	54,621
Deformation-Quartz Rich Rocks	47.050	(1)	34,110
			148,339
Computer and Information Science and Engineering			
Decision - Space Navigation Modules	47.070	(1)	40,291
Biological Sciences			
SLCTN - Inbreeding & Depression	47.074	(1)	5,548
Algal - Great Smoky Mountains	47.074	(1)	111,784
Cytoplasmic Membrane Energy	47.074	(1)	73,275
Sensory Environments	47.074	(1)	53,961
Chemical Orientation - Crayfish	47.074	(1)	45,297
Chemical Orientation - Crayfish REU Supplement	47.074	(1)	787
RCN - RNA Ontology Consortium	47.074	(1)	33,786
Sleep - Nocturnal Bird Migrants	47.074	(1)	3,055
Hippocampal Representation of Space in Birds	47.074	(1)	24,341
			351,834
Social, Behavioral, and Economic Sciences			
Population Correlations	47.075	(1)	60,964
Pass-through from:			
University of Virginia:			
Covenant Marriage/Divorce	47.075	GA10143-113816	(58)
			60,906

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
Education and Human Resources			
Empowering Student Learning with 3D	47.076	(1)	11,326
Graduate Math/Science Reform	47.076	(1)	489,899
Pass-through from:			
Rochester Institute of Technology:			
Learning Center Math - Deaf/Hard of Hearing	47.076	30455-01	15,777
			<u>517,002</u>
Polar Programs			
Comprehensive Biological Study - Vostok Ice	47.078	(1)	64,274
Total National Science Foundation			<u>1,763,497</u>
United States Department of Education:			
Safe and Drug-free Schools and Communities_National Programs			
High Risk Drinking	84.184H	(1)	68,407
Civic Education - Cooperative Education Exchange Program			
Pass-through from:			
Center for Civiv Education:			
Teaching for Democracy	84.304	(1)	43,921
Education Research, Development and Dissemination			
Pass-through from:			
University of Michigan:			
Teacher Quality	84.305M	FO13358	15,034
Special Education - State Personnel Development			
Pass-through from:			
University of Cincinnati:			
Regression Discontinuity Evaluation	84.323	(1)	13,941
Total United States Department of Education			<u>141,303</u>
U.S. Department of Health and Human Services:			
Adolescent Family Life Research Grants			
Social Relationships, Identity	93.111	(1)	24,509
Research Related to Deafness and Communciation Disorders			
Models of Phonation	93.173	(1)	271,751
Pass-through from:			
Purdue University:			
Fluid Structure - Human Larynx	93.173	511-1394-01	125,434
			<u>397,185</u>
Mental Health Research Grants			
Rat Navigational System	93.242	(1)	123,042
Occupational Safety and Health Program			
Pass-through from:			
University of Cincinnati:			
Predict Complicated Universal Precautions	93.262	(1)	702
Understand Family Consequences of Shiftwork	93.262	(1)	117
			<u>819</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
U.S. Department of Health and Human Services (continued):			
Drug Abuse and Addiction Research Programs			
Ventral Pallidum Reward	93.279	(1)	6,440
Ethopharm Character Reward System	93.279	(1)	126,639
			<u>133,079</u>
Academic Research Enhancement Award			
Stable RNA 3-Way Junctions	93.390	(1)	9,635
Cancer Treatment Research			
Photoswitchable Analogs	93.395	(1)	76,375
Photothermal Sensitization	93.395	(1)	73,336
Enediyne Antibiotics	93.395	(1)	362
Esophageal Cancers	93.395	(1)	19,782
			<u>169,855</u>
Pass-through from:			
Research Foundation of SUNY:			
Biomechanical Evaluation	93.846	29300	7,940
Extramural Research Programs in the Neurosciences and			
Neurological Disorders			
Rat Head Directional Signal	93.853	(1)	130,788
Spatial Memory/Theta Rhythm	93.853	(1)	124,371
			<u>255,159</u>
Microbiology and Infectious Diseases Research			
Virological Surveillance	93.856	(1)	43,146
Biomedical Research and Research Training			
Modular Multifunctional HMBG1	93.859	(1)	22,901
Child Health and Human Development Extramural Research			
Stability of Mexican Origin	93.865	(1)	36,063
Population Research Infrastructure Program	93.865	(1)	118,807
Child Development Cohabiting Unions	93.865	(1)	100,804
Family Structure	93.865	(1)	36,139
Dating Relationships	93.865	(1)	66,176
Youthful Sexual Risk-Taking	93.865	(1)	283,665
NICHD Population Research Center	93.865	(1)	78,772
Pass-through from:			
University of Michigan:			
Cohabiting Unions-U.S.	93.865	F008707	120,575
			<u>841,001</u>
Aging Research			
Aging - Attention & Timing	93.866	(1)	211,052
Union Transitions and Cohabitation	93.866	(1)	33,050
			<u>244,102</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Research and Development Cluster (continued):			
HIV Prevention Activities_Health Department Based			
Pass-through from:			
Ohio Department of Health:			
HIV Evaluation / Training Project	93.940	8740012-DX-05	88,741
HIV Evaluation / Training Project	93.940	8740012-DX-06	51,651
			<u>140,392</u>
Rat Angiotensin II Receptors	93.XXX	(1)	3
HMG-1/HMG-2 Eukaryotic Trans	93.XXX	(1)	25,028
Pass-through from:			
University of California:			
Sentence Processing	93.XXX	(1)	23,672
University of Cincinnati:			
Impact/Incivility Among Nurses	93.XXX	(1)	506
Total Department of Health and Human Services			<u>2,461,974</u>
Total Research and Development Cluster			<u>6,138,078</u>
Other Grants and Contracts:			
U.S. Department of Agriculture:			
Agricultural Research_Basic and Applied Research			
Pass-through from:			
Ohio State University Research Foundation:			
Graduate Courses On-Line	10.001	(1)	227
Total U.S. Department of Agriculture			<u>227</u>
U.S Department of Commerce:			
Economic Development_Technical Assistance			
University Center Technical Assistance Project	11.303	06-66-04955	33,826
University Center Technical Assistance Project	11.303	06-66-05054	46,109
			<u>79,935</u>
Public Telecommunications Facilities Planning and Construction			
Digital TV Conversion	11.550	39-02-N02146	(402)
Total U.S Department of Commerce			<u>79,533</u>
U.S. Department of Justice:			
National Institute of Justice Research, Evaluation, and Development Project Grants			
Violent Crimes - Campus Women	16.560	2000WAVX0004	(11,853)
Total U.S. Department of Justice			<u>(11,853)</u>
National Endowment for the Arts:			
Promotion of the Arts_Grants to Organizations and Individuals			
Mid-American Review	45.024	(1)	1,501
Total National Endowment for the Arts			<u>1,501</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Other Grants and Contracts (continued):			
National Science Foundation:			
Mathematical and Physical Sciences			
Pass-through from:			
Ohio State University Research Foundation:			
NSF LSAMP/SEED Grant	47.049	(1)	15,403
Biological Sciences			
Molecular Biology Workspace - Quebec	47.074	(1)	15
Education and Human Resources			
Pass-through from:			
Kennesaw State University:			
Environmental Science - 21st Century	47.076	(1)	<u>2,727</u>
Total National Science Foundation			<u>18,145</u>
U.S. Department of Education:			
Fulbright-Hayes	84.XXX	(1)	(6,000)
Pass-through from:			
Ohio Board of Regents:			
Project Aster III	84.XXX	(1)	<u>2,884</u>
			(3,116)
TRIO Cluster:			
Student Support Services	84.042	P042A011199	155,164
Student Support Services	84.042	P042A050760	372,331
Educational Talent Search Program	84.044	(1)	301,748
Upward Bound	84.047	(1)	<u>357,948</u>
Total TRIO Cluster			1,187,191
Vocational Education_Basic Grants to States			
Pass-through from:			
Ohio Department of Education:			
Capacity - Building Faculty Support	84.048	VEPD-CB-05OS	62,708
Capacity - Building Faculty Support	84.048	VEPD-CB-06BG	<u>65,600</u>
			128,308
Fund for the Improvement of Education			
Pass-through from:			
Fremont Schools:			
Teaching American History	84.215	(1)	69,260
Fostoria Community School District:			
Teaching American History	84.215	(1)	<u>123,631</u>
			192,891

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Other Grants and Contracts (continued):			
Civic Education - Cooperative Education Exchange Program			
Pass-through from:			
Center for Civic Education:			
CIVITAS	84.304	(1)	(9,902)
CIVITAS II	84.304	(1)	187,362
CIVITAS III	84.304	(1)	70,382
CIVITAS Africa	84.304	(1)	128,803
CIVITAS Africa 05/06	84.304	(1)	45,282
			<u>421,927</u>
Gaining Early Awareness and Readiness for Undergraduate Programs			
Pass-through from:			
Western Michigan University:			
GEAR UP	84.334	P334A000121	1,114,673
GEAR UP II	84.334	P334A050257	270,755
NCCEP:			
GEAR UP	84.334	(1)	1,532
			<u>1,386,960</u>
Teacher Quality Enhancement Grants			
Partnership in Context & Community	84.336	(1)	642,424
International Education_Technological Innovation and Cooperation for Foreign Information Access			
Pass-through from:			
Council for Citizenship Education - Sage Colleges:			
A Civis Mosaic	84.337	(1)	39,250
Transition to Teaching			
Close the Gaps	84.350	(1)	334,223
Improving Teacher Quality State Grants			
Pass-through from:			
Ohio Board of Regents:			
Mathematical Vision - World	84.367	(1)	(244)
Educational Technology	84.367	(1)	66,297
			<u>66,053</u>
Total U.S. Department of Education			<u>4,396,111</u>
U.S. Department of Health and Human Services:			
Pass-through from:			
Case Western Reserve University:			
Geriatric Education Center	93.XXX	5-D31-HP70113-05	3,659

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Other Grants and Contracts (continued):			
Biological Response to Environmental Health Hazards			
Project Excite	93.113	(1)	275,937
Abstinence Education Project - Ohio	93.113	(1)	(526)
			<u>275,411</u>
Mental Health Research Grants			
Pass-through from:			
University of Denver - Colorado Seminary:			
Adolescent Relationships	93.242	5R01MH50106-07	572
HIV Prevention Activities_Health Department Based			
Pass-through from:			
Ohio Department of Health:			
AIDS - College Education	93.940	(1)	37,121
Block Grants for Prevention and Treatment of Substance Abuse			
Pass-through from:			
ODADAS:			
Binge Drinking/Violence	93.959	99-08207HEDUCP059854	26,900
Total U.S. Department of Health and Human Services			<u>343,663</u>
Corporation for National Community Service:			
Block Grants for Prevention and Treatment of Substance Abuse			
Pass-through from:			
Ohio Community Service Council:			
Wood County Americorps Consortium	94.006	(1)	16,974
Wood County Americorps 2005-06	94.006	(1)	160,060
Wood County Corps Host Sites:			
WC Americorps Host Site Share	94.006	(1)	68,740
Total Corporation for National Community Service			<u>245,774</u>
U.S. Agency for International Development:			
USAID Development Partnerships for University Cooperation and Development			
Pass-through from:			
Association Liason Office for University Cooperative Development:			
Capacity Building/Democratic press	98.012	(1)	50,307
Total U.S. Agency for International Development			<u>50,307</u>

Bowling Green State University

Schedule of Federal Expenditures (continued)

Program/Federal Agency	CFDA Number	Agency or Pass-Through Number	Expenditures
Other Grants and Contracts (continued):			
U.S. Department of State:			
Civic Education Project - Ukraine	19.XXX	SECAAS04GR161(CS)	62,391
Total U.S. Department of State			62,391
Other Grants and Contracts:			5,185,799
Total Federal Expenditures			\$ 23,517,587

(1) No agency or pass-through identification number available.

See accompanying notes to schedule of federal expenditures

Bowling Green State University

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2006

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bowling Green State University (the University) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the financial statements.

2. Loans Outstanding

The University had the following loan balances outstanding for the Perkins and Nursing Student Loan programs at June 30, 2006 and 2005, respectively:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006 Outstanding Balance</u>	<u>2005 Outstanding Balance</u>
Perkins Loan Program	84.038	\$8,308,620	\$ 8,402,792
Nursing Student Loans	93.364	462,575	422,671

Total Perkins loans advanced during 2006 was \$1,900,000 plus additional administrative costs of \$90,943.

3. Federal Direct Loans (CFDA No. 84.268)

The University acts as the intermediary for students obtaining Federal Direct Student Loans (CFDA No. 84.268) from lending institutions. The lending institution is responsible for billings and collections of the loans. The University assists the lending institutions by processing the applications and forwarding checks from the lending institutions to the students. Loans advanced to students during fiscal year ended June 30, 2006 totaled \$77,950,048.

Bowling Green State University

Notes to the Schedule of Expenditures of Federal Awards (continued)

4. Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the University provided federal awards to subrecipients as follows:

Sub-Grantee	Federal CFDA Number	Amount Provided
University of Toledo	43.002	\$ 48,147
University of Toledo	84.334	175,900
Purdue	93.173	91,829
Spectra Group Ltd	12.300	79,870
John Carroll	47.074	27,838
University of Toledo	93.173	50,521
Ohio University	11.303	56,220
Medical University of Ohio	93.113	9,206
University of Tennessee	47.050	18,486
Miami University	11.303	54,215
Poland	84.304	23,100
South Africa	84.304	99,000
Ukraine	84.304	23,000
Ukraine	19.XXX	48,446
Kentucky	84.304	15,000
University of Cincinnati	93.173	92,706
University of Cincinnati	84.336	7,403
NORC	93.866	4,949

Bowling Green State University

Notes to the Schedule of Expenditures of Federal Awards (continued)

5. Indirect Costs

The University recovers indirect costs by means of predetermined fixed indirect cost rates. The predetermined fixed rates are a result of negotiated agreements with the U.S. Department of Health and Human Services. The fixed rate effective for the period July 1, 2003 to June 30, 2006 for on-campus research is 39% of modified total direct costs, and the off-campus rate is 20% of modified total direct costs.

Report of Independent Auditors Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of Trustees
Bowling Green State University

We have audited the financial statements of Bowling Green State University (the University), a component unit of the State of Ohio, and its discretely presented component unit as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

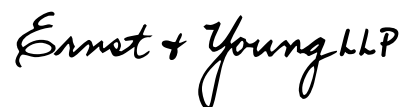
In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the University in a separate letter dated October 6, 2006.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 6, 2006

Report of Independent Auditors on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

The Board of Trustees
Bowling Green State University

Compliance

We have audited the compliance of Bowling Green State University (the University) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 06-1.

Internal Control Over Compliance

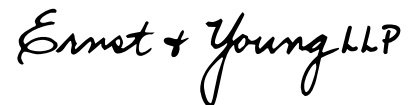
The management of the University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Bowling Green State University and its discretely presented component unit as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. Our audit was conducted for the purpose of forming opinions on the basic financial statements of Bowling Green State University. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 6, 2006

Bowling Green State University

Schedule of Findings and Questioned Costs

June 30, 2006

Part I – Summary of Auditor’s Results

Financial Statement Section

- (i) Type of auditor’s report issued: Unqualified
- (ii) Internal control over financial reporting:
- Material weakness(es) identified? yes X no
- Reportable condition(s) identified not considered to be material weaknesses? yes X none reported
- (iii) Noncompliance material to financial statements noted? yes X no

Federal Awards Section

- (viii) Dollar threshold used to determine Type A programs: \$705,527
- (ix) Auditee qualified as low-risk auditee? X yes No
- (v) Type of auditor’s report on compliance for major programs? Unqualified
- (iv) Internal control over compliance:
- Material weakness(es) identified? yes X no
- Were reportable condition(s) identified not considered to be material weakness(es)? yes X none reported
- (vi) Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))? X yes No

Bowling Green State University

Schedule of Findings and Questioned Costs (continued)

Part I – Summary of Auditor’s Results (continued)

(vii) Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063	Student Financial Aid Cluster
84.038, 84.268, 93.364	
84.334	Gaining Early Awareness and Readiness For Undergraduate Programs
84.336	Teacher Quality Enhancement Grant

Part II – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

None

Part III – Schedule of Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Circular A-133 section .510 (for example, reportable conditions, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program. Where practical, findings should be organized by federal agency or pass-through entity.

Finding 06-01

Federal Program Information: Gaining Early Awareness and Readiness For Undergraduate Programs (CFDA # 84.334) and Teacher Quality Enhancement Grant (CFDA #84.336)

Bowling Green State University

Schedule of Findings and Questioned Costs (continued)

**Criteria or Specific Requirement
(including statutory, regulatory,
or other citation):**

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Suspension and debarment certifications are required to be received or determinations are to be made for subawards and covered contracts before any procurement transactions take place.

Condition:

We reviewed all contracts over \$25,000 and noted before entering into contracts, the University did not review the Excluded Parties List System website to ensure the vendor was not a suspended or debarred party.

Questioned costs:

None.

Context:

The University has contracts greater than \$100,000 with one vendor and two subcontractors in which suspension and debarment certifications are requested to be received or determinations are to be made.

Effect:

The University did not review to ensure vendors in which they entered into procurement transactions with were not a suspended or debarred party.

Cause:

The University did not review to ensure vendors in which they entered into procurement transactions with were not a suspended or debarred party according to the Federal agencies' codification of government wide non-procurement debarment and suspension common rule, Appendix II A-133.

Recommendation:

We recommend management institute procedures to ensure all procurement transactions are reviewed to ensure the vendor is not a suspended or debarred party.

Bowling Green State University

Schedule of Findings and Questioned Costs (continued)

**Views of Responsible Officials and
Planned Corrective Actions:**

Management recognizes the importance of meeting the suspension and debarment requirements regarding procurement transactions as stated in the Federal agencies' codification. Management will continue to work towards ensuring that this requirement is met and the appropriate documentation is maintained. Management verified the vendors used were not listed on the Excluded Parties List System website.

**Report of Independent Auditors On
The Supplemental Information Package
For the State of Ohio Comprehensive Annual
Financial Report**

Ms. Betty Montgomery
Auditor of State
State of Ohio
88 E. Broad Street
Columbus, Ohio 43215

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Bowling Green State University a component unit of the State of Ohio, as of and for the year ended June 30, 2006, and have issued an unqualified opinion thereon dated October 6, 2006. The accompanying Supplemental Information Package for the State of Ohio Comprehensive Annual Financial Report (the Package) as of and for the year ended June 30, 2006, is presented for purposes of complying with the Ohio Office of Budget and Management's requirements, and is not a required part of the basic financial statements. The Package, except for the GASB 40 information related to Bowling Green State University Foundation, Inc., included in Schedule A, has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly presented in all material respects in the relation to the basic financial statements

Ernst + Young LLP

October 6, 2006

State of Ohio
College and University
Statement of Net Assets
As of June 30, 2006
(Dollars in thousands)

CURRENT ASSETS:

Cash on Hand.....	==>	<u>121</u>
		Line 1
Cash and Cash Equivalents.....	==>	<u>3,978</u>
		Line 2
Investments.....	==>	<u>151,713</u>
		Line 3
Intergovernmental Receivable.....	==>	<u>0</u>
		Line 4
Loans Receivable, Net.....	==>	<u>1,357</u>
		Line 5
Receivable from Primary Government (State of Ohio).....	==>	<u>977</u>
		Line 6
Other Receivables.....	==>	<u>11,914</u>
		Line 7
Inventories.....	==>	<u>4,897</u>
		Line 8
Other Assets.....	==>	<u>321</u>
		Line 9
Total Current Assets.....		<u>175,278</u>

NONCURRENT ASSETS:

Restricted Cash and Cash Equivalents.....	==>	<u>0</u>
		Line 10
Restricted Investments.....	==>	<u>125,245</u>
		Line 11
Investments.....	==>	<u>0</u>
		Line 12
Loans Receivable, Net.....	==>	<u>7,417</u>
		Line 13
Other Receivables.....	==>	<u>12,576</u>
		Line 14
Other Assets.....	==>	<u>1,043</u>
		Line 15
Capital Assets Being Depreciated, Net.....	==>	<u>277,733</u>
		Line 16
Capital Assets Not Being Depreciated.....	==>	<u>25,698</u>
		Line 17
Total Noncurrent Assets.....		<u>449,712</u>
Total Assets.....		<u>624,990</u>

CURRENT LIABILITIES:

Accounts Payable.....	==>	<u>8,209</u>
		Line 18
Accrued Liabilities.....	==>	<u>9,470</u>
		Line 19
Intergovernmental Payable.....	==>	<u>0</u>
		Line 20
Unearned Revenue.....	==>	<u>16,735</u>
		Line 21
Other Liabilities.....	==>	<u>5,678</u>
		Line 22
Revenue Bonds and Notes.....	==>	<u>10,445</u>
		Line 23
Certificates of Participation.....	==>	<u>0</u>
		Line 24
Total Current Liabilities.....		<u>50,537</u>

NONCURRENT LIABILITIES:

Intergovernmental Payable.....	==>	<u>8,318</u>
		Line 25
Unearned Revenue.....	==>	<u>0</u>
		Line 26
Other Liabilities.....	==>	<u>7,987</u>
		Line 27
Revenue Bonds and Notes.....	==>	<u>93,520</u>
		Line 28
Certificates of Participation.....	==>	<u>0</u>
		Line 29
Total Noncurrent Liabilities.....		<u>109,825</u>
Total Liabilities.....		<u>160,362</u>

NET ASSETS:

Invested in Capital Assets, Net of Related Debt.....	==>	<u>221,039</u>
		Line 30
Restricted for:		
Nonexpendable.....	==>	<u>59,095</u>
		Line 31
Expendable.....	==>	<u>55,152</u>
		Line 32
Unrestricted (Deficits).....	==>	<u>129,342</u>
		Line 33
Total Net Assets.....		<u>464,628</u>

Check Figure-Calculated Total Net Assets**(i.e., Total Assets less Total Liabilities) Should Equal:****464,628****Variance (should be \$0)****0**

Name of College..... ==> Bowling Green State Univ
Line 34

Name of Preparer..... ==> Dave Hoehner
Line 35

Phone Number..... ==> (419) 372-8599
Line 36

E-Mail Address (if applicable)..... ==> dhoehne@bgsu.edu
Line 37

QUESTIONS?????

If you have any questions about completing this worksheet, please call Jane Snipes, Financial Reporting Manager, Ohio Office of Budget and Management at (614) 466-2561 or e-mail her at jane.snipes@obm.state.oh.us.

State of Ohio
College and University
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2006
(Dollars in thousands)

REVENUES:**Operating Revenues:**

Student Tuition and Fees (net of scholarship allowances).....	==>	<u>145,547</u>
		Line 1
Federal Grants and Contracts.....	==>	<u>7,446</u>
		Line 2
State Grants and Contracts.....	==>	<u>1,830</u>
		Line 3
Local Grants and Contracts.....	==>	<u>26</u>
		Line 4
Private Grants and Contracts (Nongovernmental).....	==>	<u>8,660</u>
		Line 5
Sales and Services.....	==>	<u>8,766</u>
		Line 6
Auxiliary Enterprises.....	==>	<u>73,898</u>
		Line 7
Hospital.....	==>	<u>0</u>
		Line 8
Other Operating Revenues	==>	<u>12,532</u>
		Line 9
Total Operating Revenues.....		<u>258,705</u>

EXPENSES:**Operating Expenses:**

Educational and General:		
Instruction and Departmental Research.....	==>	<u>114,911</u>
		Line 10
Separately Budgeted Research.....	==>	<u>7,400</u>
		Line 11
Public Service.....	==>	<u>9,007</u>
		Line 12
Academic Support.....	==>	<u>39,081</u>
		Line 13
Student Services.....	==>	<u>24,211</u>
		Line 14
Institutional Support.....	==>	<u>28,789</u>
		Line 15

Operation and Maintenance of Plant.....	==>	<u>22,762</u>
		Line 16
Scholarships and Fellowships.....	==>	<u>16,177</u>
		Line 17
Total Educational and General.....		<u>262,338</u>
Auxiliary Enterprises.....	==>	<u>68,720</u>
		Line 18
Hospitals.....	==>	<u>0</u>
		Line 19
Other Operating Expenses.....	==>	<u>2,474</u>
		Line 20
Depreciation.....	==>	<u>19,229</u>
		Line 21
Total Operating Expenses.....		<u>352,761</u>
Operating Income (Loss).....		<u>(94,056)</u>
Nonoperating Revenues (Expenses):		
State Appropriations.....	==>	<u>81,485</u>
		Line 22
Local Appropriations.....	==>	<u>0</u>
		Line 23
Federal Grants (Nonexchange).....	==>	<u>11,290</u>
		Line 24
State Grants (Nonexchange).....	==>	<u>3,238</u>
		Line 25
Local Grants (Nonexchange).....	==>	<u>0</u>
		Line 26
Gifts and Donations.....	==>	<u>60</u>
		Line 27
Investment Income (Net of Investment Expense).....	==>	<u>14,899</u>
		Line 28
Interest on Capital Asset-Related Debt.....	==>	<u>(4,554)</u>
		Line 29
Other Nonoperating Revenues	==>	<u>6,036</u>
		Line 30A
Other Nonoperating Expenses.....	==>	<u>0</u>
		Line 30B
Net Nonoperating Revenues/(Expenses).....		<u>112,454</u>
Income Before Other Changes.....		<u>18,398</u>

Other Changes:

Capital Appropriations from the State of Ohio.....	==>	<u>1,846</u>
		Line 31
Capital Grants and Gifts.....	==>	<u>357</u>
		Line 32
Additions to the Principal of Permanent and Term Endowments.....	==>	<u>0</u>
		Line 33
Special Items.....	==>	<u>0</u>
		Line 34
Extraordinary Items.....	==>	<u>0</u>
		Line 35
Total Other Changes.....		<u>2,203</u>
Increase in Net Assets.....		<u>20,601</u>

NET ASSETS:

Net Assets--Beginning of Year.....	==>	<u>444,027</u>
		Line 36
Prior Period Adjustments.....	==>	<u>0</u>
		Line 37
Net Assets--End of Year.....		<u>464,628</u>
Check Figure-Net Assets per EXCEL A.xls	==>	<u>464,628</u>
		Line 38
Variance (should be \$0)		<u>0</u>

Name of College.....	==>	<u>Bowling Green State Univ</u>
		Line 39
Name of Preparer.....	==>	<u>Dave Hoehner</u>
		Line 40
Phone Number.....	==>	<u>(419) 372-8599</u>
		Line 41
E-Mail Address (if applicable).....	==>	<u>dhoehne@bgsu.edu</u>
		Line 42

QUESTIONS?????

If you have any questions about completing this worksheet, please call Jane Snipes, Financial Reporting Manager, Ohio Office of Budget and Management at (614) 466-2561 or e-mail her at jane.snipes@obm.state.oh.us.

**COLLEGE AND UNIVERSITY
FINANCIAL REPORTING**

**SUPPLEMENTAL INFORMATION PACKAGE
FOR THE STATE OF OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

**Prepared by
The Ohio Office of Budget and Management
Financial Reporting Section**

Revised April 2006

SUPPLEMENTAL INFORMATION PACKAGE

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GENERAL INSTRUCTIONS

Please read and follow the instructions below with respect to the submission of your college's financial information, for the fiscal year ending June 30, 2006, to the Office of Budget and Management (OBM). Please note that your college is required to submit "**audited**" financial statements to OBM by **Monday, October 16, 2006**.

GASB 39 Requirement -- *In addition, if your college has included blended or discretely presented component units in its respective financial statements, please include the balances reported for the component units in all aggregated totals reported to OBM in the reporting package, including the accompanying disclosures. However, for component units that are discretely presented, please eliminate any payables or receivables between the component units and the college, as well as any revenues or expenses relating to activity between the component units and the college, from the total amounts reported in these schedules to OBM.*

If you prefer to provide any information requested in the package in electronic form (e.g., EXCEL worksheets), please just attach them to the corresponding schedule.

When completed, please forward the Supplemental Information Package to:

Ohio Office of Budget and Management
30 East Broad Street, 34th Floor
Columbus, Ohio 43215-3457
Attn: Financial Reporting Manager, State Accounting Division

Any questions can be directed to Jane Snipes, Financial Reporting Manager, (614) 466-2561, or you can e-mail questions to her at jane.snipes@obm.state.oh.us.

INSTRUCTIONS FOR COLLEGES REQUIRED TO SUBMIT AUDITED DATA BY OCTOBER 16, 2006

OBM requests that all colleges complete the following schedules in the supplemental information package:

Schedule A — Deposits and Investments
Schedule C — Receivable from Primary Government (State of Ohio)
Schedule F — Capital Assets
Schedule H — Changes in Long-Term Liabilities
Schedule M — Prior Period Adjustments
Schedule N — Translation of Reported Revenues to the State's Statement of Activities
Schedule O — State Appropriations
Schedule P — Capital Appropriations from the State of Ohio

The information reported on these schedules must be reconciled with the Statement of Net Assets (i.e., EXCEL A.xls) or the Statement of Revenues, Expenses and Changes in Net Assets (i.e., EXCEL B.xls), as the case may be.

For all other schedules in the supplemental information package, if the information being requested is adequately disclosed within your college's audited annual financial report, or is not applicable to your college, the schedule or sections thereof need not be completed; however, we do ask that you mark "AD" for "Adequately Disclosed" or "NA" for "Not Applicable" on the schedule, as appropriate.

If some of the information requested is not disclosed within your annual financial report, please only complete the applicable sections of the schedule that will provide the requested information to OBM. Please mark "PC" on the schedule for "Partially Completed" to indicate that it was only necessary for you to complete part of the schedule. Additionally, if you mark "AD" or "PC", please indicate the page number in your annual report on which the data can be found.

The Supplemental Information Package along with your college's audited 2006 financial report must be submitted to OBM at the above address, no later than **Monday, October 16, 2006**.

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A

DEPOSITS AND INVESTMENTS

Please provide the following information required under GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3.

When completing Schedule A, your college is required to include the necessary deposit and investment disclosures applicable to both the college and its blended and discretely presented component units, as the case may be. Therefore, the deposit and investment schedules should report consolidated totals for the college and its component units.

Step 1: Carrying amount of deposits and the deposits' balance per bank classified in the custodial credit risk categories defined under paragraph 8 of GASB 40. **Please read the instructions on page 3, and complete page 4.**

Step 2: Fair value of each major *type* of investment classified by the custodial credit risk categories defined under paragraph 9 of GASB 40, by maturity date, by credit quality rating, and by foreign currency.

Other investment-related disclosures required under GASB 3 and 40.

Please read the instructions on page 5, and complete pages 6 through 10.

Step 3: A reconciliation of the total carrying amount reported for deposits on page 4 and the fair value of investments on page 6 with your college's statement of net assets, as reported on EXCEL A.xls. **Please complete page 11 for this step.**

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INSTRUCTIONS FOR DEPOSITS SCHEDULE

When completing the Deposits Schedule on page 4, please **express all amounts in thousands**.

Column (A): Report the total *carrying amount* of deposits with financial institutions. Do not include the "Cash on Hand" balance reported on Line 1 of A.xls.

Column (B): Report the *bank balance*, as reported by the financial institutions.

Column (C): Allocate the total *bank balance* reported in Column (B) to the following categories:

Not Exposed to Custodial Credit Risk

Deposit is insured (e.g., FDIC, insured up to \$100,000) or collateralized with securities held by the College, the College's agent, or the pledging financial institution's trust department or its agent in the College's name. (*NOTE: Balances reported under this column are not required to be disclosed in the notes to the financial statements; however, this column has been included so as to allow all deposit accounts to be accounted for on this schedule.*)

Collateralized with Securities Held by the Pledging Financial Institution

Deposit is uninsured but collateralized with pledged securities held by the financial institution. (GASB 40, ¶ 8 b.)

Collateralized with Securities Held by the Pledging Financial Institution's Trust Dept. or Agent, but not in the College's Name

Deposit is uninsured but collateralized with pledged securities held by the financial institution's trust department or agent, but not in the College's name. (GASB 40, ¶ 8 c.)

Uncollateralized

Deposit is uninsured and uncollateralized. (GASB 40, ¶ 8 a.)

If necessary, please refer to GASB Statement No. 40 and/or the GASB's *Comprehensive Implementation Guide — 2005* for further guidance on classifying deposits by custodial credit risk category.

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

DEPOSITS¹ SCHEDULE

as of June 30, 2006

(in 000s)

(A)	(B)	(C)			
		Balance per Bank, as of 06/30/06			
Carrying Amount of Deposits, as of 06/30/06	Bank Balance, as of 06/30/06	Custodial Credit Risk Category ²			
		Not Exposed to Custodial Credit Risk	Collateralized with Securities Held by the Pledging Financial Institution	Collateralized with Securities Held by the Pledging Financial Institution's Trust Dept. or Agent, but not in the College's Name	Uncollateralized
\$ 3,978	\$ 3,697	\$ 210	\$	\$ 2,971	\$

¹ *Deposits with financial institutions* are defined as deposit accounts in banks, savings and loan associations, and credit unions. They are demand, savings, and time accounts, including negotiable order of withdrawal (NOW) accounts and *non*negotiable certificates of deposit (CDs).

Money market accounts offered by financial institutions should be treated like any other deposit account for purposes of GASB Statement 40, and classified in categories of credit depending on whether balances are insured or collateralized.

Bank investment contracts and investment contracts with other types of financial institutions (i.e., savings and loan associations) should be classified in categories of custodial credit risk for deposits because these instruments are considered deposits with financial institutions.

Negotiable CDs, however, are considered investments, and therefore, should *not* be included on this schedule, but should be reported on the Investments Schedule, page 6, and classified by the investment risk categories, accordingly.

² **REMINDER:** The bank balance should be categorized by custodial credit risk, not the carrying amount.

Prepared by: Dave Hoehner College: Bowling Green State Univ

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

**INSTRUCTIONS FOR INVESTMENTS SCHEDULE—BALANCES BY INVESTMENT TYPE,
CUSTODIAL CREDIT RISK, AND INVESTMENT MATURITIES**

When completing the Investments Schedule—Balances by Investment Type, Custodial Credit Risk, and Investment Maturities on page 6, **please express all amounts in thousands. *Investment balances in investment types not already listed on the Schedule should be added on the lines provided, or on additional sheets as necessary, by each additional investment type name (e.g., life insurance).***

Column (A): Allocate the total fair value of each major type of investment reported, as of June 30, 2006, by custodial credit risk category:

Not Exposed to Custodial Credit Risk includes investments that were insured or registered in the College's name; securities held by the College or the College's agent in the College's name; and investments that were uninsured and unregistered, with securities held by the counterparty's trust department or agent in the College's name. (NOTE: Balances reported under this column are not required to be disclosed in the notes to the financial statements; however, this column has been included so as to allow all investments to be accounted for on this schedule.)

Held by the Counterparty and not in the College's Name includes investments that were uninsured and unregistered, with securities held by the counterparty but not in the College's name. (GASB 40, ¶ 9 a.)

Held by the Counterparty's Trust Department or Agent and not in the College's Name includes investments that were uninsured and unregistered, with securities held by the counterparty's trust department or agent but not in the College's name. (GASB 40, ¶ 9 b.)

If necessary, please refer to GASB Statement No. 40 and/or the GASB's *Comprehensive Implementation Guide — 2005* for further guidance on classifying investments by custodial credit risk category. Also, refer to GASB Technical Bulletin 87-1, for specific guidance on classifying, by credit risk category, investments held in Federal Reserve or Depository Trust Company book-entry form.

Column (B): Report the total fair value of each major type of investment.

Column (C): Allocate the investment balance reported under Column (B) of each major type or class of investments in debt securities by maturity date, since the State has elected to report interest rate risk using the Segmented Time Distribution Method. (GASB No. 40, ¶15) For bond mutual funds, the overall weighted average maturity (WAM) of each fund should be classified under the proper column for the respective maturity.

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INVESTMENTS SCHEDULE—BALANCES BY INVESTMENT TYPE, CUSTODIAL CREDIT RISK, AND INVESTMENT MATURITIES

as of June 30, 2006

(in 000s)

Investment Type	(A) Investment Custodial Credit Risk Categories (Allocate using fair value)			(B) Total Investment Balance (stated at fair value) Columns (A1)+(A2)+(A3)	(C) Investment Maturities (in years)			
	(1)	(2)	(3)		Less Than 1	1-5	6-10	More Than 10
	Not Exposed to Custodial Credit Risk	Held by the Counterparty and not in the College's Name	Held by the Counterparty's Trust Dept. or Agent and not in the College's Name					
U.S. Government Obligations.....	\$ 9,743	\$	\$	\$ 9,743	\$ 631	\$ 2,116	\$ 3,883	\$ 3,113
U.S. Government Obligations—Strips.....								
U.S. Agency and Instrumentality Obligations.....	91,778			91,778	55,981	18,174	9,117	8,506
U.S. Agency and Instrumentality Obligations—Strips.....								
Municipal Obligations.....	300			300	33	91	105	71
Common and Preferred Stock.....	29,776			29,776	N/A	N/A	N/A	N/A
Corporate Bonds and Notes.....	15,695			15,695	143	8,187	4,989	2,376
Repurchase Agreements.....								
Commercial Paper.....								
Bankers Acceptances.....								
State Treasury Asset Reserve (STAR Ohio).....	N/A	N/A	N/A	1,684	N/A	N/A	N/A	N/A
Real Estate.....	N/A	N/A	N/A	2,525	N/A	N/A	N/A	N/A
Equity Mutual Funds.....	N/A	N/A	N/A	101,049	N/A	N/A	N/A	N/A
Bond Mutual Funds.....	N/A	N/A	N/A	4,006	4,006			
Limited Partnerships.....	N/A	N/A	N/A		N/A	N/A	N/A	N/A
Mortgage Loans.....	N/A	N/A	N/A					
Guaranteed Investment Contracts.....	N/A	N/A	N/A					
Money Market	19,954			19,954	19,954			
Certificate of Deposit	102			102	102			
Other	346			346	346			
Total Investments, as of June 30, 2006.....	\$ 167,694	\$	\$	\$ 276,958	\$ 81,196	\$ 28,568	\$ 18,094	\$ 13,995

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

Using the credit quality rating descriptions of the nationally recognized statistical rating organizations, please report the fair values of investments by credit quality ratings and by investment type for investments in debt securities, excluding investments issued by or explicitly guaranteed by the U.S. government. For investment types with multiple investments, the fair values of the individual investments should be aggregated by each applicable credit rating category. For individual investments with ratings from more than one organization, "the rating indicative of the greatest degree of risk should be presented." If an investment is not rated, please report the investment as "unrated". (GASB No. 40, ¶ 7 and *Comprehensive Implementation Guide—2005*, Q1.29)

The total investment balances on this schedule should agree to the respective investment type balances on the Investments Schedule—Balances by Investment Type, Custodial Credit Risk, and Investment Maturities, Column (B) on page 6.

INVESTMENTS SCHEDULE—CREDIT RATINGS

as of June 30, 2006
(in 000s)

Investment Type	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B	CCC/Caa	CC/Ca	C	Unrated	Total
U.S. Agency and Instrumentality Obligations	\$ 91,778	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 91,778
U.S. Agency and Instrumentality Obligations—Strips										300	300
Municipal Obligations										123	15,695
Corporate Bonds and Notes	1,890	3,937	7,727	2,018							
Repurchase Agreements											
Commercial Paper											
Bankers Acceptances											
State Treasury Asset Reserve (STAR Ohio)	1,684										1,684
Bond Mutual Funds										4,006	4,006
Mortgage Loans											
Guaranteed Investment Contracts											
Other Investments Not Listed Above											
Total Investments, as of June 30, 2006....	\$ 95,352	\$ 3,937	\$ 7,727	\$ 2,018	\$	\$	\$	\$	\$	\$ 4,429	\$ 113,463

Prepared by: Dave Hoehner College: Bowling Green State Univ.
 Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

Below, please report the investment balance of any foreign investments by currency denomination. The investment balance should be reported in U.S. dollars. (GASB No. 40, ¶ 17) **Investments in currencies not listed on the Schedule should be added at the bottom of the schedule with definitive currency names and corresponding balances.**

The total investment balances on this schedule should agree to the respective investment type balances on the Investments Schedule—Balances by Investment Type, Custodial Credit Risk, and Investment Maturities, Column (B) on page 6.

INVESTMENTS SCHEDULE—FOREIGN CURRENCY RISK

as of June 30, 2006
(in 000s)

Currency	In U.S. Dollars				Insert Investment Type:
	Common and Preferred Stock—Foreign	Corporate Bonds/Notes— Foreign	Equity Mutual Funds—Foreign	Bond Mutual Funds—Foreign	
Argentinean Peso.....	\$	\$	\$	\$	\$
Australian Dollar.....					
Bahamian Dollar.....					
Belize Dollar.....					
Bermudian Dollar.....					
Brazilian Real.....					
British Pound.....					
Bulgarian Lev.....					
Canadian Dollar.....					
Caymanian Dollar.....					
Chilean Peso.....					
Chinese Yuan.....					
Colombian Peso.....					
Czech Koruna.....					
Danish Krone.....					
Egyptian Pound.....					
Euro.....					
Hong Kong Dollar.....					
Hungarian Forint.....					
Icelandic Krona.....					
Indian Rupee.....					
Indonesian Rupiah.....					
Israeli Shekel.....					
Japanese Yen.....					
Jordanian Dollar.....					
Lithuanian Litas.....					
Malaysian Ringgit.....					
Mexican Peso.....					
Netherlands Antilles Guilder.....					
New Zealand Dollar.....					
Norwegian Krone.....					
Pakistani Rupee.....					
Panamanian Balboa.....					
Peruvian New Sol.....					
Philippines Peso.....					
Polish Zloty.....					
Romanian Leu.....					
Russian Ruble.....					
Singapore Dollar.....					
South African Rand.....					
South Korean Won.....					
Sri Lankan Rupee.....					
Swedish Krona.....					
Swiss Franc.....					
Taiwan Dollar.....					
Thailand Baht.....					
Turkish Lira.....					
Venezuelan Bolivar.....					
Zimbabwean Dollar.....					
Other currencies (please specify):					
Held in Foreign Currency.....					
Held in U.S. Dollars.....	29,776	15,695	101,049	4,006	
Total.....	\$ 29,776	\$ 15,695	\$ 101,049	\$ 4,006	\$

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INVESTMENTS—ADDITIONAL INFORMATION
as of June 30, 2006

Please provide the information requested below.

1. Is your college aware of any violations of statutory authority or contractual provisions during the year ended June 30, 2006, related to the investments listed on the previous schedule? (GASB 3, ¶ 66 & 77)

____ Yes No

If a "Yes" response was indicated, please briefly explain the facts and circumstances in an attachment to this schedule, or provide the page number(s) within your college's report where this disclosure may be found. Please mark one of the following:

____ Attachment included, OR

Page number(s) in the report where disclosure may be found _____

2. For investments in U.S. Agency and Instrumentality Obligations and U.S. Agency and Instrumentality Obligations—Strips, please provide the fair value at June 30, 2006, by issuer. Totals reported on Lines A and B should agree. **Please express all amounts in thousands.**

Issuer	Fair Value
Federal National Mortgage Association (Fannie Mae)	\$ 32,169
Federal Home Loan Banks (FHLB)	36,356
Federal Home Loan Mortgage Corporation (Freddie Mac)	22,230
Student Loan Marketing Association (Sallie Mae)	460
Federal Farm Credit Bank	563
Other (Please specify):	
Total	<u>\$ 91,778</u>
	Line A
U.S. Agency and Instrumentality Obligations (Column B, page 6)	\$91,788
U.S. Agency and Instrumentality Obligations—Strips (Column B, page 6)....	-
Total	<u>\$ 91,788</u>
	Line B

For other investment types, please list below any issuers that represent five (5) percent or more of total investments reported in Column (B) on the schedule on page 6, along with the investment type and investment balances with those issuers. **Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments should be excluded.** (GASB 40, ¶ 11)

Issuer	Investment Type	Fair Value
		\$

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INVESTMENTS—ADDITIONAL INFORMATION (Continued)
as of June 30, 2006

3. Please describe any terms of debt investments that may cause their fair values to be highly sensitive to interest rate changes. These would include coupon multipliers, benchmark indexes, reset dates, and embedded options. The investment type, terms, and fair value of the investments should be included in the description. (GASB No. 40, ¶ 16) Please express all amounts in thousands.

Investment Type	Terms	Fair Value
-----------------	-------	------------

\$

4. Has your college included a disclosure within its separately issued report regarding any investment policies formally adopted by the college? (GASB 40, ¶ 6; GASB's *Comprehensive Implementation Guide — 2005*, Q1.20)

Yes, on page number(s) 19-21 of the college's financial report.

No, the college has no formally approved policies and procedures.

No, but we have attached the formally approved policies for the college to this schedule.

5. Within the context of your college's separately issued financial report, as is required to be detailed in the notes to the financial statements, has the college disclosed:

- the stated basis for investments?

Yes, on page(s) 15 of the college's financial report.

- the types of investments authorized by legal or contractual provisions? (GASB 3, ¶ 65 & 76)

Yes, on page(s) 19 of the college's financial report.

- losses recognized during fiscal year 2006 due to default by counterparties to deposit or investment transactions and amounts recovered from prior-period losses if not separately displayed on the operating statement investments? (GASB 3, ¶75 & 80)

Yes, on page(s) _____ of the college's financial report.

Not applicable; there were no significant losses during FY 2006.

If you did not provide a "Yes" or "Not applicable" response to any of the above questions under Item No. 5, then please provide the required disclosure in an attachment to this schedule.

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule A.

SCHEDULE A (Continued)

INSTRUCTIONS FOR THE RECONCILIATION BETWEEN GASB 40 DEPOSITS AND INVESTMENT DISCLOSURES AND THE STATEMENT OF NET ASSETS

When completing the schedule below, **please express all amounts in thousands.**

- Column (A): For each balance sheet account, report the amount categorized as a deposit on the GASB 40 Deposits Schedule on page 4.
- Column (B): For each balance sheet account, report the amount categorized as an investment on the GASB 40 Investments Schedule on page 6.
- Column (C): For each balance sheet account, total amounts reported under Columns (A) and (B).
- Line 1: The amount reported on Line 1 should agree with the total amount reported under Column (A) on the GASB 40 Deposits Schedule on page 4.
- Line 2: The amount reported on Line 2 should agree with the total amount reported under Column (B) on the GASB 40 Investments Schedule—Balances by Investment Type, Custodial Credit Risk, and Investment Maturities on page 6.

GASB 40 DISCLOSURES AND STATEMENT OF NET ASSETS RECONCILIATION
as of June 30, 2006
(in 000s)

Balance Sheet Account	(A) Deposits	(B) Investments	(C) Total (A)+(B)
Cash and Cash Equivalents:			
Cash.....	\$ 3,978	\$	\$ 3,978
STAR Ohio Investments Included in Cash and Cash Equivalents.....			
Other Investments Included in Cash and Cash Equivalents.....			
Total Cash and Cash Equivalents (equals balance reported on Line 2 of A.xls)	3,978		3,978
Current Investments (equals balance reported on Line 3 of A.xls)		151,713	151,713
Restricted Cash and Cash Equivalents (equals balance reported on Line 10 of A.xls)			
Restricted Investments (equals balance reported on Line 11 of A.xls)		125,245	125,245
Noncurrent Investments (equals balance reported on Line 12 of A.xls)			
Other (please specify by balance sheet account included on A.xls below):			
Total Carrying Amount per Statement of Net Assets, EXCEL A.xls	\$ 3,978	\$ 276,958	\$ 280,936
	Line 1	Line 2	

Prepared by: Dave Hoehner College: Bowling Green State Univ.

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NA __; AD __, p.__; PC __, p.__

SCHEDULE B

RECEIVABLES

LOANS RECEIVABLE

Please provide the following analysis of the "Loans Receivable" balance. The balance reported as "Current-Due in One Year" below should agree with the balance reported on Line 5 of EXCEL A.xls, and the balance reported as "Noncurrent-Due in More Than One Year" below should agree with the balance reported on Line 13 of EXCEL A.xls. Also, the total reported on Line A below should agree with the total reported on Line B.

<u>Name of Loan Program</u>	<u>Loans Receivable, as of 06/30/06 (in 000s)</u>
Student Loan.....	\$ 8,774
Other	
Loans Receivable, Gross.....	8,774
Estimated Uncollectible.....	(-0-)
Total Loans Receivable, Net.....	<u>\$ 8,774</u>
	Line A
Current-Due in One Year (Line 5 of A.xls).....	\$ 1,357
Noncurrent-Due in More Than One Year (Line 13 of A.xls).....	7,417
Total Loans Receivable, Net.....	<u>\$ 8,774</u>
	Line B

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SCHEDULE B (Continued)

OTHER RECEIVABLES

Below, please detail, by subaccount, the balances that are reported under the "Other Receivables" account on the Statement of Net Assets. The balance reported as "Current-Due in One Year" below should agree with the balance reported on Line 7 of EXCEL A.xls, and the balance reported as "Noncurrent-Due in More Than One Year" below should agree with the balance reported on Line 14 of EXCEL A.xls. Also, the total reported on Line A below should agree with the total reported on Line B.

	Other Receivables, as of 06/30/06 (in 000s)
	<hr/>
Accounts Receivable	\$ 24,084
Unbilled Charges.....	
Pledges Receivable	
Interest Receivable	1,056
Dividends Receivable	
Receivables Not Elsewhere Classified (Please specify their nature below by major account category):	
<hr/>	
<hr/>	
Other Receivables, Gross.....	25,140
Estimated Uncollectible.....	(650)
Total Other Receivables, Net.....	<u>\$ 24,490</u>
	Line A
Current-Due in One Year (Line 7 of A.xls).....	\$ 11,914
Noncurrent-Due in More Than One Year (Line 14 of A.xls).....	12,576
Total Other Receivables, Net.....	<u>\$ 24,490</u>
	Line B

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NOTE: For the year ended June 30, 2006, each college must complete Schedule C.

SCHEDULE C

RECEIVABLE FROM PRIMARY GOVERNMENT (STATE OF OHIO)

Below, please detail the balances that are included under the "Receivable from Primary Government (State of Ohio)" account on the Statement of Net Assets. The balance reported below on Line A should agree with the amount reported on Line 6 of EXCEL A.xls. Balances reported on Lines B through D should agree with balances reported on the respective downloads* from the State's Central Accounting System (CAS).

		Receivable from Primary Government (State of Ohio), as of 06/30/06 (in 000s)
Balance reported on Line 6 on A.xls		<u>\$ 977</u>
		Line A
Balance reported per CAS Downloads:*		
Fund 034 Construction Payables, as of 06_30_06.xls (as reported on Schedule P) ...	<u>\$ 116</u>	
		Line B
Fund 034 Unreimbursed Construction Costs, as of 06_30_06.xls (as reported on Schedule P) ...	<u>\$ 803</u>	
		Line C
State Grants and Contracts Receivable, as of 06_30_06.xls.....	<u>\$ 58</u>	
		Line D
Total per CAS Downloads.....		<u>977</u>
		Line E = Lines B+C+D
Variance		<u>\$ -0-</u>
		Line A – Line E
		(Variance should be \$0; if not, please complete the reconciliation below.)

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported above.

<u>Explanation of Reconciling Item(s):</u>	<u>(in 000s)</u>
	<u>\$</u>
Total Reconciling Items.....	<u>\$</u>

* In early August 2006, OBM will post on its website the above-listed data downloads that report the dollar amounts payable to your college from the State of Ohio, as of June 30, 2006, for 1.) reimbursable construction costs funded with capital appropriations assigned to CAS Fund 034 and 2.) state grants and contracts. OBM will notify your college by e-mail when this information becomes available from the OBM website.

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NA __; AD __, p.__; PC__, p.__

SCHEDULE D

INVENTORIES

1. What is the valuation basis (i.e., cost) for your college's inventories as reported on Line 8 of EXCEL A.xls?

Lower of average cost or market

2. What method is used to determine the value of inventories at your college (e.g., first-in, first-out (FIFO), last-in, first-out (LIFO), weighted-average cost, etc.)?

Average cost

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SCHEDULE E

OTHER ASSETS

Below, please detail, by subaccount, the balances that are included under the "Other Assets" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 9 of EXCEL A.xls, and the "Total" balance reported on Line B below should agree with the balance reported on Line 15 of EXCEL A.xls.

	Other Assets, as of 6/30/06 (in 000s)	
	Current Portion	Noncurrent Portion
Prepays	\$ 321	\$
Deferred Charges (e.g., bond issuance costs)		
Intangible Assets		
Other Assets Not Elsewhere Classified (Please specify their nature below by major account category):		
Cash surrender value of life insurance and annuities		1,043

Total	<u>\$ 321</u>	<u>\$ 1,043</u>
	Line A	Line B

Prepared by: Dave Hoehner College: Bowling Green State Univ.

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NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule F.

SCHEDULE F

CAPITAL ASSETS

CAPITAL ASSET ACTIVITY FOR FY 2006

Please report the changes in the capital asset balances, for the year ended June 30, 2006. The balance reported on Line A should agree with the balance reported on Line 17 of EXCEL A.xls, while the balance reported on Line B should agree with the balance reported on Line 16 of EXCEL A.xls. Please refer to paragraph 117 of GASB 34 for further guidance on the disclosure requirements for capital assets.

	(in 000s)			
	Balance 07/01/05	Additions (Including Transfers-In from the Construction- in- Progress Account)	Retirements and Transfers-Out of the Construction- in-Progress Account	Balance 06/30/06
Capital Assets Not Being Depreciated:				
Land	4,940	416		5,356
Land Improvements				
Construction-in-Progress	7,902	17,179	4,739	20,342
Collections of Works of Art and Historical Treasures.				
Total Capital Assets Not Being Depreciated	12,842	17,595	4,739	25,698
				Line A
Capital Assets Being Depreciated:				
Buildings	366,041	5,322		371,363
Land Improvements				
Machinery, Equipment and Vehicles	57,546	2,571	2,921	57,196
Library Books and Publications	27,723	2,807	2,306	28,224
Infrastructure	51,544	1,158		52,702
Collections of Works of Art and Historical Treasures.				
Total Capital Assets Being Depreciated	502,854	11,858	5,227	509,485
Less Accumulated Depreciation:				
Buildings	155,702	8,967		164,669
Land Improvements				
Machinery, Equipment and Vehicles	28,452	5,776	2,722	31,506
Library Books and Publications	13,045	2541	2306	13280
Infrastructure	20,352	1,945		22,297
Collections of Works of Art and Historical Treasures.				
Total Accumulated Depreciation	217,551	19,229	5028	231,752
				Line C
Total Capital Assets Being Depreciated, Net	285,303	-7,371	199	277,733
				Line B
Capital Assets, Net	\$ 298,145	\$ 10,224	\$ 4938	\$ 303,431

(Continued)

NOTE: For the year ended June 30, 2006, each college must complete all sections of Schedule F.

SCHEDULE F (Continued)

CAPITAL ASSETS

ANALYSIS OF FY 2006 DEPRECIATION EXPENSE	(in 000s)
Depreciation Expense Reported on Line 21 of B.xls.....	\$ 19,229
Less: Additions to Accumulated Depreciation Reported on Line C on Previous Page.....	<u>19,229</u>
Variance*	<u><u>\$ -0-</u></u>

(Variance should be \$0; if not, please complete the reconciliation below.)

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported above.

Explanation of Reconciling Item(s)	(in 000s)
_____	\$ _____
_____	_____
Total Reconciling Items	<u><u>\$ _____</u></u>

*A variance may occur when there is an insignificant amount of gain or loss on the sale of capital assets included in depreciation expense.

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SCHEDULE G

LIABILITIES AND COMMITMENTS

ACCRUED LIABILITIES

Below, please detail, by subaccount, the balances that are included under the "Accrued Liabilities" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 19 of EXCEL A.xls.

		Accrued Liabilities, as of 06/30/06 (in 000s)
Wages Payable	\$	7,870
Health and Other Fringe Benefits Payable		1,600
Interest Payable		
Other Accrued Liabilities (please specify their nature below by major account category):		

Total.....	\$	9,470
		Line A

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SCHEDULE G (Continued)

SUBSEQUENT EVENTS AND CONTINGENT LIABILITIES

Please briefly describe any significant events occurring subsequent to June 30, 2006 (e.g., bond and note issuances, settlement of material litigation, etc.).

Bond Issues Subsequent to June 30, 2006:

<u>Description of Bond</u>	<u>Date of Issue</u>	<u>Net Interest Cost (%)</u>	<u>Amount (in 000s)</u>
----------------------------	----------------------	------------------------------	-------------------------

Other Subsequent Events (please describe):

Please provide the disclosures required under FASB Statement No. 5, *Accounting for Contingencies*. Please specify the nature of contingencies accrued as liabilities on the Statement of Net Assets, as of June 30, 2006, including dollar amount, in thousands.

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

SCHEDULE G (Continued)

OPERATING AND CAPITAL LEASES

Please provide a schedule of future minimum lease commitments for noncancelable operating leases and capital leases, as of June 30, 2006. The amount reported on Line A should agree with the total of the current and noncurrent portions of the capital lease obligation balance reported on page 23 of the Supplemental Information Package under the "Other Liabilities" account.

	(in 000s)	
Year Ended June 30,	Operating Leases	Capital Leases
2007	\$	\$
2008		
2009		
2010		
2011		
2012 – 2016		
2017 – 2021		
2022 – 2026		
2027 – 2031		
2032 – 2036		
2037 – 2041		
Total Minimum Lease Payments	\$	
Less: Amount Representing Interest.....		()
Present Value of Net Minimum Lease Payments		\$

Line A

The balance of operating lease expenses for fiscal year 2006 reflected in your college's financial statements was (in thousands):

\$ _____

Contingent rents associated with capital leases in the current year were (in thousands):

\$ _____

Please report capital assets balances by category, as of June 30, 2006, that were financed under capital leases.

	Balance, as of 06/30/06 (in 000s)
Land	\$
Buildings.....	
Land Improvements	
Machinery, Equipment and Vehicles.....	
Total.....	\$

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Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

SCHEDULE G (Continued)

COMPENSATED ABSENCES

Please provide a brief description of your college's compensated absences policy. (e.g., rates accrued by employees, vesting rights, amounts paid at termination or retirement, accounting treatment/expenditure recognition policy, etc.)

University employees earn vacation and sick leave benefits based in part on length of service. Vacation pay is fully vested while earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited. The liability and expenses incurred are recorded at year-end as long-term liabilities in the Statement of Net Assets, and as a component of operating expense in the Statement of Revenues, Expenses, and Changes in Net Assets.

SCHEDULE G (Continued)

OTHER LIABILITIES

Below, please detail, by subaccount, the balances that are included under the "Other Liabilities" account on the Statement of Net Assets. The "Total" balance reported on Line A below should agree with the balance reported on Line 22 of EXCEL A.xls, and the "Total" balance reported on Line B below should agree with the balance reported on Line 27 of EXCEL A.xls.

	Other Liabilities, as of 6/30/06 (in 000s)	
	Current Portion	Noncurrent Portion
Claims, Judgments, and Contingencies	\$	\$
Capital Lease Obligations		
Compensated Absences	5,496	6,945
Refunds Payable		
Deposits Held in Custody for Others.....	182	
Advances from Sponsors		
Payroll Withholding Liabilities		
Cash Overdrafts		
Loans Payable		
Liabilities Not Elsewhere Classified (Please specify their nature below by major account category):		
Annuities Payable		1,042

Total.....	\$ 5,678	\$ 7,987
	Line A	Line B

SCHEDULE G (Continued)

REVENUE BONDS AND NOTES

Please report the following information for each outstanding revenue bond/note issuance, as of June 30, 2006. The amount reported as the "Total" on Line A below should agree with the sum of the amounts reported on Lines 23 and 28 of EXCEL A.xls.

Description/Purpose of Bond/Note Issuance	Date of Issue	Interest Rates (%)	Maturing Through (please state the last year)	Outstanding Balance Stated at Carrying Value (in 000s)
2000 General Receipts Bonds	11/15/00	4.75 to 5.75	2016	\$ 3,535
2003 General Receipts Bonds	05/01/03	4.00 to 5.00	2008	2,595
2003 General Receipts Bonds	05/01/03	3.125 to 5.25	2019	10,445
2004 General Receipts Bonds	11/20/04	2.50 to 5.00	2016	7,440
2005 General Receipts Bonds	06/01/05	4.428 to 5.25	2014	6,905
Student Facility Revenue Bonds	06/10/67	4.00 to 5.00	2007	365
2000 General Receipts Bonds	11/15/00	4.75 to 5.75	2016	10,760
2003 General Receipts Bonds	05/01/03	4.00 to 5.00	2007	930
2003 General Receipts Bonds	05/01/03	3.125 to 5.25	2019	5,620
2004 General Receipts Bonds	11/20/04	2.50 to 5.00	2016	29,215
2005 General Receipts Bonds	06/01/05	4.428 to 5.25	2014	21,440
Bond Premium				4,715
Total				<u>\$ 103,965</u>

Line A

Additionally, please provide the future debt service requirements, in the aggregate, for outstanding revenue bonds and notes, as of June 30, 2006. The amount reported on Line B should agree with the amount reported above on Line A.

Year Ended June 30,	(in 000s)		
	Principal	Interest	Total
2007	\$ 9,905	\$ 5,029	\$ 14,934
2008	9,055	4,476	13,531
2009	8,035	3,975	12,010
2010	8,365	3,533	11,898
2011	8,760	3,115	11,875
2012 – 2016	42,150	9,813	51,963
2017 – 2021	12,980	1,343	14,323
2022 – 2026			
2027 – 2031			
2032 – 2036			
2037 – 2041			
Total	\$ 99,250	\$ 31,284	\$ 130,534
Premium / (Discount) .	4,715		
Total	<u>\$ 103,965</u>		

Line B

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SCHEDULE G (Continued)

CERTIFICATES OF PARTICIPATION

Please report the following information for each outstanding certificate of participation issuance, as of June 30, 2006. The amount reported as the "Total" on Line A below should equal the sum of the amounts reported on Lines 24 and 29 of EXCEL A.xls.

Description/Purpose of Certificate Issuance	Date of Issue	Interest Rates (%)	Maturing Through (please state the last year)	Outstanding Balance Stated at Carrying Value (in 000s)
				\$
Total				\$
				Line A

Additionally, please provide the future debt service requirements, in the aggregate, for outstanding certificates of participation issuances, as of June 30, 2006. The amount reported on Line B should agree with the amount reported above on Line A.

Year Ended June 30,	(in 000s)		
	Principal	Interest	Total
2007	\$	\$	\$
2008			
2009			
2010			
2011			
2012 – 2016			
2017 – 2021			
2022 – 2026			
2027 – 2031			
2032 – 2036			
2037 – 2041			
Total	\$	\$	\$
Premium / (Discount) .			
Total	\$		
Line B			

NOTE: For the year ended June 30, 2006, each college must complete Schedule H.

SCHEDULE H

CHANGES IN LONG-TERM LIABILITIES

For each long-term liability account, please report the changes that occurred during the fiscal year (i.e., beginning balance under Column (A), additions for the fiscal year under Column (B), reductions for the fiscal year under Column (C), and the ending balance under Column (D)).

Schedule H should be completed for each liability account comprised of either 1) both a current and noncurrent portion or 2) a noncurrent portion only. Liabilities that are comprised of a current portion only **should not** be reported on Schedule H. In other words, only liabilities that will have balances reported under Columns (E) and (F), or Column (F) only, should be reported on this schedule along with their respective activity for FY 2006. The sum of balances reported under Columns (E) and (F) should equal the amount reported as the ending balance under Column (D).

	(in 000s)				Long-Term Liabilities, as of 06/30/06	
	(A)	(B)	(C)	(D)	(E)	(F)
	Balance 07/01/05*	Additions	Reductions	Balance 06/30/06 <small>Column (D) should equal the sum of Columns (E) and (F)</small>	Current- Due in One Year	Noncurrent- Due in More Than One Year
Intergovernmental Payable	8,318			8,318		8,318
Unearned Revenue						
Revenue Bonds and Notes	114,254		10,290	103,964	10,444	93,520
Certificates of Participation						
Other Liabilities:						
Compensated Absences	12,049	6,510	6,118	12,441	5,496	6,945
Capital Lease Obligations						
Other Annuities Payable	1,049	135	142	1,042		1,042
Total Long-Term Liabilities	\$ 135,670	\$ 6,645	\$ 16,550	\$ 125,765	\$ 15,940	\$ 109,825

* The 07/01/05 opening balances reported above for each liability account should equal the 06/30/05 ending balances for each liability account reported on Schedule H in last year's Supplemental Reporting Package. If not, please explain adjustments to the 07/01/05 opening balance(s) for each liability account below, as may be applicable.

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SCHEDULE I

ADVANCE REFUNDINGS and DEFEASANCE OF DEBT

In accordance with GASB Statement No. 7, please provide the following disclosures on each advance refunding transaction that resulted in the defeasance of debt (including certificates of participation as well as conventional bond/note issuances) during the fiscal year ended June 30, 2006.

- A general description of the transaction. (e.g., date of the transaction, actual/average interest rates of the refunding issue and of the original debt being defeased, dollar amount of the refunding issue, outstanding dollar amount of the defeased debt at time of defeasance, dollar amount of the net proceeds from the refunding and the dollar amount of any available trust monies from the defeased debt used to purchase U.S. government securities placed in an irrevocable trust (if applicable), etc.)

- The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding. (Please report separate dollar amounts (in thousands) for each advance refunding transaction.)

\$ _____

- The economic gain or loss resulting from the transaction. (Please report separate dollar amounts (in thousands) for each advance refunding transaction.)

\$ _____

- The extraordinary gain/(loss) resulting from the transaction. (Please report separate dollar amounts (in thousands) for each advance refunding transaction.)

\$ _____

PRIOR YEARS' DEFEASANCES

What is the balance (in thousands) of debt issuances defeased in substance in prior years that remained outstanding, as of June 30, 2006?

\$ 38,535,000

Prepared by: Dave Hoehner College: Bowling Green State Univ.

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SCHEDULE J

NET ASSETS RESTRICTED FOR NONEXPENDABLE

Please detail below the balances that are reported for your college and its discretely presented component units as "Net Assets Restricted for Nonexpendable." The "Total" balance reported on Line C below should agree with the balance reported on Line 31 of EXCEL A.xls.

Net Assets Restricted for Nonexpendable, as of 06/30/06 (in 000s)			
	College- Primary Government	College's Discretely Presented Component Units	Total
Scholarships and Fellowships	\$	\$ 34,060	\$ 34,060
Research.....		1,503	1,503
Endowments and Quasi-Endowments			
		<u>35,563</u>	<u>35,563</u>
			Line A
Loans, Grants and Other College and University Purposes:			
Loans			
Grants			
Other Net Assets Restricted for Nonexpendable (Please specify their nature below):			
General support of colleges and depart.		13,900	13,900
Property and equipment		1,816	1,816
Endowed chairs and professorships		6,571	6,571
Faculty and staff		1,245	1,245
		<u>23,532</u>	<u>23,532</u>
			Line B
Total			<u>\$ 59,095</u>
			Line C = Line A + Line B

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SCHEDULE K

NET ASSETS RESTRICTED FOR EXPENDABLE

Please detail below the balances that are reported for your college and its discretely presented component units as "Net Assets Restricted for Expendable." The "Total" balance reported on Line C below should agree with the balance reported on Line 32 of EXCEL A.xls.

Net Assets Restricted for Expendable, as of 06/30/06 (in 000s)			
	College- Primary Government	College's Discretely Presented Component Units	Total
Scholarships and Fellowships	\$	\$ 11,017	\$ 11,017
Research.....		671	671
Instructional Department Uses		296	296
Student and Public Services.....			
Academic Support			
Debt Service	380		380
Capital Purposes	16,128	5,505	21,633
Endowments and Quasi-Endowments			
Current Operations			
	<u>16,508</u>	<u>17,489</u>	<u>33,997</u>
			Line A
Loans, Grants and Other College and University Purposes:			
Loans	884		884
Grants			
Other Net Assets Restricted for Nonexpendable (Please specify their nature below):			
General support of colleges and depart.		18,612	18,612
Endowed chairs and professorships		1,659	1,659
	<u>884</u>	<u>20,271</u>	<u>21,155</u>
			Line B
Total			<u>\$ 55,152</u>
			Line C = Line A + Line B

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

SCHEDULE L

PENSION PLAN DISCLOSURES

ALTERNATIVE RETIREMENT PLANS (ARPs)

Please provide the following information on your college's participation in any of the ARPs established under Section 3305.02, Ohio Revised Code, that are available to employees who otherwise would be eligible for participation in the Ohio Public Employees Retirement System (OPERS) plan, or in the State Teachers Retirement System of Ohio (STRS) plan, for the year ended June 30, 2006.

Name of Pension Plan	Dollar Amount of Payroll Covered Under this Plan	Actual Employee Contributions (in 000s)	Actual Employer Contribution Amount (in 000s)	Actual Employer Contribution Amount Expressed as a Percentage of Covered Payroll %
University ARP for employees otherwise eligible for STRS	\$ 18,582,160	\$ 1,858	\$ 2,584	14.0
University ARP for employees otherwise eligible for OPERS	\$ 10,296,604	\$ 875	\$ 1,350	13.1

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Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete Schedule M.

SCHEDULE M

PRIOR PERIOD ADJUSTMENTS

By balance sheet (B/S) account, please report the effects of prior period adjustments on the ending net assets balance, as of June 30, 2005. The amount reported on Line E on page 32 that follows should agree with the balance reported on Line 37 of EXCEL B.xls.

	(in 000s)
Net Assets, as of June 30, 2005, as previously reported	\$ 444,027
	Line A
Adjustments for Changes in Accounting Principle:	
A. Increase/(Decrease) to Assets: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
B. (Increase)/Decrease to Liabilities: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
Net Adjustment for Changes in Accounting Principle	-0-
	Line B
Adjustments for Corrections of Errors:	
A. Increase/(Decrease) to Assets: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
B. (Increase)/Decrease to Liabilities: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
Net Adjustment for Corrections of Errors	-0-
	Line C

(Continued)

NOTE: For the year ended June 30, 2006, each college must complete Schedule M.

SCHEDULE M (Continued)

Adjustments for Other (please indicate reason):	(in 000s)
A. Increase/(Decrease) to Assets: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
B. (Increase)/Decrease to Liabilities: (please specify by B/S account)	
_____	_____
_____	_____
_____	_____
	-0-
	Line D
Total Prior Period Adjustments	-0-
	Line E = Lines B+C+D
Net Assets, July 1, 2005, as restated	\$ 444,027
	Lines A+E

Prepared by: Dave Hoehner College: Bowling Green State Univ.
Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete Schedule N.

SCHEDULE N
TRANSLATION OF REPORTED REVENUES
TO THE STATE'S STATEMENT OF ACTIVITIES

In order for the State to properly report revenues on its Statement of Activities, please reclassify your college's reported revenues into the program revenues and general revenues classifications, as defined in paragraphs 48 through 52 of GASB 34. The revenue amounts reclassified should be reconciled with your college's financial statements using the format below and which continues on page 34. In addition, explanatory footnotes on the revenue classifications for the Statement of Activities can be found on p. 35.

PROGRAM REVENUES:¹	(in 000s)
Charges for Services:²	
Student Tuition and Fees	\$ 145,547
Federal Contracts for University Services	7,446
State Contracts for University Services	1,830
Local Contracts for University Services	26
Private Contracts for University Services	8,660
Sales and Services	8,766
Auxiliary Enterprises	73,898
Hospital	
Other (Please specify by source):	
Loan Fund Int.	143
E&G Other Revenue	1,846
Health Insurance Employee	1,725
Total Charges for Services	\$ 249,887
	Line A
Operating Grants, Contributions and	
Restricted Investment Income:³	
Federal Grants	\$ 11,290
Local Grants	
Private Grants	60
Gifts and Donations.....	7,186
Restricted Investment Income (net of expense)	
Other (Please specify by source):	
State Grants and Contracts	3,238
Foundation –Other Revenue	1,632
Total Operating Grants and Contributions	\$ 23,406
	Line B
Capital Grants, Contributions and	
Restricted Investment Income:⁴	
Federal Grants	\$
Local Grants	
Private Grants	
Gifts and Donations.....	3,692
Restricted Investment Income (net of expense)	
Other (Please specify by source):	
Federal Grants and	73
Contracts	284
State Grants and Contracts	
Total Capital Grants and Contributions	\$ 4,049
	Line C
Total Program Revenues	\$ 277,342
	Line D=Lines A + B + C

NOTE: For the year ended June 30, 2006, each college must complete Schedule N.

SCHEDULE N (Continued)

GENERAL REVENUES:⁵

Unrestricted Investment Earnings	\$ 14,899
State Assistance:	
State Appropriations:	
Instructional	\$ 75,749
Non-Instructional	5,736
Total Instructional & Non-Instructional (Line 22 on B.xls).....	\$ 81,485
Capital Appropriations (Line 31 on B.xls)	1,846
Total State Assistance – State and Capital Appropriations	\$ 83,331
Other General Revenues (Please specify by source):	\$
Private Gifts, Grants and Contracts	2,231
Endowment - Other	53
Plant Additions - Other	60
Total Other	\$ 2,344
Total General Revenues (Unrestricted Investment Earnings, State Assistance, and Other General Revenues)	\$ 100,574

Line E

OTHER CHANGES per EXCEL B.xls:

Additions to the Principal of Permanent and Term Endowments (Line 33 on B.xls)	\$
Special Items (Line 34 on B.xls).....	_____
Extraordinary Items (Line 35 on B.xls)	_____
Total Other Changes	\$

Line F

Total	\$ 377,916
--------------------	-------------------

Line G=Line D + Line E + Line F

REVENUE AND OTHER CHANGES AS REPORTED IN YOUR COLLEGE'S FINANCIAL STATEMENTS (EXCEL B.xls):

Operating Revenues	\$ 258,705
Nonoperating Revenues.....	117,008
Capital Appropriations from State of Ohio.....	1,846
Capital Grants and Gifts	357
Other Changes:	
Additions to the Principal of Permanent and Term Endowments	_____
Special Items.....	_____
Extraordinary Items	_____
Total Revenues and Other Changes Reported in the Financial Statements.....	\$ 377,916

Line H

Balance reported on Line G above	\$
Less: Balance reported on Line H above.....	_____
Variance	\$ -0-

(Variance should be \$0; if not, please complete the reconciliation on the following page, page 35)

NOTE: For the year ended June 30, 2006, each college must complete Schedule N.

SCHEDULE N (Continued)

Below, please reconcile and explain the amount(s) that comprise the variance reported at the bottom of page 34.

Explanation of Reconciling Item(s)	(in 000s)
	\$
	\$
Total Reconciling Items	\$

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

Explanatory Footnotes:

- ¹ Paragraph 48 of GASB 34 defines *program revenue* in general terms as including revenues derived “directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s general revenues.”
- ² As discussed in paragraph 49 of GASB 34, *charges for services* is the term used for a broad category of program revenues that arise from charges to customers, applicants, or others. This type of program revenue includes payments from those who *purchase* goods or services, *use* goods or services, or *directly benefit* by paying for the privilege or authorization to accomplish certain tasks or engage in certain regulated activities. Examples of revenues in this category include fees charged for specific services, licenses and permits, and fines and forfeitures.
- ³ According to paragraph 50 of GASB 34, *operating grants and contributions* category include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for operational costs in a particular program. Examples of revenue in this category include federal grants and private donations. Also, investment earnings that are *legally restricted* to a program should be classified under this program revenue category (paragraph 51 of GASB 34). If a federal grant can be used for either operating expenses or for capital purposes at the reporting government’s discretion, then the grant revenue should be classified as an “operating grant.”
- ⁴ Paragraph 50 of GASB 34 explains that *capital grants and contributions* category include revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for capital purposes — to purchase, construct, or renovate capital assets associated with a specific program. Examples of revenue in this category include federal grants and private donations. Also, investment earnings that are *legally restricted* to a capital-related program should be classified under this program revenue category (paragraph 51 of GASB 34).
- ⁵ According to paragraph 52 of GASB 34, all revenues are *general revenues* unless they are required to be reported as program revenues, as discussed in paragraphs 48 through 51 [i.e., charges for services, program-specific grants and contributions (operating and capital), and restricted investment earnings]. All taxes, even those that are levied for a specific purpose, all other non-tax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues, and gains from the sale of capital assets should be classified as general revenues.

NOTE: For the year ended June 30, 2006, each college must complete Schedule O.

SCHEDULE O

STATE APPROPRIATIONS

Please complete the following reconciliation that compares the balance reported on Line 22, "State Appropriations," on EXCEL B.xls with the balance of instructional and non-instructional subsidies, as reported on the Ohio Board of Regents' (BOR) *Schedule of Subsidy Distribution* report, for the fiscal year ended June 30, 2006.

	<u>(in 000s)</u>	
Balance Reported on Line 22, "State Appropriations"— EXCEL B.xls	\$	81,485
Balance of Instructional and Non-instructional Subsidies, as reported on the Ohio Board of Regents' (BOR) <i>Schedule of Subsidy Distribution</i> report, for the fiscal year ended June 30, 2006	(82,303)
Variance	\$	818
		<u>Line A</u>

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported on Line A above.

<u>Explanation of Reconciling Item(s)</u>	<u>(in 000s)</u>	
Student Support Services	\$	2
Arts & Trans.-Collaborative Elec. Portfolio Pro		70
Econ. Growth Challenge-Research Incentive		269
Coll. R & A – NW Univ. Center of Excellence		50
Capital Component		343
Job Challenge-Incentive Grants		3
Job Challenge-Performance Grants		52
City of Bowling Green Police and Fire		29
Total Reconciling Items.....	\$	818
		<u>Line B</u>

NOTE: THE AMOUNTS REPORTED ON LINES A AND B SHOULD AGREE.

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

NOTE: For the year ended June 30, 2006, each college must complete Schedule P.

SCHEDULE P

**CAPITAL APPROPRIATIONS FROM THE STATE OF OHIO
(HIGHER EDUCATION IMPROVEMENTS FUND — CAS FUND 034)**

Please analyze the balance reported on Line 31 on EXCEL B.xls as follows.

	<u>(in 000s)</u>
FY 2006 Cash Receipts from the State of Ohio -- Disbursed from CAS Fund 034: Higher Education Facilities (as per the download from the CAS* -- Fund 034 Disbursements for FY 06.xls)	\$ 1,888
Add: Construction/Contractor Payables, as of June 30, 2006, Not Paid by the State from Fund 034 Until After June 30, 2006 (as per the download from the CAS* -- Fund 034 Construction Payables, as of 06_30_06.xls)	116
Add: Unreimbursed Construction Costs, as of June 30, 2006, Not Reimbursed by the State Until After June 30, 2006 (as per the download from the CAS* -- Fund 034 Unreimbursed Construction Costs, as of 06_30_06.xls)	802
Less: Construction/Contractor Payables, as of June 30, 2005, Not Paid by the State from Fund 034 Until After June 30, 2005 (as per last year's download from the CAS -- Fund 034 Construction Payables, as of 06_30_05.xls)	(30)
Less: Unreimbursed Construction Costs, as of June 30, 2005, Not Reimbursed by the State Until After June 30, 2005 (as per last year's download from the CAS -- Fund 034 Unreimbursed Construction Costs, as of 06_30_05.xls)	(-0-)
Total State Capital Appropriations Revenue for FY 2006	2,776
Less: Balance Reported on Line 31 of EXCEL B.xls	(1,846)
Variance	\$ 930

Line A

Below, please itemize and explain the reconciling amount(s) that comprise the variance reported on Line A above.

Explanation of Reconciling Item(s)	<u>(in 000s)</u>
Equip. Approp. '03 -100 Equip. Approp. '05 -230	
Capital Component -343 Cap 123 Photoploy Lab +285	\$ 930
Cap 128 Perrysburg Heights +500 Cap 129 Wood Co. Senior +500	
Cap 074 Inst. & Data Process +329 Construction Payable Diff. -11	
Total Reconciling Items	\$ 930

Line B

NOTE: THE AMOUNTS REPORTED ON LINES A AND B SHOULD AGREE.

* In early August 2006, OBM will post on its website the above-listed data downloads that report the dollar amounts payable to your college from the State of Ohio, as of June 30, 2006, for reimbursable construction costs funded with capital appropriations assigned to CAS Fund 034. OBM will notify your college by e-mail when this information becomes available from the OBM website.

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

SCHEDULE Q

SPECIAL AND EXTRAORDINARY ITEMS

Please detail below the amounts reported on Line 34, "Special Items," and Line 35, "Extraordinary Items," of EXCEL B. XLS.

	<u>(in 000s)</u>
SPECIAL ITEMS: (Please specify their nature below)	
_____	\$

Total Special Items Reported on Line 34	<u>\$</u>
EXTRAORDINARY ITEMS: (Please specify their nature below)	
_____	\$

Total Extraordinary Items Reported on Line 35 .	<u>\$</u>

Prepared by: Dave Hoehner College: Bowling Green State Univ.

Phone Number: (419) 372-8599 E-Mail: dhoehne@bgsu.edu Date: October 13, 2006

Board of Trustees
Bowling Green State University

In planning and performing our audit of the financial statements of Bowling Green State University (the University) as of and for the year ended June 30, 2006, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. During our audit, the following matters came to our attention that we believe merit your consideration.

Bookstore Cutoff

There were differences between the bank reconciliation and general ledger related to the bookstore using June 25 as a cutoff instead of June 30 and the timing of paying payroll taxes. As a result, the University prepares an additional reconciliation to tie out the bookstore activity to the general ledger. Also, as a result of the cutoff, there was an audit difference for the revenue and expenses for the last five days of the fiscal year that were not recorded. We recommend the University record bookstore as of the University's fiscal year end of June 30 to ensure balances are properly stated.

Allowance for Doubtful Accounts

The University should establish a method of calculating its allowance for doubtful accounts using factors such as the aging of the receivables, the historical trend of collections, and the accounts sent to collections. In setting up the new computer system, the University should ensure that a proper aging of the receivables can be obtained to facilitate this process.

Construction in Progress

The University has several large projects in construction in progress that can be broken down into phases. The University does not transfer its construction in progress amounts capitalized to a specific asset account until the entire project is complete. The University should review construction in progress projects for timely capitalization to the proper asset account as phases are completed. This will ensure both assets and the related depreciation expense are properly stated.

Arbitrage Rebate Calculation

The University received bond funds for various construction projects that weren't immediately spent. The bond funds were invested in conservative investments. Management informally tracks activity and has noted that the interest revenue does not exceed the interest expense on the bond. The University should, however, perform a formal review and document the arbitrage rebate calculation on bonds issued for the use of construction and asset improvements, in order to ensure the interest earned on the unspent bond proceeds is not greater than the interest expense paid on the outstanding debt.

Title IV Refunds

Without obtaining the authorization of a student or parent under Code of Federal Regulations (CFR) 668.165, the University may use Title IV, HEA program funds to credit a student's account receivable to satisfy current charges for the cost of attendance such as (1) tuition and fees; (2) board, if the student contracts with the institution for board; and (3) room, if the student contracts with the institution for room. After obtaining the appropriate authorization from a student or parent, the University may use Title IV, HEA program funds to credit a student's account to satisfy current charges that are in addition to the charges described above that were incurred for educational related activities. Out of 21 students sampled, 7 had aid that exceeded the cost of attendance and were issued refunds. The refunds were issued within the required 14 days and all 7 students had signed waivers allowing the excess to cover other educationally related charges. Of the 7 students receiving refunds, we noted some charges that were netted prior to refund that were not educationally related, such as parking charges, health center charges and some bookstore charges. Although the amounts were not significant, the University should review refunds prior to issuance to ensure non-educationally related charges are not netted. This will likely only affect the Spring 2007 refunds. Planned changes in the student charging policy should minimize the potential for refunds to be netted of non-educationally related charges effective January 2007.

Other Receivables

The Bursar's Office is responsible for the billing and collection on student accounts. In addition to the student accounts, the Bursar's Office has taken on the additional responsibility of collecting on outside vendor accounts. Outside vendors are given "P" account numbers to use, and the Bursar's office sends out statements and follows up on collection efforts. The accounts are maintained with the student accounts, and the statements are similar to the statements sent to students (no separate invoicing). On occasion, to determine what payment terms and agreements were set up, phone calls have to be made to the different departments, so they can find out how to proceed with the collection. We recommend that the billing and collection processes for outside vendor accounts should be the responsibility of a separate team within either the Bursar's Office or the Business Office. The accounts should be tracked separately within the computer system and not managed with student receivables, and invoicing should be tailored to a business format and not a student's statement.

Grants

In previous years, the grants department was backlogged in closing out and reporting grants due to lean staffing. The University hired a grants manager that has made significant progress in reducing the backlog and reviewing the grants activity. Efforts should continue to review and promptly close grants. In addition, departments should maintain appropriate grant documentation and ensure funds are properly expended with the period of the grants.

During our review of charges to specific grants under OMB Circular A-133, some internal departmental charges did not have an authorized approval signature. The grant's Principle Investigator should authorize all transactions, internal and direct. If the Principle Investigator does not authorize the transaction, the grants manager should review and approve the transaction under the grant terms.

Ohio Revised Code

Athletic Ticket Office

Per the Ohio Revised Code Section 9.38, public money must be deposited with the treasurer or the designated depository on the business day following the day of the receipt. During the testing of cash collections at the Athletic Ticket Office, three out of the twenty-five dates selected had cash that was received, but not deposited timely totaling approximately \$26,000 and up to four days late. Money collected should be tracked and deposited the next business day in order to be compliant with the Ohio Revised Code.

Parking Department

During the cash collection testing of the Ohio Revised Code section 9.38, it was noted that there were two out of ten instances where the deposit slip did not agree to the daily reconciliation detail. Also, for one instance, the register tape was not properly maintained. Proper documentation of transactions should be maintained and reconciled daily to the amount deposited.

Government Owned Vehicles

Ohio Revised Code Compliance Supplement Section 7-5 recommends that the University have a formal policy specifying the use of government owned vehicles, including guidelines for allowable use, specific unallowable uses, reporting, and monitoring. The University follows an informal policy such as maintaining logs and certifying employees' ability to drive. We recommend that the University establish a formal, written policy meeting the Ohio Revised Code requirements in order to prevent the misuse of vehicles.

* * * * *

Board of Trustees
Bowling Green State University

Page 4

This letter is intended solely for the information and use of the Board of Trustees, Audit Committee, management and others within the University and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions at your convenience.

Ernst + Young LLP

October 6, 2006

Report of Independent Auditor on Applying Agreed-Upon Procedures

Dr. Sidney A. Ribeau, President
Bowling Green State University

We have performed the procedures enumerated below, which were agreed to by Bowling Green State University (the University) and the National Collegiate Athletic Association (NCAA), solely to assist you with respect to complying with NCAA bylaws for the year ended June 30, 2006. The University's management is responsible for the accompanying Schedule of Operating Revenues and Expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

I. Schedule of Revenues and Expenditures and Internal Controls

1. We obtained the Schedule of Revenues and Expenditures (Schedule 1) for the Department of Intercollegiate Athletics (the Department) for the year ended June 30, 2006, as prepared by management. We recomputed the subtotal and total line items on Schedule 1 and agreed all amounts on the Schedule 1 to management's detailed worksheets and to the appropriate general ledger accounts. We found no exceptions as a result of these procedures.
2. We performed a comparison of the operating revenues and expenditures per Schedule 1 for fiscal years 2006 and 2005. We obtained management's explanations for variations greater than \$50,000 and 10% of each revenue and expenditure line item in the aggregate as follows:
 - a. Football ticket sales increased by approximately \$153,000 or 32%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that great team expectations, as well as returning marquee players caused an increase in ticket sales for season tickets. Also, there was a rival game played at home that the volume of people combined with the ten dollar increase in tickets caused an increase in revenue.

- b. Football guarantees decreased approximately \$300,000, or 50%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the decrease was due to only 2 game guarantees, when in the previous year there were 4 guarantees. In the prior year, the University of Oklahoma, a large Big 12 school, had a higher guarantee. Guarantees can fluctuate from year to year depending on team schedule.
- c. The football team travel account increased approximately \$61,200, or 32%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the team took 2 charter flights, as opposed to 1 flight last year. Also, a \$33,000 surcharge for gas relating to the flights contributed to the increase.
- d. Football recruiting costs increased approximately \$56,200, or 75%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that there was a need to fill a larger class due to the amount of players that graduated or did not return. Recruiting also had gas and travel expenses which increased during the year.
- e. Football financial aid increased approximately \$218,200, or 16%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that there were more scholarship allotments this year, associated with the larger recruiting class. There is typically an increase in grant-in-aid from year to year, due to increases in tuition and housing expenses. Also, more money was spent during the summer school sessions.
- f. Football equipment increased by approximately \$310,200, or 416%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the increase was due to purchasing a new video editing system for approximately \$300,000. New headsets were also purchased for approximately \$86,000.
- g. Football allocated expenses/other decreased approximately \$255,000, or 127%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that money was loaned to the football team in order to purchase the XOS video system. The transfer contributed to the decrease.
- h. Men's basketball ticket sales decreased by approximately \$56,800, or 29%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the decrease is due to lack of attendance at home games.

- i. Miscellaneous revenue decreased for all categories as a result of a reclassification in the current year. Miscellaneous revenue was partially reclassified into the following categories: Institutional Support, NCAA Distribution, Licensing/Sponsorship, and Stadium Suites. This reclassification was done in order to more accurately align and identify revenues in accordance with the NCAA reporting guidelines.
- j. Other sports team travel increased approximately \$59,600, or 18%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the hockey team flew to Omaha, Nebraska for a playoff game, whereas in the previous year, the University hosted these games. Women's basketball made a deposit for a trip to Cancun, Mexico to be taken in the 2006-07 year. Women's soccer and gymnastics also flew to destinations in order to compete. An overall increase in gas prices also caused an increase in travel expense.
- k. Sports school and camps revenue decreased approximately \$117,500, or 19%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that camp revenue fluctuates widely due to overlapping fiscal years, and to timing issues. A small amount of this decrease was due to a charging error for camp housing.
- l. Non-program specific financial aid increased approximately \$78,000, or 37%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that the NCAA created a new rule in 2004 which allowed student athletes to take up to six hours of college credit in the summer prior to full-time enrollment. More sports were permitted to do this for the 2005-06 year. There are also "Success Challenge" dollars that can be used for summer classes. Therefore, the large fluctuation in student enrollment contributed to the increase.
- m. Non-program specific allocated expenses/other decreased approximately \$1,332,000, or 52%. The decrease is due to the reclassification of allocated expenses into the following categories: Non-Employee Compensation, Facility Rental, Game Guarantees, Stadium Suite Internal Financing, and Sports Camp expenses. This reclassification was done in order to more accurately align and identify revenues in accordance with the NCAA reporting guidelines. The remainder of the change relates mainly to bowl game expenses incurred in the 2004-2005 season (travel, facilities, meals, etc). The University did not participate in a bowl game this year, decreasing the amount of expense.

3. We performed a comparison of actual operating revenues and expenditures per Schedule 1 to the budgeted amounts obtained from management. We obtained management's explanation for variations greater than \$50,000 and 10% of each operating revenue and operating expense line item in the aggregate. They included the following:
 - a. The actual amount for development was under budget by approximately \$87,000 or 16%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that this was due fewer than expected Falcon Club donations.
 - b. The actual amount for sponsorships was under budget by \$65,766 or 14.61%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that this difference was due to the hiring of the new marketing director late in 2005, thus there was less time to secure sponsorships for the football season.
 - c. The actual amount for the basketball season tickets and gate receipts was under budget in total by \$67,933 or 32.35%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that this was due to a poor performing year.
 - d. Expenses for men's expenses basketball were more than budget by \$45,866 and 25.46%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that this was due to having three airplane trips compared to zero trips in the prior year.
 - e. Expenses for football were more than budget by \$80,415 and 12.01%. We were informed by certain officials of the Athletic Department who have responsibility for financial and accounting matters that this was due to having two airplane trips compared to one trip in the prior year. There was also an airplane fuel surcharge, increase in equipment costs, and increase in recruiting efforts that were under budgeted.
4. We obtained a description of accounts and compared classifications of revenues and expenditures to NCAA guidelines. During this review, we noted that miscellaneous revenue and allocated expenses were not in accordance with the percentage of total revenue and expense NCAA guidelines. A portion of miscellaneous revenue and allocated expenses were reclassified to more properly reflect the NCAA classification scheme.

5. We reviewed the extent of documentation of accounting systems and procedures. We also made certain inquiries of management regarding control consciousness, competence of personnel and protection of records and equipment. We tested specific elements of the control environment that were unique to intercollegiate athletics by randomly selecting 25 days in the cash receipts log from July 1, 2005 to June 30, 2006, and noting that each day's cash receipts log was reviewed by the ticket office manager. No exceptions were noted as a result of this procedure.
6. We were informed that the Department follows the University's policies and procedures for acquiring, approving, depreciating, and disposing of assets. Capital assets are recorded at cost at the date of acquisition, or if acquired by gift at the fair value at the date of donation. The University capitalizes all equipment with a cost of \$3,500 or more, and an estimated life of greater than one year. Renovations to buildings that exceed 5% of the cumulative building cost are capitalized. Infrastructure and improvements other than to buildings are capitalized if the cost exceeds \$100,000. Depreciation is recognized on a straight-line basis over the estimated useful life of the asset. When capital assets are sold or otherwise disposed of, the carrying value of such assets is removed from the asset accounts, along with the related accumulated depreciation.
7. The Athletic Department has two outstanding notes payable to the University for the renovation of the stadium suites and the scoreboard. We recalculated the annual maturities and agreed these to supporting documentation and the accounting records. The future amounts of principal and interest payments on the notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$266,461	\$45,369	\$111,831
2008	154,436	31,016	181,285
2009	88,381	23,449	111,830
2010	91,917	19,914	111,830
2011	95,593	16,237	111,830
2012-2014	310,340	25,152	335,492

8. We obtained all the listings of tickets sales for football, hockey, and basketball. We agreed the ticket revenue per Schedule 1 to the total of the event sales report, in which we recomputed the revenue based on ticket prices. We found a \$1,003, or .7% difference in basketball, \$4,522, or .7% difference in football, and a \$(3,331), or (3.2)% difference in hockey ticket sales revenue compared to the Schedule.
9. We agreed student fees reported by the University in Schedule 1 to the amount budgeted for the year. We found no exceptions as a result of these procedures.

10. We randomly selected four game guarantees that were paid to Urbana University, Notre Dame College of Ohio, University of Windsor, and Temple University, and three that were received from Virginia Tech, Boise State University, and the University of Wisconsin, and agreed the amount recorded to the contract; agreed amount received to the check or check remittance; and agreed amount to the University's accounting records. We noted a \$666 difference in the amount of guarantee expense on Schedule 1 to the detail. No other issues were noted.
11. We obtained detail for the direct institutional support. We agreed this to the accounting records, with no exceptions noted.
12. We randomly selected a sample of five concession, program, and parking revenue transactions from a detailed transaction listing. We agreed these to the supporting documentation and cash receipt. We noted no exceptions.
13. We randomly selected a sample of five licensing/sponsorship transactions from a detailed list of transactions. We agreed these to the general ledger and supporting documentation. We noted no exceptions.
14. We randomly selected twenty five individual camp participant payments and compared them to the University's accounting records. We obtained explanations for how revenue is calculated for both internal camps and external camps. We found no exceptions as a result of these procedures.
15. We agreed gift revenue to the cash receipt from the Foundation and to the University's accounting records. We found no exceptions as a result of these procedures.
16. We randomly selected a sample of twenty five student aid recipients from various men's and women's sports. We agreed the amount per the Financial Aid list to the NCAA student records website. We checked the aid award codes with a listing of code descriptions, and confirmed that the aid is an athletic grant. We found no exceptions as a result of these procedures.
17. We agreed tournament revenue for Women's Basketball, Women's Soccer, and Women's Track to the general ledger. In addition, we obtained support for the NCAA distributions, agreeing them to the general ledger. We found no exceptions as a result of these procedures.
18. We randomly selected a sample of ten coaches and support staff employed by the University from various men's and women's sports. We agreed the amounts paid to the contracts, and compared for reasonableness to W-2's and recorded expense per PeopleSoft. We noted a difference of \$1,427 between the contract amount and University records.

19. We randomly selected a sample of ten coaches and support staff employed by the University from various men's and women's sports. We agreed the amounts paid to the contracts, and compared for reasonableness to W-2's and recorded expense per PeopleSoft. We found no exceptions as a result of these procedures.
20. We obtained and documented our understanding of the University's recruiting expense and team travel policies, comparing them to the NCAA policies on a test basis. We found no exceptions as a result of these procedures.
21. We randomly selected a sample of ten equipment expenses and agreed to supporting detail, noting that these were valid equipment expenses. No exceptions were noted.
22. We randomly selected a sample of five game expenses, agreeing them to supporting documentation and the general ledger. We found no exceptions as a result of these procedures.
23. We randomly selected a sample of five sports camp expenses, agreeing them to supporting documentation and the general ledger. We found no exceptions as a result of these procedures.
24. We agreed all facility rentals to the appropriate documentation and general ledger. We found no exceptions as a result of these procedures.
25. We randomly selected a sample of ten other operating expenses to agree to the appropriate documentation and the general ledger. As a result of this test, we found one instance where an expense for recruiting was recorded incorrectly to miscellaneous expense.
26. We compared contributions, received directly by the Athletic Department in excess of 10% of total contributions, to the accounting records of the University. We identified two contributions, \$2,100,000 for the Sebo Athletic Center and \$464,372 from revenue relating to the Falcon Club from the Bowling Green State University Foundation (the Foundation), that exceeded 10% of all contributions for the year ended June 30, 2006.

II. Booster Organizations

- a. We obtained the Schedule of Intercollegiate Athletics Program Support by Booster Organizations for the year ended June 30, 2006 (Schedule 2) from the Foundation.
- b. We obtained a confirmation from the Foundation indicating that Schedule 2 was the complete schedule of contributions made to the Athletic Department.

- c. We agreed beginning cash balances to the prior year schedule and ending balances to the Foundation's accounting records. The amounts included in Schedule 2 are not included in Schedule 1 unless contributed directly to the University by the outside organization. We found no exceptions as a result of these procedures.
- d. We received the audited financial statements of the Foundation, which administers the booster organizations, for the year ended June 30, 2006, which reflected an unqualified opinion.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items, including Schedule 1 and Schedule 2 or on the effectiveness of the internal control over financial reporting, respectively. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Bowling Green State University and the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

October 6, 2006

Bowling Green State University
Intercollegiate Athletics Department
Schedule of Operating Revenues and Expenditures
Year Ended June 30, 2006

	Men's <u>Football</u>	Men's <u>Basketball</u>	Men's <u>Hockey</u>	Other <u>Sports</u>	Non-Program <u>Specific</u>	<u>Total</u>
Operating Revenue:						
Ticket Sales	\$ 632,451.00	\$ 142,067.00	\$ 169,643.00	\$ 24,792.00	-	\$ 968,953.00
Post Season Game Proceeds	-	-	-	13,556.64	-	13,556.64
Concessions	14,575.45	3,570.53	7,588.45	7,505.60	-	33,240.03
Student Activity Fees	-	-	-	-	\$ 8,624,189.00	8,624,189.00
Institutional Support	-	-	-	-	398,873.00	398,873.00
Game Guarantees	300,000.00	70,000.00	-	-	-	370,000.00
NCAA Distribution	-	-	-	-	727,285.00	727,285.00
Licensing/Sponsorships	-	-	-	-	532,577.88	532,577.88
Programs	7,570.17	1,045.10	1,151.26	705.18	-	10,471.71
Advertising	17,322.50	5,330.00	3,997.50	-	-	26,650.00
Parking	31,680.00	-	13,715.00	-	-	45,395.00
Stadium Suites	-	-	-	-	146,785.00	146,785.00
Gifts	-	-	-	-	462,675.00	462,675.00
Sports Schools & Camps	-	-	-	-	486,724.92	486,724.92
Miscellaneous	22,981.00	-	200.00	5,000.00	556,672.20	584,853.20
Total Operating Revenues	1,026,580.12	222,012.63	196,295.21	51,559.42	11,935,782.00	13,432,229.38
Operating Expenditures:						
Coaches' Salaries	741,577.19	269,197.85	202,616.46	944,135.96	-	2,157,527.46
Other Salaries	34,652.51	2,184.62	-	34,272.96	1,690,063.87	1,761,173.96
Staff Benefits	197,314.34	71,382.30	54,617.92	281,881.40	436,750.04	1,041,946.00
Non-Employee Comp. (Game Officials)	35,650.00	34,065.00	23,160.00	57,480.00	-	150,355.00
Films	1,619.20	347.75	131.83	19.60	-	2,118.38
Travel:						
Team	250,781.60	92,154.51	59,092.45	384,615.22	-	786,643.78
Recruiting	131,311.86	45,993.44	37,249.70	91,549.60	-	306,104.60
Financial Aid	1,594,798.00	214,703.00	387,801.00	2,220,789.00	289,438.13	4,707,529.13
Equipment	384,748.43	17,151.92	72,185.20	121,987.69	140,473.08	736,546.32
Facility Rental	-	-	-	-	191,655.00	191,655.00
Game Guarantees	-	-	-	-	107,166.20	107,166.20
Stadium Suites Internal Financing	-	-	-	-	200,000.00	200,000.00
Sports Camps	-	-	-	-	571,388.92	571,388.92
Allocated Expenses	(54,146.12)	36,283.94	30,248.75	89,860.76	1,246,098.19	1,348,345.52
Total Operating Expenses	3,318,307.01	783,464.33	867,103.31	4,226,592.19	4,873,033.43	14,068,500.27
Operating Revenues over (under) Expenditures	\$ (2,291,726.89)	\$ (561,451.70)	\$ (670,808.10)	\$ (4,175,032.77)	\$ 7,062,748.57	\$ (636,270.89)

Bowling Green State University
Schedule of Intercollegiate Athletics Program Support By Booster Org.
Year Ended June 30, 2006

Booster Organization	Beginning Fund Balance	Adjustments	Receipts	Disbursements on behalf of program	Ending Fund Balance
Alumni/Athletics Endowment	\$ 73,856.61		\$ 2,430.47	\$ (1,995.95)	\$ 74,291.13
Athletic Fitness & Weight Room	37.00		0.10	-	37.10
Athletic Golf Fund	112,265.12		104,438.71	(47,947.33)	168,756.50
Athletic Promotions	(0.00)		-	-	(0.00)
Athletics Special Events	26,829.12		127,650.90	(188,796.73)	(34,316.71)
Baseball	3,316.88		50,400.15	(43,859.71)	9,857.32
Baseball/Softball Locker Room Project	-		16,272.01	-	16,272.01
Bernard A. Frick Endow. For Athl. Training	27,476.26		1,517.18	-	28,993.44
BGSU Cheerleading	1,036.30		156.12	-	1,192.42
Bob & Karen Sebo Schol.	230,325.11		12,588.84	-	242,913.95
Cara Whelan Wilson Schol.	1,979.12		3.98	-	1,983.10
Carl C. Bachman Scholarship	57,298.43		3,083.77	(3,000.00)	57,382.20
Chet Boyer Memorial Fund	1,181.76		2.39	-	1,184.15
Coaches Excellence	287,372.64		25,921.35	(38,180.43)	275,113.56
Convocation Center	99,460.63		(447.57)	(99,460.23)	(447.17)
Creason-Piper Endowed Scholarship	108,327.74		128,061.68	-	236,389.42
Dewey & Ellen Fuller Schol.	55,947.07		3,011.51	-	58,958.58
Don Cunningham Memorial	44,327.30		8,646.40	(600.00)	52,373.70
Doyt & Loretta Perry Documentary	(22.80)		22.80	-	-
Doyt & Loretta Perry Schol.	210,371.98		11,505.01	(9,778.00)	212,098.99
Earl E. Rupright Basketball Schol.	24,160.79		1,278.62	-	25,439.41
Edway & Geraldine Johnson Schol for Sci	25,872.63		1,482.10	-	27,354.73
Falcon Club	500,578.46		379,900.02	(446,603.20)	433,875.28
Falcon Club Athletic Schol.	125,184.67		36,451.89	(3,391.00)	158,245.56
Falcon Club Endw for Womens Athletics	28,611.93		9,022.04	-	37,633.97
Falcon Club-Operating	(10,305.80)		4,356.10	(16,554.60)	(22,504.30)
Falcon Club-Reserve	(0.06)		(5.52)	(1,226.00)	(1,231.58)
Falcon Women's Ldrship Athletic Fund	(4,201.86)		117.55	(564.56)	(4,648.87)
Football	36,793.06		112,177.02	(134,318.44)	14,651.64
George H. & Ruthanna Frack Endwd Schol	102,276.63		5,351.17	(79.14)	107,548.66
Glenn Sharp Schol.	71,273.42		25,083.22	(21,465.67)	74,890.97
Gregory I. Brooks Soccer Schol.	24,922.27		1,344.83	(750.00)	25,517.10
Gymnastics	6,555.60		18,826.34	(18,773.51)	6,608.43
Harms Cross Country Schol.	43,009.49		2,278.53	(1,628.56)	43,659.46
Helen & Willard Schaller Schol.	18,864.79		1,015.00	-	19,879.79
Hockey Memorial Fund	5,469.38		60.48	-	5,529.86
Hockey Renovation Fund	3,453.99		2,619.75	(6,000.00)	73.74
Hodge Family Soccer Schol.	14,627.20		795.75	-	15,422.95
Ice Hockey	19,541.66		51,124.64	(59,950.12)	10,716.18
Intercollegiate Athletics Dept.	22,430.03		201,909.22	(213,742.70)	10,596.55
John & Diane McNutt Schol.	12,573.63		194.27	-	12,767.90
John Weinert Schol.	17,231.67		1,153.53	(1,000.00)	17,385.20
Joyce S. Hof Schol.	37,939.54		2,824.60	-	40,764.14
Lanny L. Miles Memorial Schol.	84,526.49		12,289.19	(4,000.00)	92,815.68
Larry & Sharon Barnett Schol.	48,451.40		2,607.80	-	51,059.20
Leslie Ann Dawley Memorial Fund	1,137.18		202.70	-	1,339.88
Mark A. Brecklen Athletics/Football	3,595.77		5,019.03	(8,792.06)	(177.26)
Mary E. Crawford Memorial Scholarship	28,572.26		1,575.82	-	30,148.08
Medical Mutual of Ohio CHAMPS Endow.	66,295.93		24,297.46	(1,708.00)	88,885.39
Mel Brodt Track & Cross Country Schol.	35,864.53		5,741.52	(1,152.00)	40,454.05
Men's Basketball	(2,946.13)		36,563.70	(71,435.99)	(37,818.42)
Men's Basketball Int'l. Travel	1,851.28		3.71	-	1,854.99
Men's Cross Country	2,739.53		3,496.85	(1,769.20)	4,467.18
Men's Golf	3,832.15		8,309.71	(12,912.40)	(770.54)
Men's Soccer	5,952.59		31,774.71	(30,024.21)	7,703.09
Men's Tennis	477.29		101.58	-	578.87
Men's Track	(41.12)		(0.37)	-	(41.49)
Mickey & Patricia Cochrane Schol.	43,951.02		2,428.35	(1,750.00)	44,629.37
Perry Stadium Enhancement	6,137.85		(6,165.47)	-	(27.62)
Samuel M. Cooper Athletic Schol.	28,390.67		1,565.39	-	29,956.06
Scholar Athlete Recognition Fund	62,066.89		14,147.27	-	76,214.16
Sebo Athletic Center	477,765.73		2,922,703.88	(2,100,302.00)	1,300,167.61
Soccer Stadium	(7.05)		(0.06)	-	(7.11)
Softball	11,762.80		15,848.96	(18,947.98)	8,663.78

Booster Organization	Beginning Fund Balance	Adjustments	Receipts	Disbursements on behalf of program	Ending Fund Balance
Stadium Club	\$ 4,234.40		\$ 95,370.97	\$ (13,714.63)	\$ 85,890.74
Stadium Lights Project	594.65		(594.65)	-	-
Stadium Scoreboard Fund	39.63		0.07	-	39.70
Stadium Suites	208.75		208,589.23	(148,420.00)	60,377.98
Swimming	1,546.78		27,148.50	(26,693.90)	2,001.38
Training Room Enhancement	438.89		100.39	(469.99)	69.29
University Athletic Endowment	804,311.48		43,416.30	(19,473.24)	828,254.54
Varsity BG Club	33,011.77		7,815.17	(6,040.55)	34,786.39
Verlin Lee Science Educators Schol in ICA	30,780.52		1,649.90	(1,100.00)	31,330.42
Vivian Endowed Hockey Schol.	117,507.32		6,396.43	-	123,903.75
Volleyball	8,246.11		14,887.50	(9,740.03)	13,393.58
William J. Lloyd Athletic Award	75,474.77		4,226.08	-	79,700.85
Women's Basketball	11,912.83		49,560.74	(34,130.57)	27,343.00
Women's Cross Country	2,514.22		3,666.51	(2,202.36)	3,978.37
Women's Golf	12,055.25		11,745.78	(19,000.12)	4,800.91
Women's Soccer	2,997.17		13,822.86	(11,645.65)	5,174.38
Women's Tennis	4,124.22		6,897.98	(9,741.35)	1,280.85
Women's Track	12,724.84		11,996.84	(19,036.12)	5,685.56
	\$ 4,501,350.05	-	\$ 4,943,835.28	\$ (3,933,868.23)	\$ 5,511,317.10



**Auditor of State
Betty Montgomery**

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BOWLING GREEN STATE UNIVERSITY

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 11, 2007**