

**Bowling Green State University
National Collegiate Athletics Association**

Agreed-upon Procedures Report
RELATED TO NCAA CONSTITUTION 3.2.4.15
June 30, 2017



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountant's Report on the Application of Agreed-upon Procedures* of the Bowling Green State University NCAA Report, Wood County, prepared by Plante & Moran, PLLC, for the period July 1, 2016 through June 30, 2017.

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 "Dave Yost".

Dave Yost
Auditor of State

November 1, 2017

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Bowling Green State University National Collegiate Athletics Association Report

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Independent Accountant's Report on
the Application of Agreed-upon Procedures

Dr. Mary Ellen Mazey, Ph.D.
Bowling Green State University

We have performed the procedures enumerated below, which were agreed to by the president of Bowling Green State University (the "Institution"), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program statement of revenue and expenses of Bowling Green State University is in compliance with the National Collegiate Athletics Association (NCAA), Constitution 3.2.4.15 for the year ended June 30, 2017. Bowling Green State University's management is responsible for the statement of revenue and expenses (the "statement") and the statement's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those 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.

Agreed-upon Procedures Related to the Statement of Revenue and Expenses

The procedures that we performed and our results are as follows:

Internal Control Structure

A. In preparation for our procedures related to the Institution's internal control structure:

- 1) We met with Jim Elsasser, associate athletic director for internal affairs and inquired about the general control environment over intercollegiate athletic finances, the level of control consciousness in the Institution, the competence of personnel, and the protection of records and equipment.
- 2) We obtained the University's audited financial statements for the year ended June 30, 2017 and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the internal control structure.
- 3) We obtained any documentation of the accounting systems and procedures unique to the Intercollegiate Athletics Department.
- 4) Cash disbursements and athletic employee payroll are addressed in connection with the audit of the Institution's financial statements. The ticket sale control environment and accounting systems are (a) unique to the intercollegiate athletics and (b) have not been addressed in connection with the audit of the University's financial statements. We performed the following procedures:

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Procedure: We selected one game and tested the ticket collections per the receipting process for such game to the reconciliation and documentation of the related cash deposit amount with the bank.

Results: We noted no exceptions. The receipts were agreed to remittance advices or copies of checks and to the deposit amount with the business office and bank, respectively.

The ticket cash receipt amount for the one transaction was as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
February 7, 2017	Men's Basketball	\$ 8,106.00

NCAA Reporting

B. **Procedure:** The Financial Report Submission to the NCAA is due on January 15, 2018. We obtained the financial data detailing operating revenue, expenses, and capital related to the Institution's intercollegiate athletics program that will be submitted to NCAA and agreed the amounts to the Intercollegiate Athletics Program statement of revenue and expenses included in the agreed-upon procedures for the reporting period.

Results: We noted no discrepancies.

C. **Procedure:** We agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Institution.

Results: We noted no discrepancies in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists.

D. **Procedure:** We obtained the Institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the Institution meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and number of participants in each contest that are counted toward meeting the minimum contest requirement. We ensured that the Institution has properly reported these countable sports for revenue distribution purposes.

Results: We noted no discrepancies in the countable sports for funding purposes between the NCAA Membership Financial Reporting System and the supporting documentation.

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- E. **Procedure:** We agreed the total number of Division I student athletes, who, during the academic year, received a Pell Grant award, and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the Institution's financial aid records of all student athlete Pell Grants.

Results: Out of 60 student athletes tested in step NI below, only 16 received Pell Grants. Of the 16 student athletes selected for testing that received Pell Grants, we noted no discrepancies in the Pell Grant award reported in the NCAA Membership Financial Reporting System to amounts reported in the Institution's financial aid records.

Notes, Disclosures, and Other Procedures

- F. **Procedure:** We obtained and described the Institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets in Note 2 to the statement. We obtained a schedule of athletics-related capital expenditures made by athletics, the Institution, and affiliated organizations during the period. We agreed the schedule to the Institution's general ledger. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording.

Results: We noted no exceptions. The following asset addition was selected for testing:

<u>Acquisition Date</u>	<u>Description</u>	<u>Asset Cost</u>
September 7, 2016	John Deere Turf Tires	\$ 5,767

- G. **Procedure:** We obtained repayment schedules for all outstanding intercollegiate athletics debt maintained by the Institution during the reporting period. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained and agreed the total annual maturities to supporting documentation and the Institution's general ledger, as applicable. The repayment schedule should be included in the notes to the statement. We agreed total outstanding institutional debt to supporting documentation and the Institution's audited financial statements or the Institution's general ledger. The intercollegiate athletics debt is disclosed in Note 3 to the statement.

Results: We noted no exceptions.

- H. **Procedure:** We obtained general ledger detail and were asked to compare it to the total expenses reported for excess transfers to the Institution and conference realignment expenses and select a sample of one transaction, if applicable.

Results: This step is not applicable to Bowling Green State University because there were no expenses reported for excess transfers to the Institution for NCAA in the current year.

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- I. **Procedure:** We obtained and disclosed significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds. Significant is defined as exceeding 10 percent of total contributions. We obtained and disclosed the value of endowments at fiscal year end that are dedicated to the sole support of athletics. We obtained and disclosed the value of all pledges at fiscal year end that support athletics. We obtained and disclosed the athletics department's fiscal year-end fund balance. We will agree the fair market value of the schedule(s) to supporting documentation, the general ledger(s), and the audited financial statements, if available. We will agree the total fair market value of institutional endowments to supporting documentation, the Institution's general ledger, and/or audited financial statements, if available.

Results: See Notes 1 and 4 for disclosures. We obtained the information from BGSU Foundation with detailed supporting schedules.

Statement of Revenue and Expenses

- J. **Procedure:** We obtained the Intercollegiate Athletics Program statement of revenue and expenses for the reporting period, prepared by management, and agreed all amounts back to the Institution's general ledger.

Results: Procedures were performed without exception.

- K. **Procedure:** We agreed each revenue and expense amount from the statement to prior year amounts and budget estimates. We compared revenue and expense accounts over 10 percent of the total revenue or expenses to prior period amounts and budget estimates. We obtained and documented an understanding of any variations exceeding 10 percent.

Results: See Appendix A.

- L. **Procedure:** We performed additional procedures on the following revenue and expense categories, unless the specific reporting category is less than 4 percent of total revenue or expenses.

Results: See procedures below.

Revenue

- M. **Procedure:** We agreed each revenue reported in the statement during the reporting period to supporting schedules provided by the Institution. We compared a sample of operating revenue receipts obtained from the supporting schedules to supporting documentation as described in the procedures below.

Results: The supporting schedules provided by the Institution agreed to the statement without exception.

We performed the following procedures for the indicated revenue category:

1) Ticket Sales

Procedure: We compared and agreed tickets sold during the reporting period, including complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Institution in the statement and related attendance figures and recalculated totals.

Results: Procedure was performed without exception.

2) Student Fees

Procedure: We compared and agreed student fees reported by the Institution in the statement for the reporting period to student enrollments during the same reporting period. We obtained the Institution's methodology for allocating student fees to intercollegiate athletics programs and recalculated totals. We recalculated the total student fees counted as generated revenue and tied the calculation to supporting documentation.

Results: We noted the budgeted amount for student fees approved by the Institution was \$12,653,646. We noted that the actual variance between budget and collections is absorbed each year by the Institution. In the current year, the statement of revenue and expenses reflects the budgeted amount.

3) Direct Institutional Support

Procedure: We compared and agreed the direct institutional support recorded by the Institution during the reporting period to correspondence with the budget office for the approval and authorization of direct institutional support.

Results: In the current year, the Institution approved \$3,228,600 of institutional support for athletics. The amount was approved at a financial group meeting.

4) Guarantees

Procedure: We selected a sample of five settlement reports for away games and contractual agreements pertaining to revenue derived from guaranteed contests during the reporting period and agreed each selection to the Institution's general ledger. We recalculated totals. We agreed a sample of five contractual agreements obtained from revenue supporting schedules to supporting documentation, which included the agreement to the related contractual agreement, payment received by the Institution, and the Institution's general ledger.

Results: We selected the following games/agreements:

<u>Event Date</u>	<u>Sporting Event</u>	<u>Guarantee Amount</u>
November 13, 2016	Men's Basketball - South Dakota State	\$ 12,000
September 24, 2016	Men's Football - University of Memphis	200,000
September 3, 2016	Men's Football - Ohio State	752,020
February 17, 2017	Men's Baseball - Texas A & M	18,000
December 11, 2016	Women's Basketball - Virginia Tech	22,000

We obtained the respective contractual agreements, agreed amounts to the contracts, and agreed amounts to the Institution's general ledger. Procedure was performed without exception.

5) Contributions

Procedure: We obtained supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency, or group of individuals that constitute 10 percent or more in aggregate of all contributions received for intercollegiate athletics during the reporting periods.

Results: We obtained the general ledger detail for contribution revenue and identified two contributions over 10 percent. We agreed the contributions to the disbursement requests from Bowling Green State University Foundation, noting the donors were Intertec Corporation and William D. Frack. See Note I for contributions over 10 percent.

6) NCAA Distributions

Procedure: We were asked to compare and agree the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

Results: NCAA Distributions were less than 4 percent of total revenue, so this procedure was not performed.

7) Conference Distributions

Procedure: We obtained and inspected three agreements related to the Institution's conference distributions and participation in revenue from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. We compared the related revenue to the Institution's general ledger.

Results: We selected the following distributions:

<u>Date</u>	<u>Program</u>	<u>Distribution Amount</u>
June 16, 2017	Mid Amerian Conference Year End Distribution	\$ 1,275,000
June 20, 2017	MBB Distribution	137,850
June 20, 2017	ICA - MAC Distribution	337,500

We agreed the above distributions to payment detail and traced the deposits to bank statements. Procedure was performed without exception.

8) Program Sales, Concessions, Novelty Sales, and Parking

Procedure: We were asked to agree related revenue to the Institution's general ledger detail of program sales, concessions, novelty sales, parking, and other corroborative supporting documents and recalculate totals.

Results: Program sales, concessions, novelty sales, and parking were less than 4 percent of total revenue, so this procedure was not performed.

9) Royalties, Licensing, Advertisements, and Sponsorships

Procedure: We were asked to obtain and inspect all agreements related to the Institution's participation in revenue from royalties, advertisements, and sponsorships during the reporting period. We were asked to agree the related revenue to the Institution's general ledger and/or the statement. We were also asked to recalculate totals.

Results: Royalties, licensing, advertisements, and sponsorships were less than 4 percent of total revenue, so this procedure was not performed.

10) Sports Camp Revenue

Procedure: We were asked to inspect all sports camp contracts between the Institution and person(s) conducting the Institution sports camps or clinics during the reporting period. We were asked to obtain schedules of camp participants. We were asked to select a sample of one individual camp participant's cash receipts from the schedule of sports camp participants and to agree each selection to the Institution's general ledger and recalculate totals.

Results: Sports camp revenue was less than 4 percent of total revenue, so this procedure was not performed.

11) Athletics Restricted Endowment and Investment Income

Procedure: We were asked to obtain and inspect endowment agreements. We were asked to agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement. We were also asked to recalculate totals.

Results: Athletics restricted endowment and investment income were less than 4 percent of total revenue, so this procedure was not performed.

12) Bowl Revenue

Procedure: We were asked to obtain and inspect agreements related to the Institution's revenue from post-season bowl participation during the reporting period to gain an understanding of the relevant terms and conditions. We were asked to compare and agree the related revenue to the Institution's general ledger and recalculate totals.

Results: Bowl revenue was less than 4 percent of total revenue, so this procedure was not performed.

13) Other

Procedure: We were asked to agree other revenue to the Institution's general ledger and the statement and recalculate totals.

Results: Other revenue was less than 4 percent of total revenue, so this procedure was not performed.

Expenses

N. **Procedure:** We agreed each expense reported in the statement during the reporting period to supporting schedules provided by the Institution.

Results: The supporting schedules provided by the Institution agreed to the statement without exception.

We performed the following procedures for the indicated expense category, unless the specific category was less than 4 percent of total expenses:

I) Athletic Student Aid

Procedure: We obtained individual student account detail for each selection and agreed total aid in the Institution's student system to student detail in the NCAA's Compliance Assistant software or the Institution's report that ties directly to the NCAA Membership Financial Reporting System.

- a. We performed a check of each student selected to ensure that his or her information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
 - i. The equivalency value for each student athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount, which is the total cost for tuition, fees, books, room, and board for an academic year, as the denominator. If using the NCAA's Compliance Assistant software, this equivalency value should already be calculated on that squad list labeled "Rev. Dist. Equivalent Award."
 - ii. Student athlete participants can only be included in one sport. NCAA's Compliance Assistant software will place an asterisk by the student athlete within the sport that is not countable towards the grants-in-aid revenue distribution per sport hierarchy listed in the Division I manual.
 - iii. All equivalency calculations should be rounded to two decimal places. The NCAA's Compliance Assistant software and the online summary form will automatically round to two decimal places.
 - iv. The full grant amount should be the full cost of tuition for an academic year, not a semester. The "Period of Award" column on the NCAA's Compliance Assistance squad list can identify those student athletes receiving aid for a particular semester.

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- v. If a sport is discontinued and the grant(s) are still being honored by the Institution, the grant(s) are included in the student athlete's aid for revenue distribution purposes.
 - vi. Student athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student athlete aid total and correctly noted on the squad list.
 - vii. Only athletic aid awarded in sports in which NCAA conducts championship competitions, emerging sports for women, and FBS football should be included in the calculations.
 - viii. If a selected student received a Pell Grant, ensure that the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the Institution.
 - ix. If a selected student received a Pell Grant, ensure that the student's grant was included in the total number and total value of Pell Grants reported for revenue distribution purposes in the NCAA Membership Financial Reporting System.
- b. We recalculated totals for each sport and overall.

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Results: The total amount of student aid from the squad list agreed within \$60,062 to the amount of student financial aid included in the statement of revenue and expenditures of \$6,666,241.27. We noted an amount of \$292,092 for books, summer debit cards, and preseason housing included in the student financial aid amount reported on the statement of revenue and expenditures. This portion was not agreed to student award letters because books and preseason housing amounts are not included in student award letters. We discussed with management and noted the \$60,062 difference is due to students receiving funds for internships through the athletic department as well as additional aid for scholarships not related to athletic aid. The students' accounts selected are summarized below:

Student Tested	Amount Awarded	Student Tested	Amount Awarded
1	\$ 29,562	31	\$ 10,000
2	16,500	32	29,762
3	20,790	33	4,369
4	20,790	34	29,012
5	30,762	35	8,000
6	14,116	36	13,600
7	28,762	37	28,126
8	14,716	38	17,000
9	10,738	39	30,084
10	31,862	40	23,226
11	7,817	41	29,012
12	20,590	42	30,762
13	23,994	43	29,012
14	24,326	44	29,862
15	17,000	45	14,506
16	31,862	46	14,063
17	21,476	47	20,000
18	28,126	48	22,826
19	30,762	49	29,012
20	29,012	50	10,000
21	21,476	51	31,862
22	29,762	52	30,762
23	29,762	53	17,000
24	29,012	54	22,326
25	12,527	55	28,326
26	14,000	56	28,126
27	14,000	57	29,012
28	20,200	58	30,432
29	18,790	59	20,790
30	18,800	60	30,762

Of the 60 students selected for testing above, 16 of them received Pell Grants. We traced their Pell Grants awarded from the student financial aid detail to inclusion in the total number and total value of Pell Grants reported in the Compliance Assistant. Additionally, two of the students tested were graduate students that received athletic aid for work performed for the athletic department. The University could not supply award letters or contracts for these students to agree the amount of aid they received. All other procedures were performed without exception.

2) Guarantees

Procedure: We were asked to obtain and inspect five away-game settlement reports received by the Institution during the reporting period and agree related expenses to the Institution's general ledger. We were asked to obtain and inspect all contractual agreements pertaining to expenses recorded by the Institution from guaranteed contests during the reporting period. We were asked to compare and agree related amounts expensed by the Institution during the reporting period to the Institution's general ledger and recalculate totals.

Results: Expense guarantees were less than 4 percent of total expenses, so this procedure was not performed.

3) Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities

Procedure: We obtained and inspected a listing of coaches employed by the Institution and related entities during the reporting period. We selected a sample of five coaches' contracts, including football and men's and women's basketball coaches from the above listing. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Institution and related entities in the statement during the reporting period. We obtained and inspected payroll summary registers for the reporting year. We compared and agreed payroll summary registers to the related coaching salaries, benefits, and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period and recalculated totals. We compared and agreed the totals recorded to any employment contracts executed for the sample selected.

Results: We selected coaching contracts from the following programs:

<u>Coach</u>	<u>Program</u>
1	Men's Basketball
2	Men's Football
3	Men's Hockey
4	Women's Basketball
5	Women's Softball

Procedures were performed with the exception of two cell phone authorization forms and one car allowance authorization form. For two of the samples above, we were unable to agree the cell phone stipend to supporting documentation. In addition, we were unable to agree one car allowance to supporting documentation. We noted no other exceptions.

4) Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities

Procedure: We selected a sample of five support staff/administrative personnel employed by the Institution and related entities during the reporting period. We obtained and inspected payroll summary registers for each selection. We agreed related payroll summary registers to the related support staff/administrative salaries, benefits, and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period. We also recalculated totals.

Results: We selected staff from the following programs:

<u>Staff</u>	<u>Staff Title</u>	<u>Program</u>
1	Senior Associate Athletic Director/Administrator	Nonprogram specific
2	Assistant Athletic Director for Sports Medicine	Nonprogram specific
3	Assistant Athletic Director for Athletic Communications	Nonprogram specific
4	Assistant Athletic Director of Ticket Operations	Nonprogram specific
5	Head Strength and Conditioning Coach for Football	Men's Football

Procedure was performed without exception.

5) Recruiting

Procedure: We were asked to obtain the Institution's recruiting expense policies. We were asked to compare and agree to NCAA-related policies. We were asked to obtain general ledger detail and agree it to the total expenses reported.

Results: Recruiting expenses were less than 4 percent of total expenses, so this procedure was not performed.

6) Team Travel

Procedure: We obtained the Institution's team travel policies. We agreed it to NCAA-related policies. We obtained general ledger detail and agreed to the total expenses reported.

Results: Procedure was performed without exception.

7) Equipment, Uniforms, and Supplies

Procedure: We obtained general ledger detail and agreed to the total expenses reported. We agreed a sample of one transaction to validate the existence of the transaction and accuracy of recording. We agreed it to supporting invoice and recalculated totals.

Results: We selected the following transaction:

<u>Date</u>	<u>Program</u>	<u>Expense Description</u>	<u>Expense Amount</u>
February 1, 2017	Men's Football	Jerseys for Football Team	\$ 19,939

Procedure was performed without exception.

8) Game Expenses

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction and to validate existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Game expenses were less than 4 percent of total expenses, so this procedure was not performed.

9) Sports Camp Expenses

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction to validate existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Sports camp expenses were less than 4 percent of total expenses, so this procedure was not performed.

10) Athletic Facility Debt Service, Leases, and Rental Fees

Procedure: We were asked to obtain a listing of debt service schedules, lease payments, and rental fees for athletic facilities for the reporting year. We were asked to compare and agree a sample of three facility payments, including the top two highest facility payments, to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). We were asked to compare and agree amounts recorded to amounts listed in the general ledger detail and recalculate totals.

Results: Athletic facility debt service, leases, and rental fee expenses were less than 4 percent of total expenses, so this procedure was not performed.

11) Direct Overhead and Administrative Support

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to select a sample of five transactions to validate existence of the transactions and accuracy of recording. We were asked to agree it to supporting invoices and recalculate totals.

Results: Direct overhead and administrative support expenses were less than 4 percent of total expenses, so this procedure was not performed.

12) Indirect Institutional Support

Procedure: We tested this with the revenue section, Indirect Institutional Support.

Results: Procedure was performed without exception.

13) Medical Expenses and Medical Insurance

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction to validate the existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Medical expenses and medical insurance expenses were less than 4 percent of total expenses, so this procedure was not performed.

14) Memberships and Dues

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction to validate the existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Memberships and dues were less than 4 percent of total expenses, so this procedure was not performed.

15) Student Athletic Meals (Nontravel)

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction to validate the existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Student athletic meals were less than 4 percent of total expenses, so this procedure was not performed.

16) Bowl Expenses

Procedure: We were asked to obtain general ledger detail and agree it to the total expenses reported. We were asked to agree a sample of one transaction to validate the existence of the transaction and accuracy of recording. We were asked to agree supporting invoice and recalculate totals.

Results: Bowl expenses were less than 4 percent of total expenses, so this procedure was not performed.

17) Other Operating Expenses

Procedure: We agreed other expenses to the Institution's general ledger and the statement and recalculated totals.

Results: We noted no exceptions.

Affiliated and Outside Organizations

- O. In preparation for our procedures related to the Institution's affiliated and outside organizations we:
- 1) Inquired of management as to whether they have identified any affiliated and outside organizations that meet any of the following criteria:
 - i. Booster organizations established by or on behalf of an intercollegiate athletics program
 - ii. Independent or affiliated foundations or other organizations that have as a principal purpose, generating or maintaining of grants-in-aid or scholarships funds, gifts, endowments or other monies, goods, or services to be used entirely or in part by the Intercollegiate Athletics Program
 - iii. Alumni organizations that have as one of their principal purposes the generating of monies, goods, or services for or on behalf of an intercollegiate athletics program and that contribute monies, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.
 - 2) We also obtained documentation on the Institution's practices and procedures for monitoring the internal controls in place and financial activities of these organizations. We inquired of management on the procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the Institution's Intercollegiate Athletic Program.
 - 3) We obtained and inspected audited financial statements of the Institution and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the control environment that were provided to us by management.

Results: We noted the only affiliated organization was the Bowling Green State University Foundation, Inc. We obtained and inspected the audited financial statements of the Bowling Green State University Foundation, Inc. and the management letter as a result of their June 30, 2017 audit.

- P. **Procedure:** For expenses on or on behalf of intercollegiate athletic programs by affiliated and outside organizations not under the Institution's accounting control, we obtained those organizations' financial statements for the reporting period.

Results: There were no expenses on behalf of intercollegiate athletic programs affiliated and outside organizations not under the Institution's accounting control. No additional procedures were performed.

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Bowling Green State University

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Intercollegiate Athletics Program statement of revenue and expenses. Accordingly, we do not express such an opinion or conclusion. 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's management and the National Collegiate Athletics Association and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

October 6, 2017

Bowling Green State University National Collegiate Athletics Association Report

Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Revenue	Men's Football	Men's Basketball	Men's Hockey	Other Sports	Nonprogram Specific	Total
Ticket sales	\$ 1,421,519	\$ 167,306	\$ 233,952	\$ 119,012	\$ -	\$ 1,941,789
Student fees	-	-	-	-	12,653,646	12,653,646
Direct institutional support	-	-	-	-	3,228,600	3,228,600
Guarantees	952,020	17,000	13,326	44,500	-	1,026,846
Contributions	122,926	906,523	33,369	320,471	809,234	2,192,523
NCAA distributions	-	-	-	-	814,556	814,556
Conference distributions	-	137,850	-	-	1,959,113	2,096,963
Program, novelty, parking, and concession sales	33,756	-	4,470	26,650	44,947	109,823
Royalties, licensing, advertisement, and sponsorships	-	-	-	-	631,044	631,044
Sports camp revenue	(2,760)	-	-	3,000	143,166	143,406
Other operating revenue	196,204	-	67,264	65,430	135,206	464,104
Total revenue	\$ 2,723,665	\$ 1,228,679	\$ 352,381	\$ 579,063	\$ 20,419,512	\$ 25,303,300
Expenses						
Athletic student aid	\$ 2,495,135	\$ 455,642	\$ 582,366	\$ 3,075,436	\$ 57,663	\$ 6,666,242
Guarantees	440,000	251,000	3,500	11,500	-	706,000
Coaching salaries, benefits, and bonuses paid by Institution	1,728,896	849,205	509,537	2,246,059	-	5,333,697
Support staff/administrative compensation, benefits, and bonuses paid by Institution	364,431	88,551	52,886	91,778	3,179,826	3,777,472
Recruiting	190,156	113,982	26,557	169,682	508	500,885
Team travel	643,140	446,465	274,175	1,078,364	8,470	2,450,614
Sports equipment, uniforms, and supplies	382,876	124,847	228,838	479,241	115,395	1,331,197
Game expenses	148,950	124,000	43,510	65,570	107,799	489,829
Fundraising, marketing, and promotion	-	111	-	38	180,201	180,350
Sports camp expenses	-	-	-	1,072	260,825	261,897
Athletic facilities debt service, leases, and rental fees	-	-	100,000	31,213	3,084	134,297
Medical expenses and insurance	-	-	-	-	330,359	330,359
Memberships and dues	-	6,204	-	1,484	242,219	249,907
Student athlete meals	16,080	16,436	7,072	12,322	-	51,910
Other operating expenses	133,966	104,478	87,547	252,536	710,412	1,288,939
Total expenses	\$ 6,543,630	\$ 2,580,921	\$ 1,915,988	\$ 7,516,295	\$ 5,196,761	\$ 23,753,595
Revenue (under) over expenses	\$ (3,819,965)	\$ (1,352,242)	\$ (1,563,607)	\$ (6,937,232)	\$ 15,222,751	\$ 1,549,705

Bowling Green State University National Collegiate Athletics Association Report

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 1 - Contributions

The value of all endowments dedicated to the sole support of athletics at June 30, 2017 is \$11,181,623.67. The value of all pledges dedicated to the sole support of athletics at June 30, 2017 is \$403,950.93. The athletic department fiscal year-end fund balance for the year ended June 30, 2017 is \$24,542.97. Individual contributions of monies, goods, or services received directly by the Institution's Intercollegiate Athletics Program from any affiliated or outside organization, agency, or individual (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2017 are as follows:

Donor	Designation	Amount
William D. Frack	William D. Frack Division I Men's Basketball Investment	\$ 1,018,960
Intertec Corporation	Intertec Corporation - Ice Arena Renovation	2,000,000

Note 2 - Intercollegiate Athletics-related Assets

Property and equipment are recorded at cost or, if donated, the fair value at the time of donation. Expense for maintenance and repairs are charged to current expense as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenses for major renewals and betterments that extend the useful lives of the assets are capitalized. Estimated service lives range from 4-10 years, depending on class.

Bowling Green State University National Collegiate Athletics Association Report

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 2 - Intercollegiate Athletics-related Assets (Continued)

The current year capitalized additions and deletions to facilities during the year ended June 30, 2017 are as follows:

	Additions	Deletions
Machinery and equipment	\$ 10,907	\$ (16,161)
Furniture	-	(10,998)
Cost - Athletics facilities	10,907	(27,159)
Accumulated depreciation	(1,915)	21,446
Book value - Athletics facilities	\$ 8,992	\$ (5,713)
Book value - Other institution facilities	\$ 72,386,443	\$ 12,146,613

The total estimated book values of property, plant and equipment, net of depreciation, of the Institution as of the year ended June 30, 2017 are as follows:

Machinery and equipment	\$ 843,842
Furniture	131,027
Computer and software	127,933
Vehicles	-
Cost - Athletics facilities	1,102,802
Accumulated depreciation	(813,191)
Book value - Athletics facilities	\$ 289,611
Book value - Other university facilities	\$ 427,953,046

Bowling Green State University National Collegiate Athletics Association Report

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 3 - Intercollegiate Athletics-Related Debt

The annual debt service and debt outstanding for the Institution as of the year ended June 30, 2017 is as follows:

	Annual Debt Service Principal and Interest	Debt Outstanding - Principal Only
Athletically related facilities	\$ -	\$ -
Total institutional facilities	7,540,000	217,140,000

There was no intercollegiate athletics debt outstanding for the year ended June 30, 2017 as it was paid in full during fiscal year ended June 30, 2015.

Note 4 - Restricted and Endowment and Plant Funds

During the year, the Institution had the following significant changes exceeding 10 percent of total contributions to endowment or plant funds related to intercollegiate athletics that are as follows:

- A change was reflected as Fund 301800, Ice Arena Renovation Fund, with a value of \$16,066.25 as of June 30, 2016 to a value of \$1,999,293.84 as of June 30, 2017. The increase was primarily due to additional current year contributions that exceeded transfers to the Institution. The majority of current year contributions (approximately \$2,000,000) were from Intertec Corporation.
- A change was reflected as Fund 302601, Intercollegiate Athletics Excellence Fund with a value of \$0 as of June 30, 2016 to a value of \$713,300.51 as of June 30, 2017. The increase was primarily due to a transfer of funds from BGSU to establish this quasi-endowment fund. \$685,390 of funds was transferred to create Fund 302601.

Bowling Green State University National Collegiate Athletics Association Report

Appendix A Revenue and Expense Variance - Actual to Actual

	2016-2017 Actual	2015-2016 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Revenue				
Institutional support - Nonprogram specific	\$ 3,228,600.00	\$ -	\$ 3,228,600.00	Institutional transfer to cover deficit
	2016-2017 Actual	2015-2016 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Expense				
Other salaries	\$ 3,777,472.00	\$ 3,256,060.00	\$ 521,412.00	Increase in salaries is primarily from increase in football salaries due to coaching changes and additional staff salaries previously reported in coaching salaries that were moved to support staff. There was also an increase in staff salaries being charged to basketball, including student athlete services and athletic communication. Additionally, the Director of Hockey Operations was more aligned with support staff and salary is now reported in this line.
Team travel	2,450,614.00	1,847,326.00	603,288.00	Increase is due to increased cost in recruiting, home team travel, and road travel. Team travel included a Men's Basketball team trip to Italy taken this year for a total cost of approximately \$191,000 and a flight to Michigan for the Men's Hockey team for a cost of approximately \$57,600.

Bowling Green State University National Collegiate Athletics Association Report

Appendix A (Continued) Revenue and Expense Variance - Actual to Budget

	2016-2017 Actual	Budget	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Revenue				
Men's Football	\$ 2,723,665.00	\$ 1,415,000.00	\$ 1,308,665.00	Difference is due to football game guarantees being budgeted in a different department. Actual revenue includes more game guarantee amount than budgeted.
Expenditures				
Men's Football	\$ 6,543,629.00	\$ 5,863,741.00	\$ 679,888.00	There were more expenses due to increased team travel, team, and recruiting expenses, plus additional expenses in equipment.
Men's Basketball	2,580,920.00	1,963,013.00	617,907.00	There were more expenses due increased team travel, including a trip to Italy and higher cost of summer aid and overall student aid.



Dave Yost • Auditor of State

BOWLING GREEN STATE UNIVERSITY - NCAA

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
NOVEMBER 14, 2017**