
Bowling Green State University
National Collegiate Athletics Association

Agreed-upon Procedures Report
Related to NCAA Constitution 3.2.4.15
June 30, 2018



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, 2017 through June 30, 2018.

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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

November 8, 2018

This page intentionally left blank.

Report Letter	1-17
Intercollegiate Athletics Program Statement of Revenue and Expenses	18
Notes to Intercollegiate Athletics Program Statement of Revenue and Expense	19-20
Appendix A	21-22

This page intentionally left blank.

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

Dr. Rodney Rogers, 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, 2018. 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. 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 Institution's audited financial statements for the year ended June 30, 2018 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 Institution's financial statements. We performed the following procedures:

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

Dr. Rodney Rogers, Ph.D.
Bowling Green State University

Result: 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>
September 13, 2017	Men's Football	\$ 12,451

NCAA Reporting

- B. **Procedure:** We obtained the Financial Report Submission to the NCAA, including the financial data detailing operating revenues, expenses, and capital related to the Institution's intercollegiate athletics program that was submitted to the 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.

Result: We noted no discrepancies.

- C. **Procedure for Grants-in-Aid:** We agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from JumpForward. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Institution.

Result: We noted no discrepancies.

- D. **Procedure for Sports Sponsorship:** 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 meets the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. We ensure that the Institution has properly reported these countable sports for revenue distribution purposes.

Result: We noted two errors in the Demographics Forms Report. The accreditation question was answered incorrectly and the amount of aid awarded for men's baseball was incorrect. We were unable to obtain an updated PDF, but were able to see the changes made to the report from the NCAA office.

- E. **Procedure for Pell Grants:** We agreed the total number of Division I student athletes who, during the academic year, received a Pell Grant award (e.g., Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid, and Pell Grant recipients with no Grants-in-Aid) 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.

Result: Out of 60 student athletes tested in step N1 below, only 10 received Pell Grants. Of the 10 student athletes selected for testing that received Pell Grants, we noted one discrepancy in the Pell Grant award reported in the compliance software and the amount reported in the Institution's financial aid records. JumpForward (compliance software) only allows Pell awards to be entered as the annual amount and not by semester. The student was awarded Pell for summer, fall, and spring. The student left the Institution after fall semester, which resulted in a difference in Pell amounts. The student received proper amount of Pell while attending the Institution, the difference of \$817 was due to the NCAA compliance software not being updated.

Notes, Disclosures, and Other Procedures

- F. **Athletics-related Capital Assets and Expenditures 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.

Result: There were no capital expenditures made by athletics in the current year.

- G. **Athletics-related and Total Institutional Debt 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 is disclosed in the notes to the statement. We agreed the total outstanding athletic related debt and total institutional debt to the Institution's general ledger. The intercollegiate athletics debt is disclosed in Note 3 to the statement.

Result: We noted no exceptions.

- H. **Excess Transfers to Institution and Conference Realignment Procedure:** We obtained the general ledger detail and compared it to the total expenses reported for excess transfers to the Institution and conference realignment expenses and select sample of one transaction, if applicable.

Result: 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.

- 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 the fiscal year end that are dedicated to the sole support of athletics. We obtained and disclosed the value of all pledges at the fiscal year end that support athletics. We obtained and disclosed the athletics department fiscal year end fund balance. We agreed the fair market value of the schedule to supporting documentation. We agreed the total fair market value of athletics dedicated endowments and institutional endowments to supporting documentation.

Result: 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.

Result: 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 each revenue and expense account over 10 percent of total revenue and expenses, respectively, to prior period amounts and budget estimates. We obtained and documented any variations exceeding 10 percent of total revenue or expenses.

Result: 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.

Result: 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.

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

- 1) **Ticket Sales Procedure:** We agreed tickets sold during the reporting period, 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.

Result: Procedures were performed. A difference of \$48 was identified between revenue and cash deposits.

- 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 documentation of 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 agreed the calculation to supporting documentation.

Result: The budgeted amount for student fees approved by the Institution was \$12,780,182. 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 agreed the direct institutional support recorded by the Institution during the reporting period with state appropriations, institutional authorizations, and other corroborative supporting documentation and recalculated totals.

Result: We noted no exceptions.

- 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.

Result: We selected the following games/agreements:

<u>Event Date</u>	<u>Sporting Event</u>	<u>Guarantee Amount</u>
September 2, 2017	Men's Football - Michigan State	\$ 900,000
September 19, 2017	Men's Soccer - Notre Dame	3,000
December 9, 2017	Men's Basketball - Old Dominion	70,000
February 15, 2018	Men's Hockey Alaska	15,450
March 17, 2018	Men's Baseball - Michigan	8,000

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.

Result: We disclose the source and dollar value of contributions over 10 percent in Note 1.

- 6) **In-kind Procedure:** We obtained a schedule of all in-kind donations, agreed to the amount recorded on the above revenue supporting schedules, and recalculated totals.

Result: In-kind donations were less the 4 percent of total revenue, so this procedure was not performed.

- 7) **Compensation and Benefits Provided by a Third Party Procedure:** We obtained the summary of revenue (the "Summary") from affiliated and outside organizations as of the end of the reporting period from the Institution. We agreed each selection to supporting documentation, the Institution's general ledger, and/or the Summary. We also recalculated totals.

Result: Compensation and benefits provided by a third-party procedure were less than 4 percent of total revenue, so this procedure was not performed.

- 8) **Media Rights Procedure:** We obtained and inspected all agreements related to the Institution's participation in revenue from broadcast, television, radio, and Internet rights. We agreed related revenue to the Institution's general ledger. We also recalculated totals.

Result: Media rights were less than 4 percent of total revenue, so this procedure was not performed.

- 9) **NCAA Distributions Procedure:** We compared and agreed the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated totals.

Result: We selected the following distribution:

<u>Date</u>	<u>Program</u>	<u>Distribution Amount</u>
May 24, 2018	NCAA 2018 Grants in Aid Distribution	\$ 661,892

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

- 10) **Conference Distributions Procedure:** We obtained and inspected two agreements related to the Institution's conference distributions and participation in revenue from tournaments during the reporting period for the relevant terms and conditions. We compared the related revenue to the Institution's general ledger.

Result: We selected the following distributions:

<u>Date</u>	<u>Program</u>	<u>Distribution Amount</u>
June 14, 2018	ICA - MAC Distribution	\$ 1,575,000
June 21, 2018	Men's Basketball - Conference Distribution	152,294

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

- 11) **Program Sales, Concessions, Novelty Sales, and Parking Procedure:** We agreed related revenue to the Institution's general ledger detail of program sales, concessions, novelty sales, parking, and other corroborative supporting documents and recalculate totals.

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

- 12) **Royalties, Licensing, Advertisements, and Sponsorships Procedure:** We obtained and inspected all agreements related to the Institution's participation in revenue from royalties, advertisements, and sponsorships during the reporting period. We agreed the related revenue to the Institution's general ledger. We also recalculated totals.

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

- 13) **Sports Camp Revenue Procedure:** We inspected all sports camp contracts between the Institution and person(s) conducting the Institution sports camps or clinics during the reporting period. We obtained documentation of the Institution's methodology for recording revenues from sports camps. We obtained schedules of camp participants. We selected a sample of one individual camp participant's cash receipts from the schedule of sports camp participants and agreed each selection to the Institution's general ledger and recalculated totals.

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

- 14) **Athletics Restricted Endowment and Investment Income Procedure:** We obtained and inspected endowment agreements for relevant terms and conditions. We agreed 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 also recalculated totals.

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

- 15) **Bowl Revenues Procedure:** We obtained and inspected agreements related to the Institution's revenue from postseason bowl participation during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenue to the Institution's general ledger and recalculated totals.

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

- 16) **Other Procedure:** We agreed other revenue to the Institution's general ledger, and the statement, and recalculated totals.

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

Expenses

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

Result: 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:

- 1) **Athletic Student Aid Procedures:** We selected a sample of 60 students from the listing of institutional student aid recipients during the reporting period (no less than 10 percent of the total student athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and no less than 20 percent of total student athletes for institutions who have not, with a maximum sample size of 60).
- a. 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.

- b. 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, need to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, books, and room and board for an academic year as the denominator. If using the NCAA Compliance Assistant software, this equivalency value should already be calculated on that CRDE report labeled "Revenue Distribution Equivalent Award."
 - ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate (athletic grant amount divided by the full grant amount).
 - iii. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
 - iv. Full grant amount should be entered as a full year of tuition, not a semester or quarter.
 - v. Student athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
 - vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women, and bowl subdivision football.
 - vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
 - viii. Institutions providing grants to student athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
 - ix. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
 - x. If a sport is discontinued and the athletic grant(s) are still being honored by the Institution, the grant(s) are included in student athlete aid for revenue distribution purposes.

- xi. All equivalency calculations should be rounded to two decimal places.
- xii. 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.
- xiii. 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.

c. We recalculated totals for each sport and overall.

Result: We noted the total amount of student aid from the squad list agreed within \$123,093 to the amount of student financial aid included in the statement of revenue and expenditures of \$6,976,741.57. We noted an amount of \$222,400 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 amount of aid on the squad lists is the maximum aid the student can receive. When the aid is entered into the student account, it is the actual amount of aid that student received causing a difference of \$123,093. There were also students who only received summer award or were interns and did not receive award letters.

The students' accounts tested are summarized below:

Student Tested	Amount Awarded	Student Tested	Amount Awarded
1	\$ 12,000	31	\$ 1,800
2	2,826	32	29,818
3	28,018	33	5,000
4	9,000	34	14,000
5	4,788	35	15,558
6	8,000	36	15,309
7	7,000	37	16,164
8	22,482	38	5,000
9	10,801	39	14,200
10	10,395	40	7,000
11	8,000	41	14,958
12	15,000	42	11,000
13	2,000	43	20,790
14	3,000	44	7,000
15	26,326	45	4,000
16	15,000	46	31,018
17	28,018	47	1,000
18	14,200	48	20,790
19	26,326	49	159
20	12,000	50	20,790
21	7,000	51	5,000
22	5,200	52	14,569
23	15,309	53	15,000
24	20,058	54	10,000
25	20,200	55	8,000
26	20,055	56	4,000
27	1,000	57	15,309
28	28,126	58	4,800
29	18,400	59	2,000
30	4,000	60	30,018

Of the 60 students selected for testing above, 10 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 JumpForward. Additionally, two of the students tested were graduate students that received athletic aid for work performed for the athletic department. The Institution 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 obtained and inspected five away-game settlement reports received by the Institution during the reporting period and agree related expenses to the Institution's general ledger. We obtained and inspected all contractual agreements pertaining to expenses recorded by the Institution from guaranteed contests during the reporting period. We compared and agreed related amounts expensed by the Institution during the reporting period to the Institution's general ledger and recalculate totals.

Result: 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 that includes football and men's and women's basketball 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 each selection. We compared and agreed related 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.

Result: We selected coaching contracts from the following programs:

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

Procedures were performed without exception.

- 4) **Coaching Other Compensation and Benefits Paid by a Third Party Procedure:** We obtained and inspected a listing of coaches employed by third parties during the reporting period. We selected a sample of coaches employed by third parties during the reporting period that must include football and men's and women's basketball. We agreed the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Institution in the statement during the reporting period. We obtained and inspected payroll summary registers for each selection. We agreed related payroll summary registers to the coaching other compensation and benefits paid by third-party expenses recorded by the Institution in the statement during the reporting period. We also recalculated totals.

Result: Compensation and benefits paid by third-party expenses were less than 4 percent, so this procedure was not performed.

- 5) **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.

Result: We selected staff from the following programs:

Staff	Staff Title	Program
1	Senior Associate Athletic Director	Nonprogram specific
2	Receptionist	Nonprogram specific
3	Assistant Athletic Director for Sports Medicine	Nonprogram specific
4	Director of Operations for Men's Basketball	Men's Basketball
5	Director of Operations for Football	Men's Football

Procedure was performed without exception.

- 6) **Recruiting Procedure:** We were asked to obtain documentation of the Institution's recruiting expense policies. We were asked to compare and agree to existing institutional- and NCAA-related policies. We were asked to obtain general ledger detail and agree it to the total expenses reported.

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

- 7) **Team Travel Procedure:** We obtained the Institution's team travel policies. We agreed to existing institutional- and NCAA-related policies. We obtained general ledger detail and agreed to the total expenses reported.

Result: Procedures were performed without exception.

- 8) **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 existence of the transaction and accuracy of recording. We agreed it to the supporting invoice and recalculated totals.

Result: We selected the following transaction:

<u>Date</u>	<u>Program</u>	<u>Expense Description</u>	<u>Expense Amount</u>
August 8, 2017	Men's Basketball	Uniforms and travel apparel	\$ 34,996

Procedure was performed without exception.

- 9) **Game Expenses Procedure:** We were asked to obtain general ledger detail and agree 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.

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

- 10) **Fundraising, Marketing, and Promotion Procedure:** We obtained general ledger detail and agreed to the total expenses reported. We agreed a sample of transactions and agreed to supporting documentation. We recalculated totals.

Result: Fundraising, marketing, and promotion expenses were less than 4 percent, so this procedure was not performed.

- 11) **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.

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

- 12) **Spirit Groups Procedure:** We obtained general ledger detail and agreed to the total expenses reported. We agreed a sample of transactions and agreed to supporting documentation. We recalculated totals.

Result: Spirit group expenses were less than 4 percent of total expenses, so this procedure was not performed.

- 13) **Athletic Facility Debt Service, Leases, and Rental Fees Procedure:** We obtained a listing of debt service schedules, lease payments, and rental fees for athletic facilities for the reporting year. We compared and agreed 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 compared and agreed amounts recorded to amounts listed in the general ledger detail and recalculated totals.

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

- 14) **Direct Overhead and Administrative Support Procedure:** We obtained general ledger detail and agreed it to the total expenses reported. We selected a sample of one transaction to validate existence of the transactions and accuracy of recording. We agreed it to supporting invoices and recalculated totals.

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

- 15) **Indirect Institutional Support Procedure:** We tested this with the revenue section - Indirect Institutional Support.

Result: Procedure was performed without exception.

- 16) **Medical Expenses and Medical Insurance Procedure:** We obtained general ledger detail and agreed it to the total expenses reported. We agree a sample of one transaction to validate the existence of the transaction and accuracy of recording. We agreed supporting invoice and recalculated totals.

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

- 17) **Memberships and Dues Procedure:** We obtained general ledger detail and agreed it 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 supporting invoice and recalculated totals.

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

- 18) **Student Athletic Meals (Nontravel) Procedure:** We obtained general ledger detail and agreed it 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 supporting invoice and recalculated totals.

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

- 19) **Bowl Expenses Procedure:** We obtained general ledger detail and agreed it 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 supporting invoice and recalculated totals.

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

- 20) **Other Operating Expenses and Transfers to Institution Procedure:** We obtained general ledger detail and compared to the total expenses reported. We agreed a sample of one transaction to validate existence and accuracy of recording and recalculated totals.

<u>Date</u>	<u>Program</u>	<u>Expense Description</u>	<u>Expense Amount</u>
September 21, 2017	Nonprogram Specific	2017-2018 MAC Championships	\$ 16,166

Result: Procedure was performed without exception.

Related to Affiliated and Outside Organizations not under the Institution's Accounting Control:

- 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.

Dr. Rodney Rogers, Ph.D.
Bowling Green State University

- 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 its June 30, 2018 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 organization's financial statements for the reporting period.

Result: 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.

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 24, 2018

Intercollegiate Athletics Program Statement of Revenue and Expenses

Year Ended June 30, 2018

	Men's Football	Men's Basketball	Men's Hockey	Other Sports	Nonprogram Specific	Total
Revenue						
Ticket sales	\$ 1,342,545.00	\$ 156,316.00	\$ 267,600.00	\$ 103,894.00	\$ -	\$ 1,870,355.00
Student fees	-	-	-	-	12,780,182.00	12,780,182.00
Direct institutional support	-	-	-	-	1,240,000.00	1,240,000.00
Guarantees	1,900,000.00	70,000.00	32,979.00	17,500.00	-	2,020,479.00
Contributions	24,207.00	662,040.00	19,428.00	302,292.00	903,475.00	1,911,442.00
NCAA distributions	-	-	-	6,271.00	2,075,409.00	2,081,680.00
Conference distributions	-	152,294.00	-	-	1,648,500.00	1,800,794.00
Program, novelty, parking, and concession sales	44,822.00	-	3,300.00	28,267.00	43,475.00	119,864.00
Royalties, licensing, advertisement, and sponsorships	-	-	-	-	561,551.00	561,551.00
Sports camp revenue	-	-	-	-	84,399.00	84,399.00
Other operating revenue	3,959.00	1,591.00	14,774.00	75,744.00	107,143.00	203,211.00
Total revenue	3,315,533.00	1,042,241.00	338,081.00	533,968.00	19,444,134.00	24,673,957.00
Expense						
Athletic student aid	2,623,611.00	395,247.00	581,561.00	3,340,054.00	36,268.00	6,976,741.00
Guarantees	575,000.00	138,000.00	3,500.00	6,000.00	-	722,500.00
Coaching salaries, benefits, and bonuses paid by the Institution	1,798,550.00	828,619.00	531,533.00	2,666,569.00	-	5,825,271.00
Support staff/administrative compensation, benefits, and bonuses paid by the Institution	390,941.00	92,476.00	55,902.00	127,729.00	3,314,809.00	3,981,857.00
Recruiting	235,422.00	126,011.00	37,887.00	126,925.00	-	526,245.00
Team travel	659,100.00	347,384.00	192,620.00	993,616.00	7,442.00	2,200,162.00
Sports equipment, uniforms, and supplies	252,286.00	92,707.00	178,159.00	461,921.00	158,279.00	1,143,352.00
Game expenses	113,450.00	92,650.00	100,471.00	81,348.00	82,754.00	470,673.00
Fundraising, marketing, and promotion	-	-	-	-	185,753.00	185,753.00
Sports camp expenses	-	-	-	-	101,603.00	101,603.00
Athletic facilities debt service, leases, and rental fees	1,568.00	-	99,068.00	233.00	1,797.00	102,666.00
Medical expenses and insurance	80.00	-	-	-	378,377.00	378,457.00
Memberships and dues	8,568.00	3,339.00	-	1,320.00	241,720.00	254,947.00
Student athlete meals	34,371.00	19,726.00	25,698.00	77,727.00	-	157,522.00
Other operating expenses	202,939.00	95,520.00	41,517.00	246,533.00	778,832.00	1,365,341.00
Total expenses	6,895,886.00	2,231,679.00	1,847,916.00	8,129,975.00	5,287,634.00	24,393,090.00
Revenue (Under) Over Expenditures	\$ (3,580,353.00)	\$ (1,189,438.00)	\$ (1,509,835.00)	\$ (7,596,007.00)	\$ 14,156,500.00	\$ 280,867.00

Notes to Intercollegiate Athletics Program
Statement of Revenue and Expenses

Year Ended June 30, 2018

Note 1 - Contributions

The value of all endowments dedicated to the sole support of athletics at June 30, 2018 is \$11,884,419.21. The value of all pledges dedicated to the sole support of athletics at June 30, 2018 is \$1,238,891.53. The athletic department fiscal year-end fund balance for the year ended June 30, 2018 is \$5,551. We noted that there were not individual contributions of monies, goods, or services received directly by the Institution's Intercollegiate Athletics Program from any affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constituted 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2018.

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.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2018 are as follows:

	<u>Additions</u>	<u>Deletions</u>
Machinery and equipment	\$ -	\$ (3,500)
Furniture	<u>-</u>	<u>-</u>
Cost - Athletics facilities	-	(3,500)
Accumulated depreciation	<u>-</u>	<u>3,500</u>
Book value - Athletics facilities	<u>\$ -</u>	<u>\$ -</u>
Book value - Other institution facilities	<u>\$ 85,120,934</u>	<u>\$ 24,258,144</u>

**Notes to Intercollegiate Athletics Program
Statement of Revenue and Expenses**

Year Ended June 30, 2018

Note 2 - Intercollegiate Athletics-related Assets (Continued)

The total estimated book values of property, plant and equipment, net of depreciation, of the Institution as of June 30, 2018 are as follows:

Machinery and equipment	\$	876,758
Furniture		131,027
Computer and software		127,933
Vehicles		<u>-</u>
Cost - Athletics facilities		1,135,718
Accumulated depreciation		<u>(910,314)</u>
Book value - Athletics facilities	\$	<u>225,404</u>
Book value - Other institutional facilities	\$	<u>447,398,131</u>

Note 3 - Intercollegiate Athletics-related Debt

The annual debt service and debt outstanding for the Institution as of June 30, 2018 is as follows:

	Annual Debt Service Principal and Interest	Debt Outstanding - Principal Only
Athletically related facilities	\$ -	\$ -
Total institutional facilities	9,475,000	281,225,000

There was no intercollegiate athletics debt outstanding for the year ended June 30, 2018 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 no significant changes in loan, endowment, or plant funds related to intercollegiate athletics that were not reported in the statement.

Revenue and Expense Variance - Actual to Actual
June 30, 2018

	2017-2018 Actual	2016-2017 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Revenue				
Institutional support - Nonprogram specific	\$ 1,240,000.00	\$ 3,228,600.00	\$ (1,988,600.00)	Transfer of funds from the Institution to cover the deficit. Change was due to deficit being lower in the CY.
NCAA Distributions	\$ 1,267,125.00	\$ -	\$ 1,267,125.00	NCAA modified distribution timeline, and the Institution received two distributions in FY18.
	2017-2018 Actual	2016-2017 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Expense				
Team travel	\$ 2,200,162.00	\$ 2,450,614.00	\$ (250,452.00)	Decrease primarily relates to the men's basketball team not taking a team trip overseas.

Revenue and Expense Variance - Actual to Budget
June 30, 2018

	2017-2018 Actual	Budget	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Revenue				
Men's Football	\$ 3,315,533.00	\$ 1,585,000.00	\$ 1,730,533.00	Difference is due to football game guarantees being budgeted in a different department. Actual revenue includes more game guarantee amount than budgeted.
Nonprogram Specific	\$ 18,119,735.55	\$ 20,623,182.00	\$ (2,503,446.45)	Difference is due to football game guarantees being budgeted in this line item but recorded on the "men's football" line. Actual revenue does not include game guarantee revenue and is less than budgeted amount.
	2017-2018 Actual	Budget	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
Expenditures				
Men's Football	\$ 6,895,954.67	\$ 5,963,006.00	\$ 932,948.67	There were more expenses due to increased team travel, team, and recruiting expenses, plus additional expenses in equipment.
Other Sports	\$ 8,614,712.95	\$ 7,759,997.00	\$ 854,715.95	There were more expenses due to coaches salaries and buyout clause for terminated coaches. This also includes expenses for hosting two golf tournaments during the year.



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 20, 2018**