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Bowling Green State University  
National Collegiate Athletics Association

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**Agreed-upon Procedures Report**  
**Related to NCAA Constitution 3.2.4.15**  
**June 30, 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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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, 2018 through June 30, 2019. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 14, 2019

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Report Letter	1-15
Intercollegiate Athletics Program Statement of Revenue and Expenses	16
Notes to Intercollegiate Athletics Program Statement of Revenue and Expense	17-18
Appendix A	19-20

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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 (the "Statement") 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, 2019. Bowling Green State University's management is responsible for the statement of revenue and expenses 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, 2019 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 procedure:

**Procedure:** We planned to select one game and test the ticket collection receipting process; however, due to the layout of the general ledger detail, management requested that we select a sample of one ticket sales transaction (instead of an entire game) and test the ticket collection receipting process by comparing the total receipts for the transaction selected to the reconciliation and documentation of the related cash deposit amount with the bank.

**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>
May 3, 2019	Men's Football - Season Tickets	\$ 1,930

### **NCAA Reporting**

- B. **Procedure:** We obtained the financial report submission to the NCAA, including the financial data detailing operating revenue, 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 Compliance Assistant (CA) equivalent system used by the Institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Institution. We compared current year grants-in-aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 4 percent. There were no discrepancies in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE. See below for procedures performed:

	Revenue Distribution		Change	% Change	Explanation of Variance per Elizabeth LeMaster
	2018-2019	2017-2018			
	Total	Total			
Grants-in-aid - Sport					
Men's Baseball	9.58	9.65	-0.07	-0.73%	N/A
Men's Basketball	11.29	11.17	0.12	1.07%	N/A The Institution does not fund men's cross county scholarships from the athletic department budget. Any scholarships awarded for this sport are based on fundraising and donor gifts to the program's scholarship fund. This will cause the amount of scholarships awarded to vary each year.
Men's Cross Country	0.90	0.14	0.76	542.86%	More football student-athletes received academic scholarships, which reduces the amount of athletic grants-in-aid.
Men's Football	74.17	83.76	-9.59	-11.45%	N/A
Men's Golf	2.26	2.2	0.06	2.73%	N/A
Men's Ice Hockey	17.18	17.63	-0.45	-2.55%	N/A
Men's Soccer	7.42	8.41	-0.99	-11.77%	Men's soccer used donor funding in 2017-2018 to increase its scholarship budget. The funding was not available in 2018-2019.
Women's Basketball	12.86	13.98	-1.12	-8.01%	One full athletic scholarship went unused in the 2018-2019 academic year.
Women's Cross Country	-	-	-	0.00%	N/A
Women's Golf	4.13	3.92	0.21	5.36%	Women's golf utilized the full amount available in its scholarship budget from the athletic department in 2018-2019, while it did not do so in 2017-2018.
Women's Gymnastics	9.38	10.16	-0.78	-7.68%	Two scholarship student-athletes left the program during the 2018-2019 year, and their grants-in-aid were canceled.
Women's Soccer	12.56	11.9	0.66	5.55%	The women's soccer program did not utilize its full scholarship budget in 2017-2018 due to a coaching change. The full amount was utilized in 2018-2019.
Women's Softball	8.5	8.29	0.21	2.53%	N/A
Women's Swimming and Diving	9.44	10.32	-0.88	-8.53%	Due to a late coaching change for the 2018-2019 year, the full scholarship budget was not utilized.
Women's Tennis	5.24	5.19	0.05	0.96%	N/A
Women's Track and Field	12.83	13.82	-0.99	-7.16%	The track program exceeded its scholarship budget authorization in 2017-2018. For 2018-2019, it was required to remain with the budget given for scholarships.
Women's Volleyball	10.16	10.77	-0.61	-5.66%	More volleyball student-athletes received larger academic scholarships, which reduces the amount of athletic grants-in-aid.

**Result:** We noted the above variances greater than +/- 4 percent and noted the explanation provided by Elizabeth LeMaster, director of athletic aid. We also noted there were no discrepancies in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE.

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 meet the minimum requirements set forth in NCAA 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 compared current year number of sports sponsored to the prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance.

**Results:** We noted discrepancies reported due to nonstudent financial activity, such as book scholarships, that were included in the Institution's Sports Sponsorship and Demographics Forms Report.

- 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. We compared the current year total Pell Grants to the prior year reported total per the Membership Financial Report Submission. We inquired and documented an explanation for any variance greater than +/- 20 grants.

**Result:** We noted no exceptions. We noted the total Pell Grants in the prior and current year was 111 and 93, respectively. The variance in Pell Grants was less than +/- 20; therefore, no inquiry was made.

### **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, as described in Note 2. 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 existence of the transaction and accuracy of recording and recalculated totals.

**Result:** We selected the following transaction:

<u>Acquisition Date</u>	<u>Description</u>	<u>Asset Cost</u>
December 1, 2018	2018 EZGO L6 Electric Jacobson	\$ 12,745

We noted no exceptions.

- 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 Note 3. We agreed the total outstanding athletics-related debt and total institutional debt to supporting documentation and the Institution's general ledger.

**Result:** We noted no exceptions.

- H. **Excess Transfers to Institution and Conference Realignment Procedure:** We obtained the general ledger detail and compared the total expenses reported for excess transfers to the Institution and conference realignment expenses.

**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:** Changes in loan, endowment, or plant funds related to intercollegiate athletics shall not be included in the Statement.
- 1) 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 revenue or expenses in the Statement.
  - 2) We obtained and disclosed the value of endowments at the fiscal year end that are dedicated to the sole support of athletics. We agreed the fair market value of the schedules to supporting documentation and the general ledger. We agreed the total fair market value of athletics-dedicated endowments and institutional endowments to supporting documentation, the Institution's general ledger, and/or audited financial statements, if available.
  - 3) We obtained and disclosed the value of all pledges at the fiscal year end that support athletics.
  - 4) We obtained and disclosed the athletics department fiscal year-end fund balance.

**Results:** See Notes 1 and 4 for disclosures. We obtained the information from Bowling Green State University Foundation, Inc. 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.

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. See procedures below.

## **Revenue**

- L. **Procedure:** We agreed each revenue 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.

- 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:** We noted no exceptions.

- 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:** We obtained board-approved allocation of student fees amongst various institution activities, including athletics. The budgeted allocation of student-approved fees that related to athletics was 55.53 percent. We compared the budgeted allocation to the actual allocation and noted no difference in the percentage allocated. The budgeted amount for student fees approved by the Institution was \$12,935,182. The actual variance between budget and collections was \$1,776,254. The difference is absorbed each year by the Institution. In the current year, the Statement 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 during the reporting period and agreed each selection to the Institution's general ledger. We selected a sample of five contractual agreements pertaining to revenue derived from guaranteed contests during the reporting period and agreed each selection to the Institution's general ledger. We also recalculated totals.

**Result:** We selected the following games/agreements:

<u>Event Date</u>	<u>Sporting Event</u>	<u>Guarantee Amount</u>
September 1, 2018	Men's Football - Oregon	\$ 900,000
November 9, 2018	Men's Basketball - Legends Classic	120,000
December 1, 2018	Men's Hockey - Alabama Hunstville	10,800
March 10, 2019	Men's Baseball - Cincinnati	7,500
August 24, 2018	Women's Volleyball - Purdue	3,000

We obtained the respective contractual agreements, agreed amounts to the contracts, and agreed amounts to the Institution's general ledger. We noted no exceptions.

- 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 constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods. We disclosed the source and dollar value of these contributions in the report.

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

- 6) **In-kind Procedure:** In-kind donations were less the 4 percent of total revenue, so additional procedures were not performed.
- 7) **Compensation and Benefits Provided by a Third Party Procedure:** Compensation and benefits provided by a third party were less than 4 percent of total revenue, so additional procedures were not performed.
- 8) **Media Rights Procedure:** Media rights were less than 4 percent of total revenue, so additional procedures were not performed.
- 9) **NCAA Distributions Procedure:** We agreed the amounts recorded in the revenue and expense reporting to the 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 23, 2019	NCAA Grants-in-aid distribution	\$ 747,824

We agreed the above distribution to payment detail and traced the deposits to bank statements. The procedure was performed without exception.

- 10) **Conference Distributions (Nonmedia and Non-bowl Game) Procedure:** We obtained and inspected one agreement related to the Institution's conference distributions and participation in revenue from tournaments other than bowl games 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 distribution:

<u>Date</u>	<u>Program</u>	<u>Distribution Amount</u>
June 13, 2019	MAC/CCHA annual distribution	\$ 1,325,000

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

- 11) **Program Sales, Concessions, Novelty Sales, and Parking Procedure:**  
Program sales, concessions, novelty sales, and parking were less than 4 percent of total revenue, so additional procedures were not performed.
- 12) **Royalties, Licensing, Advertisements, and Sponsorships Procedure:**  
Royalties, licensing, advertisements, and sponsorships were less than 4 percent of total revenue, so additional procedures were not performed.
- 13) **Sports Camp Revenue Procedure:** Sports camp revenue was less than 4 percent of total revenue, so additional procedures were not performed.
- 14) **Athletics-restricted Endowment and Investment Income Procedure:**  
Athletics-restricted endowment and investment income were less than 4 percent of total revenue, so additional procedures were not performed.
- 15) **Bowl Revenue Procedure:** Bowl revenue was less than 4 percent of total revenue, so additional procedures were not performed.
- 16) **Other Procedure:** Other revenue was less than 4 percent of total revenue, so additional procedures were not performed.

### Expenses

M. **Procedure:** We agreed each expense 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 indicated expense 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 20 percent of total student-athletes for institutions that have not used the NCAA's Compliance Assistant software to prepare athletic aid detail, 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 institution report that ties directly to the NCAA Membership Financial Reporting System.

- b. We performed a check of each student selected to ensure that the student's 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 Calculation of Revenue Distribution Equivalencies Report 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 the 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 be included in grants-in-aid revenue distribution equivalencies.
  - 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, regardless of multiple sport participation, 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 \$129,934 to the amount of student financial aid of \$6,888,702 included in the Statement. We noted an amount of \$150,817 for books, summer debit cards, and preseason housing included in the student financial aid amount reported on the Statement. 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 \$129,934. There were also students who only received a summer award or were interns and did not receive award letters.

Of the 60 students selected for testing above, 5 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. We noted one exception in the amount of \$6,857 due to an error in JumpForward.

During testing of athletic aid, we noted two differences, in the amounts of \$1,412 and \$994, between what was awarded to two students and their respective award letters. The \$1,412 difference was due to additional fees not included in the student's award letter. The \$994 difference was due another student changing status from undergraduate to graduate. All other procedures were performed without exception.



The student accounts tested are summarized below:

Student Tested	Amount Awarded	Student Tested	Amount Awarded
1	\$ 31,100.30	31	\$ 5,000.00
2	33,779.05	32	7,000.00
3	5,955.00	33	8,000.00
4	24,390.00	34	8,000.00
5	24,390.00	35	7,000.00
6	35,230.50	36	800.00
7	34,230.50	37	1,500.00
8	35,230.50	38	2,800.00
9	34,979.75	39	31,338.00
10	10,695.00	40	20,790.00
11	6,321.25	41	28,778.00
12	10,865.00	42	33,335.10
13	26,921.09	43	20,790.00
14	33,521.75	44	26,778.00
15	33,490.30	45	3,000.00
16	33,490.30	46	15,689.00
17	23,721.25	47	14,389.00
18	32,491.75	48	10,395.00
19	26,533.75	49	29,408.00
20	30,315.10	50	28,778.00
21	21,730.00	51	28,778.00
22	18,850.00	52	20,200.00
23	21,080.00	53	14,500.00
24	12,930.00	54	21,800.00
25	35,680.10	55	28,778.00
26	30,351.75	56	30,651.75
27	30,139.09	57	32,378.00
28	22,350.00	58	24,390.00
29	25,585.00	59	7,700.00
30	11,500.00	60	16,000.00

- 2) **Guarantees Procedure:** Guarantee expenses were less than 4 percent, so additional procedures were 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, which include football and men's and women's basketball, from the above listing. We 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 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	Women's Basketball
2	Men's Basketball
3	Men's Football
4	Women's Basketball
5	Men's Golf

No exceptions were noted.

- 4) **Coaching Other Compensation and Benefits Paid by a Third Party Procedure:** Compensation and benefits paid by a third party expenses were less than 4 percent, so additional procedures were 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:

<u>Staff</u>	<u>Staff Title</u>	<u>Program</u>
1	Assistant Director of Athletic Communications	Nonprogram Specific
2	Assistant Athletic Director for Sports Medicine	Nonprogram Specific
3	Director of Operations - Men's Basketball	Men's Basketball
4	Assistant Athletics Director of Equipment Operations	Nonprogram Specific
5	Assistant Director of Financial Affairs	Nonprogram Specific

The procedure was performed without exception.

- 6) **Severance Payments Procedure:** Severance payments were less than 4 percent of total expenses, so additional procedures were not performed.
- 7) **Recruiting Procedure:** Recruiting expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 8) **Team Travel Procedure:** We obtained documentation of the Institution's team travel policies. We agreed to existing institutional- and NCAA-related policies. We obtained the general ledger detail and agreed to the total expenses reported.

**Result:** The procedure was performed without exception.

- 9) **Equipment, Uniforms, and Supplies Procedure:** We obtained the general ledger detail and agreed to the total expenses reported. We agreed a sample of one transaction and agreed to supporting documentation. We recalculated totals.

**Result:** We selected the following transaction:

<u>Date</u>	<u>Program</u>	<u>Expense Description</u>	<u>Expense Amount</u>
August 24, 2018	Men's Hockey	Blanket P.O. for Hockey Sticks	\$ 14,496

The procedure was performed without exception.

- 10) **Game Expenses Procedure:** Game expenses were less than 4 percent of total expenses, so additional procedures were not performed
- 11) **Fundraising, Marketing, and Promotion Procedure:** Fundraising, marketing, and promotion expenses were less than 4 percent, so additional procedures were not performed.
- 12) **Sports Camp Expenses Procedure:** Sports camp expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 13) **Athletic Facility Debt Service, Leases, and Rental Fees Procedure:** Athletic facility debt service, leases, and rental fee expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 14) **Direct Overhead and Administrative Support Procedure:** Direct overhead and administrative support expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 15) **Indirect Institutional Support Procedure:** We tested this with the revenue section - Indirect Institutional Support.
- 16) **Medical Expenses and Medical Insurance Procedure:** Medical expenses and medical insurance expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 17) **Memberships and Dues Procedure:** Memberships and dues were less than 4 percent of total expenses, so additional procedures were not performed.
- 18) **Student-athlete Meals (Nontravel) Procedure:** Student-athlete meals were less than 4 percent of total expenses, so additional procedures were not performed.
- 19) **Bowl Expenses Procedure:** Bowl expenses were less than 4 percent of total expenses, so additional procedures were not performed.
- 20) **Other Operating Expenses and Transfers to Institution Procedure:** We obtained the general ledger detail and compared to the total expenses reported. We agreed a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

**Result:** We selected the following transaction:

<u>Date</u>	<u>Program</u>	<u>Expense Description</u>	<u>Expense Amount</u>
December 11, 2018	Women's Soccer	Single Camera Streaming	\$ 2,560

The procedure was performed without exception.

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

N. 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 the generation or maintenance of grants-in-aid or scholarship funds; gifts; endowments; or other monies, goods, or services to be used entirely or in part by an intercollegiate athletics program
  - iii. Alumni organizations that have as one of their principal purposes the generation 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 regarding 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 Athletics 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.

**Result:** We noted the only affiliated organization was Bowling Green State University Foundation, Inc. We obtained and inspected the audited financial statements of Bowling Green State University Foundation, Inc. and the management letter as a result of its June 30, 2019 audit.

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

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

**Result:** There were no expenses on behalf of intercollegiate athletics programs by 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 23, 2019

# Bowling Green State University

## Intercollegiate Athletics Program Statement of Revenue and Expenses

Year Ended June 30, 2019

	Men's Football	Men's Basketball	Men's Hockey	Other Sports	Nonprogram Specific	Total
<b>Revenue</b>						
Ticket sales	\$ 1,380,089	\$ 205,944	\$ 308,157	\$ 119,910	\$ -	\$ 2,014,100
Student fees	-	-	-	-	12,935,182	12,935,182
Direct institutional support	-	-	-	-	2,690,000	2,690,000
Guarantees	1,800,000	120,000	47,880	17,000	-	1,984,880
Contributions	42,545	843,213	111,326	328,881	944,967	2,270,932
NCAA distributions	-	-	13,875	14,588	1,434,906	1,463,369
Conference distributions (Nonmedia and Nonbowl)	-	125,188	-	-	1,483,000	1,608,188
Program, novelty, parking, and concession sales	50,600	-	3,300	29,469	53,531	136,900
Royalties, licensing, advertisements and sponsorships	-	-	-	-	553,302	553,302
Sports camp revenue	-	-	-	-	49,399	49,399
Other operating revenue	17,244	-	155,517	14,034	108,141	294,936
<b>Total revenue</b>	<b>3,290,478</b>	<b>1,294,345</b>	<b>640,055</b>	<b>523,882</b>	<b>20,252,428</b>	<b>26,001,188</b>
<b>Expense</b>						
Athletic student aid	2,533,814	418,897	577,997	3,286,391	71,603	6,888,702
Guarantees	499,864	158,500	3,500	8,300	-	670,164
Coaching salaries, benefits, and bonuses paid by the Institution	2,200,025	865,722	600,722	2,348,161	-	6,014,630
Support staff/administrative compensation, benefits, and bonuses paid by the Institution	221,761	94,829	50,291	108,354	3,329,270	3,804,505
Recruiting	215,816	138,011	35,301	228,794	7,025	624,947
Team travel	753,509	319,417	395,780	1,056,439	61,960	2,587,105
Sports equipment, uniforms, and supplies	446,966	116,501	198,568	455,015	204,242	1,421,292
Game expenses	118,330	133,900	77,668	163,180	142,829	633,907
Severance payment	431,310	-	-	-	-	431,310
Fundraising, marketing, and promotion	61	4,187	-	470	379,941	384,659
Sports camp expenses	-	-	-	4,307	42,869	47,176
Athletic facilities debt service, leases, and rental fees	19,765	-	95,777	2,289	8,898	126,729
Medical expenses and insurance	-	-	-	16,652	390,096	406,748
Memberships and dues	990	5,555	-	1,065	236,050	243,660
Student-athlete meals	32,055	47,235	29,912	77,236	14,151	200,589
Other operating expenses	275,982	241,423	20,964	233,537	522,870	1,294,776
<b>Total expenses</b>	<b>7,750,248</b>	<b>2,544,177</b>	<b>2,084,480</b>	<b>7,990,190</b>	<b>5,411,804</b>	<b>25,780,899</b>
<b>Revenue (Under) Over Expenditures</b>	<b>\$ (4,459,770)</b>	<b>\$ (1,249,832)</b>	<b>\$ (1,444,425)</b>	<b>\$ (7,466,308)</b>	<b>\$ 14,840,624</b>	<b>\$ 220,289</b>

See notes to Intercollegiate Athletics Program statement of revenue and expenses.

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

**Year Ended June 30, 2019**

**Note 1 - Contributions**

The value of all endowments dedicated to the sole support of athletics at June 30, 2019 is \$12,216,808. The value of all pledges dedicated to the sole support of athletics at June 30, 2019 is \$2,920,836. The athletic department fiscal year-end fund balance for the year ended June 30, 2019 is \$(142,966). 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 constitute 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2019 are as follows:

Donor	Designation	Amount
Bill Frack Estate	Findlay Hancock Community Foundation	\$ 848,847

**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 is 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 to 10 years depending on class.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2019 are as follows:

	Additions	Deletions
Machinery and equipment	\$ 67,543	\$ (5,347)
Furniture	<u>-</u>	<u>-</u>
Cost - Athletics facilities	67,543	(5,347)
Accumulated depreciation	<u>-</u>	<u>5,347</u>
Book value - Athletics facilities	<u>\$ 67,543</u>	<u>\$ -</u>
Book value - Other institution facilities	<u>\$ 37,688,313</u>	<u>\$ 9,035,667</u>

## Notes to Intercollegiate Athletics Program

### Statement of Revenue and Expenses

**Year Ended June 30, 2019**
**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, 2019 are as follows:

Machinery and equipment	\$	944,301
Furniture		131,027
Computer and software		127,933
Vehicles		<u>(5,347)</u>
 Cost - Athletics facilities		 1,197,914
 Accumulated depreciation		 <u>(981,361)</u>
 Book value - Athletics facilities	 \$	 <u>216,553</u>
 Book value - Other institutional facilities		 <u>\$ 600,166,605</u>

**Note 3 - Intercollegiate Athletics-related Debt**

The annual debt service and debt outstanding for the Institution as of June 30, 2019 are as follows:

		Annual Debt Service Principal and Interest		Debt Outstanding - Principal Only
Athletically related facilities	\$	-	\$	-
Total institutional facilities		8,970,000		272,555,000

There was no intercollegiate athletics debt outstanding for the year ended June 30, 2019, as it was paid in full during the 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 Expenses Variance - Actual to Actual

June 30, 2019

	2018-2019 Actual	2017-2018 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
<b>Revenue</b>				
Institutional Support	\$ 2,690,000.00	\$ 1,240,000.00	\$ 1,450,000.00	The increase in institutional support is due to a larger deficit in FY 2019 that the Institution had to cover.
	2018-2019 Actual	2017-2018 Actual	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
<b>Expense</b>				
Team Travel	\$ 2,587,105.00	\$ 2,200,162.00	\$ 386,943.00	The increase in team travel is due to increased travel for hockey playoffs. Also, there was increase in travel expenses in relation to the search for coaching positions.

Revenue and Expenses Variance - Actual to Budget (Continued)

June 30, 2019

	2018-2019 Actual	Budget	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
<b>Revenue</b>				
Men's Football	\$ 3,290,478.00	\$ 1,595,000.00	\$ 1,695,478.00	The difference between actual and budget is due to football guarantees being budgeted in the main ICA department 728000.
	2018-2019 Actual	Budget	\$ Change	Explanation Provided by Intercollegiate Athletics Senior Fiscal Manager
<b>Expenditures</b>				
Men's Football	\$ 7,750,248.00	\$ 6,014,718.00	\$ 1,720,802.00	The difference between actual and budget is due to additional expenses in hiring new coaching staff and an increase in scholarship costs.

# OHIO AUDITOR OF STATE KEITH FABER



**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  
DECEMBER 3, 2019**