



Nebraska State College System

CHADRON | PERU | WAYNE

NSCS Responses to Audit Vendor Questions

1. Will the current firm be invited to submit a proposal for the 2020 audits? Does the NSCS have a mandatory rotation policy for auditing firms?

Yes, the current firm is allowed to submit a proposal. We do not have a policy for mandatory rotation for auditing firms.

2. Have the auditors historically performed interim/preliminary work on-site at NSCS? When does interim fieldwork take place? How many auditors were on-site for interim work and how long were they there?

For the Nebraska State College Facilities Corporation audit, there typically has been no on-site preliminary work performed.

For the Revenue Bond audit, historically, any on-site interim fieldwork takes place along with the Uniform Guidance interim work.

For the Uniform Guidance audit, the majority of the student financial aid work was conducted on-site at the beginning of June. Generally, around three auditors have been on-site. For Chadron, auditors were on-site for about a week and for Wayne and Peru auditors were on-site two to three days.

3. When does final fieldwork take place? How many auditors were on-site for final fieldwork and how long were they there?

Information for the Nebraska State Colleges Facilities Corporation audits has been available in late July and testing was performed at the end of July and beginning of August. Two to three auditors have on-site in the System Office for fieldwork. Fieldwork has lasted for two to three days.

Information for the Revenue Bond audits has been available in late July and testing was generally performed the end of August into the beginning of September. Three to four auditors have been on-site for PSC and WSC for three to four days and final work done remotely for CSC.

For the Uniform Guidance audit, the remaining full fiscal year reports could be available as early as the first week in June, with wrap up testing typically performed in October. The report is issued subsequent to the Basic Financial report being issued.

4. Would you like to change the timing of the audit work performed from previous engagements?

In order to have the audit report completed and issued by the dates in the RFP, the NSCS would like to keep a similar time frame.

5. What is your preference for time spent on-site at each college location? If the audit team can work remotely, is there availability to do so for the services described in the RFP?

As a majority of the records for audit are housed electronically, the NSCS would not be opposed to the audit team doing the majority of the work remotely if there is a secure way to provide information. For the pieces that do require on-site work, the NSCS prefers that as much of the audit work be performed at the same time that is practicable in order to keep audit costs down.

6. What journal entries, if any, were proposed by the audit firm in 2019? Is there a list of these journal entries available?

There were no proposed journal entries in 2019 for the Facility Corporation, Revenue Bond, or Uniform Guidance audits.

7. Specifically related to the NCAA procedures:

- a. Can you provide the Statement of Revenues and Expenses for the athletics department for the most recent year-end?

*See **Exhibit A** for WSC and **Exhibit C** for CSC*

- b. Are there any affiliated or outside organization that are not under the institution's accounting control, such as booster clubs?

There are not any affiliated or outside organizations with the exception of the Foundations. The booster club(s) would fall under the Foundations and be part of their audit.

- c. Do you use compliance assistant for financial aid awards?

For WSC, Athletics does use Compliance Assistant for financial aid awards. PeopleSoft and Compliance Assistant do not "talk" to each other currently however. Compliance Assistant is used as a tool to enter and track the individual and team award amounts, but that info doesn't work its way into our core systems.

For CSC, the financial awards are downloaded from a People Soft excel sheet and Compliance Assistant calculates the equivalents for each sport and generates a squad list. The squad list is used for tracking. The equivalents between sports are imported to the annual NCAA report.

- d. Can you please provide the previous AUP reports?

*See **Exhibit B** for WSC and **Exhibit C** for CSC*

8. Please provide fees for the NSCS Facilities Corporation, Revenue Bond Program and Uniform Guidance audits for the last two years, in addition to the NCAA agreed-upon procedures for the most recent period performed.

*Nebraska State Colleges Facilities Corporation – FY18: \$9,900; FY19: \$10,250
Revenue Bond – FY18: \$46,000; FY19: \$47,825*

Uniform Guidance Report:

Student Financial Aid – FY18: \$20,450; FY19: \$21,250

TRIO Cluster – FY18: N/A; FY19: \$7,800

NCAA agreed-upon procedures

WSC – FY18: \$4,950

CSC – FY19: \$12,900

9. Has there been any significant turnover of accounting/financial reporting personnel during the past year?

No, there has been no significant turnover of accounting/financial reporting personnel during the past year.

10. Any significant changes in operations or programs (other than those items disclosed in the RFP) that would have an impact on the 2020 audits?

Along with the issuance of the new Facility Corporation bonds, the NSCS is considering refinancing of some Revenue Bond issues.

Reporting Institution: Wayne State College (Nebraska)

Reporting Year (FY): 2019

**Statement of Revenues and Expenses
For the fiscal year ended 2019 (UNAUDITED)**

ID	Item	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
<i>Revenues</i>							
1	Ticket Sales	\$17,095	\$7,244	\$9,250	\$11,120	\$0	\$44,709
2	Direct State or Other Government Support	\$0	\$0	\$0	\$0	\$0	\$0
3	Student Fees	\$0	\$0	\$0	\$0	\$0	\$0
4	Direct Institutional Support	\$781,864	\$315,382	\$303,359	\$1,286,620	\$968,437	\$3,655,662
5	Less - Transfers to Institution	\$0	\$0	\$0	\$0	\$0	\$0
6	Indirect Institutional Support	\$160,885	\$77,073	\$65,720	\$280,936	\$295,223	\$879,837
6A	Indirect Institutional Support - Athletic Facilities Debt Service, Lease and Rental Fees	\$0	\$0	\$0	\$0	\$0	\$0
7	Guarantees	\$0	\$25,000	\$2,000	\$1,000	\$0	\$28,000
8	Contributions	\$108,209	\$62,665	\$8,405	\$47,152	\$56,014	\$282,445
9	In-Kind	\$0	\$0	\$0	\$0	\$0	\$0
10	Compensation and Benefits provided by a third party	\$0	\$0	\$0	\$0	\$0	\$0
11	Media Rights	\$0	\$0	\$0	\$0	\$0	\$0
12	NCAA Distributions	\$0	\$0	\$0	\$13,095	\$12,687	\$25,782
13	Conference Distributions (Non Media and Non Bowl)	\$0	\$4,164	\$2,382	\$0	\$3,526	\$10,072
13A	Conference Distributions of Bowl Generated Revenue	\$0	\$0	\$0	\$0	\$0	\$0
14	Program, Novelty, Parking and Concession Sales	\$1,960	\$424	\$459	\$11,203	\$2,640	\$16,686
15	Royalties, Licensing, Advertisement and Sponsorships	\$6,510	\$0	\$72,130	\$10,929	\$5,148	\$94,717
16	Sports Camp Revenues	\$33,704	\$7,243	\$11,045	\$109,097	\$0	\$161,089
17	Athletics Restricted Endowment and Investments Income	\$0	\$31,320	\$0	\$63,882	\$0	\$95,202
18	Other Operating Revenue	\$281	\$445	\$406	\$10,566	\$14,623	\$26,321
19	Bowl Revenues	\$0	\$0	\$0	\$0	\$0	\$0
	Total Operating Revenues	\$1,110,508	\$530,960	\$475,156	\$1,845,600	\$1,358,298	\$5,320,522

Expenses

20	Athletic Student Aid	\$385,933	\$143,256	\$139,000	\$327,369	\$2,445	\$998,003
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Reporting Institution: Wayne State College (Nebraska)

Reporting Year (FY): 2019

ID	Item	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
21	Guarantees	\$0	\$4,000	\$1,000	\$0	\$0	\$5,000
22	Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	\$401,131	\$192,681	\$164,301	\$701,203	\$0	\$1,459,316
23	Coaching Salaries, Benefits and Bonuses paid by a Third Party	\$0	\$0	\$0	\$0	\$0	\$0
24	Support Staff/Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	\$1,082	\$0	\$0	\$1,137	\$738,058	\$740,277
25	Support Staff/Administrative Compensation, Benefits and Bonuses paid by Third Party	\$0	\$0	\$0	\$0	\$0	\$0
26	Severance Payments	\$0	\$0	\$0	\$0	\$0	\$0
27	Recruiting	\$36,535	\$15,842	\$18,743	\$22,160	\$258	\$93,538
28	Team Travel	\$60,417	\$55,085	\$43,042	\$327,132	\$0	\$485,676
29	Sports Equipment, Uniforms and Supplies	\$29,203	\$10,648	\$12,571	\$77,987	\$15,527	\$145,936
30	Game Expenses	\$15,024	\$18,363	\$19,816	\$39,480	\$29,946	\$122,629
31	Fund Raising, Marketing and Promotion	\$0	\$0	\$2,089	\$1,011	\$27,094	\$30,194
32	Sports Camp Expenses	\$6,708	\$3,636	\$5,236	\$31,855	\$0	\$47,435
33	Spirit Groups	\$0	\$0	\$0	\$0	\$45,647	\$45,647
34	Athletic Facilities Debt Service, Leases and Rental Fee	\$0	\$0	\$0	\$2,625	\$0	\$2,625
35	Direct Overhead and Administrative Expenses	\$0	\$0	\$0	\$5,185	\$29,770	\$34,955
36	Indirect Institutional Support	\$160,885	\$77,073	\$65,720	\$280,936	\$295,223	\$879,837
37	Medical Expenses and Insurance	\$0	\$0	\$0	\$0	\$108,755	\$108,755
38	Memberships and Dues	\$0	\$280	\$250	\$1,330	\$33,089	\$34,949
39	Student-Athlete Meals (non-travel)	\$5,552	\$2,204	\$1,599	\$9,297	\$32	\$18,684
40	Other Operating Expenses	\$8,038	\$7,892	\$1,789	\$16,893	\$32,454	\$67,066
41	Bowl Expenses	\$0	\$0	\$0	\$0	\$0	\$0
41A	Bowl Expenses - Coaching Compensation/Bonuses	\$0	\$0	\$0	\$0	\$0	\$0

Reporting Institution: Wayne State College (Nebraska)

Reporting Year (FY): 2019

ID	Item	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
	Total Operating Expenses	\$1,110,508	\$530,960	\$475,156	\$1,845,600	\$1,358,298	\$5,320,522
	Excess (Deficiencies) of Revenues Over (Under) Expenses	\$0	\$0	\$0	\$0	\$0	\$0



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees of the Nebraska State Colleges
dba Wayne State College

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees of the Nebraska State Colleges dba Wayne State College (the specified parties), solely to assist you in evaluating whether the statement of revenue and expenses of Wayne State College is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 6.2.3 for the year ended June 30, 2018. Wayne State College's management is responsible for the statement of revenue and expenses ("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.

The procedures and associated findings are as follows:

Revenue

1. Compared current fiscal year revenues greater than \$513,156 (10% of total revenues) to prior fiscal year revenues. All variances greater than 10% were examined for explanations. Women's Basketball was the only variance from the prior fiscal year that was more than 10%.
2. Compared and agreed each operating revenue category reported in the statement during the fiscal year to the Athletic Institutional Support (Revenues) by Sport Report provided by the college's accounting department.
3. For all revenue categories in #2 above greater than \$205,262 (4% of total revenues), performed procedures as listed below:
 - a. Indirect facilities & administrative support was traced back to supporting documentation from the college's accounting department.
 - b. Direct institutional support was traced to the college's budget allocation calculations. There was a variance of \$493. This was below our agreed upon materiality threshold of \$1,500.
 - c. Traced contribution revenue back to supporting documentation provided by Wayne State College Foundation.

Conclusion: No exceptions were found as a result of applying the above procedures unless otherwise noted above.

Expenses

1. Compared current fiscal year expenses greater than \$513,156 (10% of total expenses) to prior fiscal year expenses. All variances greater than 10% were examined for explanations. Women's Basketball was the only variance from the prior fiscal year that was more than 10%.
2. Compared and agreed each operating expense category reported in the statement during the fiscal year to the Athletic Institutional NPS (Expenses) by Sport Report provided by the college's accounting department.
3. For all expense categories in #2 above greater than \$205,262 (4% of total expenses), performed procedures as listed below:
 - a. Selected a sample of 10% (24) of the total student athletes and traced their information to the NCAA CA software reports noting scholarship amount. Also traced the sample of athletes to their Conference Tender of Financial Assistance form for verification of amounts and signatures.
 - b. Selected three individuals from the coaching staff (one each from football, men's basketball and women's basketball) and one individual from the support staff and traced salaries to their signed contracts and to payroll summary reports.
 - c. Obtained institution's team travel policy and compared to NCAA related policies. Institution's team travel policy covers all necessary items. Also, traced total team travel expenses to general ledger supporting detail.

Conclusion: No exceptions were found as a result of applying the above procedures unless otherwise noted above.

Other

1. Agreed the total outstanding institutional debt to the college's summary table of bonds outstanding as well as the Nebraska State Colleges Student Fees and Facilities Revenue and Refunding Bond Program audit report.
2. Traced the value of athletics dedicated endowments in the report back to supporting documentation provided by Wayne State College Foundation.
3. Traced the value of institutional endowments in the report back to supporting documentation provided by Wayne State College Foundation.

Conclusion: No exceptions were found as a result of applying the above procedures.

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 audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the statement of revenue and expenses of Wayne State College. 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 the specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties.

McMill CPA PC

McMill CPA PC
Certified Public Accountants

January 7, 2019

Chadron State College Athletic Department
Chadron, Nebraska

INDEPENDENT ACCOUNTANTS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES

For the Year Ended June 30, 2019

Chadron State College Athletic Department
Chadron, Nebraska

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Gardner, Loutzenhiser and Ryan, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON
THE APPLICATION OF AGREED-UPON PROCEDURES**

To The Board of Trustees of the Nebraska State Colleges
dba Chadron State College Athletic Department
Chadron, Nebraska

We have performed the procedures as enumerated in Exhibit B, which were agreed to by the President of Chadron State College solely to assist you in evaluating whether the accompanying statement of revenue and expenses of Chadron State College (Exhibit A) is in compliance with the specified requirements of the National Collegiate Athletic Association ("NCAA") Bylaw 6.2.3 for the year ended June 30, 2019. Chadron State College's management is responsible for the statement of revenue and expenses ("statement"), the supplemental information on 10% variances 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 representations regarding the sufficiency of the procedures described in the accompanying Description of Agreed-Upon Procedures (Exhibit B) either for the purpose for which this report has been requested or for any other purpose.

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 on the compliance of the accompanying statement of revenue and expenses of Chadron State College. 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 the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

Gardner, Loutzenhiser + Ryan PC

Chadron, Nebraska
January 10, 2020

CHADRON STATE COLLEGE ATHLETIC DEPARTMENT

STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (UNAUDITED)

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
Operating Revenues:						
Ticket sales	\$ 26,531	\$ 4,458	\$ 4,123	\$ 6,095	\$ 12,547	\$ 53,754
Student fees	64,585	41,604	15,727	122,288	245,961	490,165
Direct institutional support	981,283	261,596	216,082	1,123,686	645,988	3,228,635
Indirect Institutional Support	-	-	-	-	871,256	871,256
Guarantees	-	11,500	11,000	-	-	22,500
Contributions	69,707	9,723	11,504	96,032	54,162	241,128
In-Kind	41,418	178	-	2,276	9,035	52,907
NCAA Distributions	215	-	-	20,851	14,376	35,442
Conference Distributions (Non Media and Non Bowl)	-	-	-	29	3,875	3,904
Program, Novelty, Parking and and Concession Sales	23,411	6,602	6,603	8,907	8,099	53,622
Royalties, Licensing, Advertisement and Sponsorships	23,950	46,755	11,459	29,077	-	111,241
Sports camp revenues	211,468	23,627	50,696	96,701	-	382,492
Athletics Restricted Endowment and investments income	11,343	12,625	20,448	13,914	-	58,330
Other Operating Revenues	-	-	-	1,480	-	1,480
Subtotal operating revenue	\$ 1,453,911	\$ 418,668	\$ 347,642	\$ 1,521,336	\$ 1,865,299	\$ 5,606,856
Operating expenses:						
Athletics Student Aid	\$ 476,190	\$ 143,872	\$ 102,793	\$ 525,895	\$ 31,523	\$ 1,280,273
Guarantees	-	-	-	-	-	-
Coaching Salaries, Benefits, and Bonuses paid by the College and Related Entities	511,828	145,081	105,500	476,051	1,879	1,240,339
Support Staff/Administrative, Compensation, Benefits, and Bonuses paid by the College and Related Entities	-	-	-	-	619,005	619,005
Recruiting	31,940	14,041	8,403	15,473	-	69,857
Team travel	97,721	50,634	48,701	257,045	693	454,794
Sports Equipment, Uniforms, and Supplies	138,960	18,939	31,117	106,462	69,848	365,326
Game expenses	16,800	13,787	12,960	31,441	41,464	116,452
Fund Raising, Marketing and Promotion	7,467	1,733	241	16,762	69,856	96,059
Sports camp expenses	147,975	19,158	27,272	77,207	-	271,612
Spirit groups	13,380	10,035	9,366	-	-	32,781
Direct Overhead and Administrative Expenses	2,927	522	444	2,591	9,183	15,667
Indirect Institutional Support	-	-	-	-	871,256	871,256
Medical Expenses and Insurance	850	247	-	78	103,850	105,025
Memberships and dues	-	-	100	2,761	21,285	24,146
Student-Athlete Meals (non-travel)	141	-	137	271	24	573
Other operating expenses	7,732	619	608	9,299	25,433	43,691
Subtotal operating expenses	\$ 1,453,911	\$ 418,668	\$ 347,642	\$ 1,521,336	\$ 1,865,299	\$ 5,606,856
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying independent accountants' report
on applying agreed-upon procedures

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Exhibit B

The procedures that we performed, and our findings are as follows:

REVENUES

Ticket Sales

We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported and recalculated totals. No findings were noted in this procedure.

Student Fees

We compared and agreed student fees reported in the statement of revenues and expenses to the student enrollments during the reporting period. We discussed the College's methodology for allocating student fees to intercollegiate athletics programs. We re-calculated the allocations reported in the statement of revenues and expenses to the College's reported student fees. No findings were noted in this procedure.

Direct State or Other Governmental Support

Per discussion with College management, there is no direct state or other governmental support.

Direct Institutional Support

We compared the direct institutional support recorded during the reporting period with supporting budget transfers and other corroborative supporting documentation and recalculated totals. No findings were noted in this procedure.

Transfers Back to Institution

Per discussion with College management, there are no transfers back to the institution.

Indirect Institutional Support

We compared indirect institutional support recorded during the reporting period with expense payments, cost allocation detail and other supporting documentation and recalculated totals. No findings were noted in this procedure.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental fees

Per discussion with College management, there are no indirect institutional athletic facilities debt service, lease or rental fees.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Guarantees

We selected a sample of settlement reports for away games agreeing them to the general ledger. We selected a sample of contractual agreements and agreed them to the general ledger and recalculated totals. No findings were noted in this procedure.

Contributions

We reviewed the listing maintained of all contributors and reviewed supporting documentation for the contributors representing more than 10% of total contributions. No findings were noted in this procedure.

In-kind

We compared the in-kind recorded by the institution during the reporting period to supporting schedules of in-kind donations and recalculated totals. No findings were noted in this procedure.

Compensation and Benefits Provided by a Third-Party

Per discussion with College management, there was no compensation or benefits provided by a third-party.

Media Rights

Per discussion with College management, there are no media rights.

NCAA Distributions

We compared the College's listing of NCAA distributions to the College's statement of revenues and expenses. We compared a sample of NCAA Distributions to deposits and supporting documentation. No findings were noted in this procedure.

Conference Distributions

We reviewed the College's listing of Conference distributions and traced the total to the statement of revenues and expenses. We compared a sample of Conference Distributions to deposits and supporting documentation. No findings were noted in this procedure.

Program, Novelty, Parking and Concession Sales

We obtained the College's documentation for program sales and traced the total to the statement of revenues and expenses. We compared a sample of program sales and concessions to deposits and supporting documentation. No findings were noted in this procedure.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Royalties, Licensing, Advertisements and Sponsorships

We traced the listing as recorded by the College to the statement of revenues and expenses to the general ledger. We compared a sample of royalties and sponsorships to deposits and supporting documentation such as the agreement. No findings were noted in this procedure.

Sports Camp Revenues

We reviewed the agreements between the institution and person(s) conducting the sports camps. We selected a sample of individual camp participants from schedules of camp participants and agreed the deposit receipt to the general ledger and recalculated totals. No findings were noted in this procedure.

Athletics Restricted Endowment and Investment Income

We received reports from the Chadron State Foundation regarding endowments established for athletic purposes. We compared the classification and use of endowment and investment income reported in the statement with the information obtained from the Chadron State Foundation and recalculated totals. No findings were noted in this procedure.

Bowl Revenues

Per discussion with College management, there are no bowl revenues.

Other

We reviewed the amounts and calculations used to determine the amount recorded as other income. No findings were noted in this procedure.

Overall Revenue Procedures

We compared and agreed each operating revenue category on the general ledger to the statement of revenues and expenses as well as to supporting schedules as required. We compared and agreed a sample of operating revenues to supporting documentation. We compared each major revenue account over 10% of the total revenue to prior period amounts and budget estimates. Explanation of the variations greater than 10% can be found in the supplement to this report. No findings were noted in these procedures.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

EXPENSES

Athletic Student Aid

We selected a sample of students from the listing of institutional student aid recipients during the reporting period, a squad list was provided for each sport. We obtained the individual student account details for the sample and compared the total student aid in the College student system to the amounts being reported and recalculated the totals for each sport and overall. There were no findings noted in these procedures.

Guarantees

Per discussion with College management, there are no guarantee expenses.

Coaching Salaries, Benefits, and Bonuses Paid by the College and Related Entities

We obtained a listing of coaches employed by the institution and related entities during the reporting period. We selected a sample of coaches' contracts that included football, as well as men and women's basketball. We compared the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution during the reporting period. We obtained and inspected payroll summary registers for the reporting period for each selection and compared them to the salaries, benefits and bonuses recorded by the institution. We agreed the totals recorded with the employment contracts for the selections and we recalculated totals. There were no findings noted in these procedures.

Coaching Other Compensation and Benefits Provided by a Third-Party

Per discussion with College management, there were no coaching other compensation or benefits paid by a third party.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the College and Related Entities

We selected a sample of support staff/administrative personnel employed by the institution and related entities during the reporting period. We obtained and inspected summary payroll registers for each selection and compared them to the related support staff administrative salaries, benefits and bonuses recorded by the institution and we recalculated total. There were no findings noted in these procedures.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party

Per discussions with College management, no other compensation or benefits were paid by a third party.

Severance Payments

Per discussion with College management, no severance payments were paid in this reporting period.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Recruiting

We obtained the Chadron State College Athletic Policy Manual regarding recruiting expenses. The policies were compared to the existing institutional and NCAA related policies. We consulted with management of the College regarding the policies and reviewed several documents demonstrating how the policies are being implemented. We compared general ledger detail to the total expense being reported and recalculated totals. No findings were noted in these procedures.

Team Travel

We obtained the Chadron State College Athletic Policy Manual regarding team travel policies. The policies were compared to the existing institutional and NCAA related policies. We consulted with management of the College regarding the policies and reviewed several documents demonstrating how the policies are being implemented. We compared general ledger detail to the total expense being reported and recalculated totals. No findings were noted in these procedures.

Equipment, Uniforms and Supplies

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Game Expenses

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Fund Raising, Marketing and Promotion

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Sports Camp Expenses

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Spirit Groups

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. A finding is detailed below.

Comment: There was no allocation of health insurance to Spirit Groups expense, all health insurance expense was being reported under Medical Expenses and Insurance expense.

Resolution: A correction was made by the College to the reporting by allocation of \$3,336 in health insurance expense to Spirit Groups. In addition, closer examination of the health insurance expense resulted in removal of \$18,693 from the preliminary reported Direct Institutional Support. Medical Expenses and Insurance was reduced by \$22,029.

Athletic Facility Debt Service, Leases and Rental Fees

Per discussion with College management, no athletic facility debt service, leases and rental fees were paid in this fiscal period.

Direct Overhead and Administrative Expenses

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Indirect Institutional Support

This was tested with the revenues referenced above.

Medical Expenses and Medical Insurance

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. See finding detailed under Spirit Groups.

Memberships and Dues

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Other Operating Expenses and Transfers to Institution

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Student-Athlete Meals (non-travel)

We obtained general ledger detail and compared it to the total expenses reported. A sample of transactions were selected to validate existence of the transaction and accuracy of recording. Totals were recalculated. No findings were noted in these procedures.

Bowl Expenses

Per discussion with College management, no bowl payments were paid in this reporting period.

Overall Expense Procedures

We compared and agreed each expense category reported in the statement of revenues and expenses to supporting schedules as required. We compared and agreed a sample of expenses from each of the above expense categories to supporting documentation. We compared each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Explanation of the variations greater than 10% can be found in the supplement to this report. No findings were noted in these procedures.

Affiliated and Outside Organizations

We inquired with management of Chadron State College regarding affiliated and outside organizations. Chadron State College Foundation (Foundation) as an affiliated organization. The activity of the Foundation is included in the records of the Athletic department and were tested alongside the activity of the College. Chadron State College Foundation has an annual independent audit performed; no internal control matters were noted in the audit report. We compared a sample of Foundation revenue categories to supporting schedules. We compared a sample of revenue receipts in the supporting schedules to supporting documentation. We compared a sample of expense categories to supporting schedules. We agreed a sample of expenses in the supporting schedules to supporting documentation. We confirmed cash balances recorded with the Foundation and relied on the Foundation financial statement audit for the review of related year end bank reconciliations. We tested a sample of financial transactions in the Foundation supporting schedules and relied upon the Foundation audit report for procedures reviewing the Foundations governing body minutes. We relied upon the Foundation audit report for an understanding of the internal controls of the Foundation, no internal controls findings were reported in that report. No findings were noted in these procedures.

Chadron State College Athletic Department
Chadron, Nebraska

DESCRIPTION OF AGREED-UPON PROCEDURES (CONTINUED)

For the year ended June 30, 2019

Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

Per discussion with College management, no excess transfers or conference realignment expenses were paid in this reporting period.

Total Athletics Related Debt

Per discussion with College management, there was no athletics related debt for the reporting period.

Total Institutional Debt

Total outstanding institutional debt was agreed to supporting documentation. No findings were noted in these procedures.

Value of Athletics Dedicated Endowments

A schedule of athletics dedicated endowments which is maintained by Chadron State Foundation was obtained. The fair market value of the endowments on the schedule was agreed to supporting documentation and the Foundations audited financial statements. No findings were noted in these procedures.

Value of Institutional Endowments

Per discussion with College management, there are no institutional endowments in this reporting period.

Total Athletics Related Capital Expenditures

A schedule of athletics related capital expenditures during the reporting period was obtained. The schedule was agreed to general ledger detail. A sample of transactions were selected and existence and accuracy of the recordings was validated. Totals were recalculated. No findings were noted in these procedures.

Chadron State College Athletic Department
Chadron, Nebraska

SUPPLEMENTARY INFORMATION

CHADRON STATE COLLEGE ATHLETIC DEPARTMENT

ACCOUNTS OVER 10% OF THE TOTAL WITH A COMPARISON
TO PRIOR PERIOD AND BUDGET

	2018-2019 Actual	2017-2018 Actual	2018-2019 Budget
Direct institutional support revenue	\$ 3,228,635	\$ 3,164,324	\$ 2,465,711

Management Response: Budget is based on the amounts expected to be received from the State and not tuition waivers or salaries.

Indirect institutional support revenue	\$ 871,256	\$ 772,121	\$ -
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Management Response: Indirect allocation of facilities and administration per accounting personnel calculations. Revenue is dependant on allocation formula. This revenue is not budgeted.

Athletics student aid expenditure	\$ 1,280,273	\$ 1,225,670	\$ 189,848
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Management Response: Budget reflects only the institutional support portion

Coaching salaries, benefits and bonuses paid by the College and related entities	\$ 1,240,339	\$ 1,292,464	\$ 798,272
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Management Response: Budget reflects only the institutional support portion

Support staff/administrative compensation, benefits and bonuses paid by the College and related entites	\$ 619,005	\$ 566,759	\$ 862,126
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Management Response: Budget reflects the institutional support estimate.

Indirect institutional support expenditure	\$ 871,256	\$ 772,121	\$ -
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Management Response: Indirect allocation of facilities and administration per accounting personnel calculations. Expense is dependant on allocation formula. Expense is not budgeted.

See accompanying independent accountants' report
on applying agreed-upon procedures