

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – M

DATE: May 9-11, 2017

SUBJECT: NSU NCAA Division II Agreed Upon Procedures Audit

An Agreed Upon Procedures audit is required every 3 years for NCAA Division II schools. NSU requested the Internal Auditor of the BOR to perform this audit for FY 2016.

The audit was performed using the 2016 NCAA issued Agreed-Upon Procedures guidance. Attached is a copy of the Independent Accountant’s Report listing procedures performed. No audit exceptions were noted.

INFORMATIONAL ITEM



BOARD OF REGENTS

306 EAST CAPITOL AVENUE, SUITE 200
PIERRE, SOUTH DAKOTA 57501-2545
(605) 773-3455/FAX (605) 773-5320
www.sdbor.edu

OFFICE OF THE EXECUTIVE DIRECTOR

Independent Accountant's Report On The Application of Agreed-Upon Procedures

Dr. Timothy Downs, President,

and

Management of the Athletics Department
Northern State University
Aberdeen, SD 57401

We have performed the procedures enumerated below, which were agreed to by the President of the Northern State University solely to assist you in evaluating whether the accompanying Statement of Receipts and Disbursements of Northern State University (NSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2016.. Northern State University's management is responsible for the Statement of Receipts and Disbursements and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Receipts and Disbursements

The procedures and associated findings are as follows:

1. We gained an understanding of the aspects of NSU's general internal control and organizational structure as well as the internal control procedures unique to the

intercollegiate athletic department to determine the processing system used to record revenues for completeness and expenditures for proper authorization.

We found no exceptions as a result of this procedure.

2. We reviewed NSU's Athletic Department's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the institution's intercollegiate athletics program.

We found no exceptions as a result of this procedure.

3. Tests of the Statement of Receipts and Disbursements to include: a) the reported amounts on this statement are in agreement with the institution's general ledger.

We found no exceptions as a result of this procedure.

4. We traced ticket sale revenue to the institution's and the NSU's general ledger.

We found no exceptions as a result of this procedure.

5. Interviews were performed documenting the methodology of allocating student fees and institutional support.

We found no exceptions as a result of this procedure.

6. We obtained documentation support indirect cost rates and recalculated indirect institutional support.

We found no exceptions as a result of this procedure.

7. We obtained all settlement reports for away games and verified all guarantees were deposited in the general ledger.

We found no exceptions as a result of this procedure.

8. We confirmed the receipts and disbursements of the NSU Athletic Department's outside organization, Northern State University Foundation to agree these confirmed amounts with the NSU's Athletic Department's accounting records.

We found no exceptions as a result of this procedure.

9. We obtained and reviewed the audited financial statements of outside organizations audited independently of the institutional audit and any reports to management regarding matters related to the internal control structure required by National Collegiate Athletic Association regulations.

We found no exceptions as a result of this procedure.

10. We obtained and recalculated men's football and women's basketball sport camps documentation and traced it to the institution's general ledger.

We found no exceptions as a result of this procedure.

11. We obtained and reviewed endowment agreements to gain an understanding of relevant terms and conditions.

We found no exceptions as a result of this procedure.

12. We selected a sample of students receiving athletic student aid and compared total aid to the student's account and traced the student and their aid to the NCAA Membership Financial Reporting System.

We found no exceptions as a result of this procedure.

13. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution.

We found no exceptions as a result of this procedure.

14. We selected a sample of coach's and traced to their contracts and payroll records for agreement.

We found no exceptions as a result of this procedure.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of opinions on the Statement of Receipts and Disbursements and of NSU. Accordingly, we do not express such opinions. 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 use of Dr. Timothy Downs, President, and Management of the Athletics Department of Northern State University and should not be used by anyone other than these specified parties.

Michele Anderson, CPA
Director of Internal Audit

January 13, 2017