

UW-MADISON NCAA DIVISION I ATHLETICS 2013-14 REPORT

EXECUTIVE SUMMARY

BACKGROUND

Collegiate athletics are high-profile activities that exist for the betterment of the student body, student athletes, and the university. As some of the most visible programs at institutions of higher education, athletics provide valuable experiences for student athletes, opportunities to engage the broader community and a public face for the institution. This visibility, as well as the number of student-athlete participants, the members of the public attending athletic events and the substantial compliance requirements, necessitates a high level of oversight and scrutiny by both administrators and governing bodies.

A recent study by the Association of Governing Boards of Colleges and Universities (AGB), “Trust, Accountability, and Integrity: Board Responsibilities for Intercollegiate Athletics” (2012) included three recommendations:

- The governing board is ultimately accountable for athletic policy and oversight and should fulfill this fiduciary responsibility.
- The board shall act decisively to uphold the integrity of the athletics program and its alignment with the academic mission of the institution.
- The board must educate itself about its policy role and oversight of intercollegiate athletics.

The UW System has three institutions with Division I NCAA athletics programs (UW-Green Bay, Madison, and Milwaukee); one institution with a Division II athletics program (UW-Parkside); and nine institutions with Division III athletics programs (UW-Eau Claire, La Crosse, Oshkosh, Platteville, River Falls, Stevens Point, Stout, Superior, and Whitewater).

In November 2012, the Board of Regents established a reporting framework for UW institutions that participate in NCAA Division I athletics. Under this framework, institutions annually provide information to the Board regarding academic, fiscal and compliance matters related to NCAA Division I intercollegiate athletics.

The framework requires each of the UW institutions with an NCAA Division I athletic program to submit a written annual report to the Board of Regents, which is the basis for annual presentations to the Board by the Chancellor and Athletic Director. The report and presentation are designed to assist the Board in ensuring that the institutions are: 1) adhering to any performance standards implemented by an institution or its athletic board; 2) safeguarding the welfare of all students; 3) maintaining NCAA compliance; and 4) assuring fiscal integrity.

REQUESTED ACTION

This item is for discussion purposes only.

DISCUSSION

UW-Madison has submitted its 2013-14 athletics report to the Board of Regents for discussion at the Board's February 2015 meeting. An overview of significant items in the report follows.

I. Athletics

UW-Madison Athletics Department's 2013-14 report to the Board of Regents states that the department provided educational support and athletic opportunities to nearly 900 student-athletes in 23 sports. The report also includes a link to the Athletics Department 2013-14 Annual Report, which provides an overview of accomplishments and progress towards specific goals. The 2013-14 Annual Report highlights the following athletic accomplishments:

- Eighteen teams advanced to post-season play.
- Three teams advanced to the conference championship weekend competition.
- The men's track and field team swept the indoor and outdoor Big Ten crowns for the 12th time in program history.
- Twenty-four individual student-athletes were named All-American.
- The coach for indoor and outdoor track and field was named Big Ten Coach of the Year.

II. Academics

UW-Madison Athletics Department's 2013-14 report to the Board of Regents identifies three measures used to monitor academic progress of student-athletes—the federal graduation rate (FGR), the graduation success rate (GSR), and the academic progress rate (APR)—and established benchmarks for each.

The Athletics Department identifies three benchmarks related to the federal graduation rate (FGR). The benchmarks are to maintain a student-athlete FGR that is: (1) greater than the rate for all UW-Madison students; (2) greater than the median rate for the Big Ten Conference; and (3) greater than the rate for all Division I student-athletes. With a FGR of 65%, the Athletics Department did not meet the first two benchmarks and came close to meeting the third benchmark in 2013-14. The FGRs for UW-Madison students, Big Ten Conference student-athletes, and Division I student-athletes were 83%, 72%, and 66%, respectively.

The report identifies two benchmarks related to the graduation success rate. These call for a graduation success rate (GSR) for student-athletes that is: (1) greater than the median GSR of the Big Ten Conference; and (2) greater than the GSR of all Division I athletes. With a GSR of 84%, the Athletics Department did not meet the first of these two benchmarks, as the median GSR for the Big Ten Conference was at 87%. However, UW-Madison's GSR was higher than the GSR of all Division I student-athletes (82%).

The report also identifies two benchmarks related to the Academic Progress Rate: (1) all teams will have a multiyear APR above 930; and (2) all teams will have a single-year APR above 930. The NCAA's minimum APR for postseason competition is 900 (multiyear) or 930 (over the two most recent years). All 23 teams maintained multiyear and single-year APRs above 930. The multiyear APRs for men's sports ranged from a low of 961 for swimming to a maximum of 1,000 for cross country. The range for women's sports ranged from a low of 985 for volleyball to a maximum of 1,000 for the golf team and tennis team.

According to the Athletics Department report to the Board of Regents, there was considerable academic achievement among UW-Madison's student-athletes during 2013-14. UW-Madison student-athletes maintained a 3.02 cumulative grade point average (GPA) at the end of the Spring 2014 term. After the Spring 2014 term, 51% of student-athletes maintained a 3.0 GPA or above, and two student-athletes had a perfect 4.0 cumulative GPA.

The Athletics Department 2013-14 Annual Report linked in the report to the Regents highlights several additional academic accomplishments:

- Seven teams either set or tied their highest term or cumulative grade point averages.
- 209 student-athletes were recognized as Academic All-Big Ten Honorees.
- 46 student-athletes were recognized as Big Ten/WCHA Distinguished Scholars.
- Eight student-athletes carried a 4.0 or perfect grade point average for 2013-14, and 52 student-athletes achieved a perfect 4.0 grade point average during either the fall or spring (or both) semester(s).

III. Financial Situation

The Athletics Department report to the Regents includes the department's budget, actual revenues, actual expenses, balances, debt balances and payments, and endowments for the 2013-14 fiscal year. The report notes an operating surplus of \$271,209 for FY 2013-14. The department reported a deficit of \$5,823 for FY 2012-13. The report also identifies an unrestricted fund balance of \$640,172 at the end of the 2013-14 fiscal year, or 0.6% of 2013-14 expenditures.

The report also notes that the Athletics Department budget supports 23 sports and approximately 900 student-athletes, and that the department employs more than 600 people. The department's economic impact has been estimated at \$970 million annually, with nearly 9,000 jobs supported and created by the department.

IV. NCAA Rules Compliance

An examination of the Athletics Department's NCAA rules-compliance program for 2013-14 was performed by UW-Madison's Internal Audit unit. This review looked at eleven compliance areas including eligibility certification (initial, continuing, and transfer), camps and clinics, financial aid administration, recruiting, rules education, student-athlete employment, playing and practice seasons, amateurism, and commitment to compliance. The review

concluded that there is an adequate system in place to monitor compliance in each of these areas. In comparison, a similar audit for 2012-13 noted documentation limitations within some of these areas and included six recommendations.

The report to the Regents indicates no major NCAA violations and 24 secondary violations in 2013-14, and indicates that these numbers are consistent with prior years.

Included with the Athletics Department report is an NCAA- required report on Agreed-Upon Procedures, issued by independent auditor Baker Tilly, for the year ended June 30, 2014. Baker Tilly noted a deficiency in the Human Resource System (HRS) at the Athletics Department related to access rights. This was also an issue that pertained to HRS more broadly and that has been previously communicated to the Board of Regents. The report noted that UW-Madison developed compensating controls as of June 2014 and stated that the Athletics Department should continue to use those procedures to monitor transactions.

RELATED REGENT POLICIES

Regent Policy Document 10-1: Endorsement of the Statement of Principles from the Knight Foundation Commission on Intercollegiate Athletics

2013-14

REPORT TO BOARD OF REGENTS ON INTERCOLLEGIATE ATHLETICS AT UW-MADISON



January 27, 2015

2013-14 Executive Summary to Board of Regents

Introduction

This report provides information about University of Wisconsin-Madison intercollegiate athletics for the Board of Regents. It addresses fiscal responsibility, academics, and compliance.

The Athletics Department: Makeup, Mission, & Membership

The Division of Intercollegiate Athletics, generally referred to as the “Athletics Department,” is a departmental unit within the University governed by the policies of UW-Madison. The Athletics Department is led by the Director of Athletics who is hired by the Chancellor of the University. The Director of Athletics reports jointly to the Athletic Board and to the Chancellor, who has final authority over the Athletics Department. The Chancellor reports to the President of the UW System, who in turn reports to the UW Board of Regents.

The Athletics Department dedicates itself to the mission of providing athletic opportunities to a wide range of students and providing an environment in which all student-athletes can achieve their academic and competitive goals.

The Athletics Department is a member institution of the National College Athletic Association (NCAA), the Big Ten Conference, and the Western Collegiate Hockey Association (WCHA). Therefore, the Athletics Department abides by the rules and regulations promulgated by these organizations.

Financial Highlights

The full report contains the final budget, debt balances and payments, and endowments for the 2013-14 fiscal year (see Appendices A & B). The annual budget for the Athletics Department is approximately \$127 million. This budget supports 23 sports and approximately 900 student-athletes at any given time, depending on cuts, quits, and other roster changes. The Athletics Department employs over 600 people. The Athletics Department’s economic impact has been estimated at \$970 million annually, with nearly 9,000 jobs supported and created. There is no deficit to be handled from 2013-14 operations.

Academic Measures

The Athletics Department uses various means to monitor the academic progress of the student-athletes. The federal graduation rate (FGR), graduation success rate (GSR), and Academic Progress Rate (APR) are the most recognizable of these measures.

The FGR is compiled by the U.S. Department of Education and measures the percentage of first-time, full-time freshmen who graduate within six years of entering their original four-year institution. The GSR differs from the FGR in that it excludes from the denominator those student-athletes who leave the institution in good academic standing and includes in the numerator those who transfer into the institution and go on to graduate. Lastly, the APR is a term-by-term calculation of the eligibility and retention of all student-athletes. A score of 1000 means every student-athlete on that particular team stayed eligible and returned to school. Teams begin losing points for student-athletes who are not eligible and/or are not retained.

Of the twenty-one student-athletes in the 2014 single-year FGR cohort who did not graduate from the UW in six years, eleven transferred to another institution, six left early to pursue professional opportunities, three have since earned their degree, and one is currently enrolled at the UW.

The UW student-athlete four-year average FGR was 71% in 2013-14, compared to 72% for the Big Ten Conference, and 65% for all NCAA Division I student-athletes. The graduation rate for all UW-Madison students has risen to 83% in recent years.

The GSR for UW student-athletes was 84% in 2013-14, which exceeded the GSR for all NCAA Division I student-athletes (82%). The APR for UW student-athletes – used by the NCAA to hold institutions accountable for the academic progress of their student-athletes – was above 930 in all sports in both the multiyear and single year measures.

The Academic Support staff also utilizes its own measures to track success that differ from the conventional measures in important ways. For example, the Athletics Department considers a student successful who matriculates at UW and receives Athletics aid, but graduates from another institution within the prescribed period.

UW student-athletes carried a 3.02 cumulative GPA at the end of the Spring 2014 term. After the Spring 2014 semester, 51% of student-athletes carried a cumulative GPA of 3.00 or above, and two student-athletes maintain a perfect 4.00 cumulative GPA. Additionally, three sports achieved the highest cumulative GPA on record for their respective programs.

UW student-athletes currently major in 81 diverse areas of study. Sociology, Life Sciences, Kinesiology, and Biology are the most common majors among student-athletes, but there are currently sixty-four different areas of study that ten or fewer student-athletes have declared as majors. A total of 277 student-athletes graduated during the 2013-14 academic year.

The UW does not employ a special admissions process for student-athletes. Student-athletes progress through the admissions process in the same manner as other applicants. The UW utilizes a holistic, competitive, and selective admissions review.

Agreed-Upon Procedures & Intercollegiate Athletics Budget Report

The full report contains reports from an independent auditor on the Athletics Department's agreed-upon procedures and budget report for the 2013-14 fiscal year.

Compliance

The 2013-14 Internal Audit of Athletics Department Compliance Procedures found that there exists an adequate system to monitor NCAA compliance (see Appendix G).

The Athletics Department reported no Level I or Level II violations (formerly classified as "major" violations) and twenty-four Level III or Level IV violations (formerly classified as "secondary" violations) to the NCAA in 2013-14. These numbers are consistent with reporting statistics from previous years. For a detailed list of reported Level III and Level IV violations, see Appendix H.

INTERCOLLEGIATE ATHLETICS REPORT

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INTRODUCTION

The purpose of this report is to provide annual information of intercollegiate athletics and the functions outlined by the Faculty Senate to the Board of Regents. In the first section, information is provided about the NCAA, the Big Ten, and the Intercollegiate Athletics Department. The subsequent sections outline specific information addressing academics, fiscal responsibility, and compliance regulation.

I. DIVISION OF INTERCOLLEGIATE ATHLETICS

The Division of Intercollegiate Athletics, generally referred to as the “Athletics Department,” is a departmental unit within the University governed by the policies of the University of Wisconsin-Madison (“UW”). The Athletics Department is led by the Director of Athletics who is hired by the Chancellor of the University. The Director of Athletics reports jointly to the Athletic Board and to the Chancellor, who has final authority over the Athletics Department. The Chancellor reports to the President of the UW System, who in turn reports to the UW Board of Regents.

A. Mission of Intercollegiate Athletics

The Athletics Department dedicates itself to the mission of providing athletic opportunities to a wide range of students and providing an environment in which all student-athletes can achieve their academic and competitive goals. The Athletics Department strives to provide equitable opportunities for all student-athletes and staff regardless of gender or ethnic backgrounds. To honor its academic mission and that of the University, the Athletics Department supports the educational aspirations, academic progress, and general welfare of the student-athlete. In competition, the Athletics Department fosters principles of sportsmanship, respect, fair play, and athletic excellence. In all of its activities, the Athletics Department insists on integrity, ethical conduct, and accountability.

The Athletics Department’s mission on behalf of the...

- **Student-Athletes** - Provide the resources for student-athletes to pursue their academic and athletic dreams, while shaping their development into adulthood.
- **University** - Operate all areas of the Athletics Department with class and quality while accepting our role as a source of school spirit and pride for all faculty, staff, students and alumni of the university.
- **Citizens of the State** - Support the community by participating in a variety of public service projects, hosting events that provide good entertainment and contribute positively to the economy, and serving as a source of state pride through the academic achievement of our student-athletes and successful performance in their athletic pursuits.

This mission is derived from the overall mission of the UW to provide the opportunity for highest achievement in all areas of human knowledge and endeavor: intellectual, artistic, and physical. Intercollegiate Athletics is a part of the UW’s total educational purpose: (1) through values; (2) through diversity and outreach; (3) through cultural appreciation; and (4) through physical human development. In addition to these four explicit interactions with the University’s purpose, intercollegiate athletics is aligned with the University’s mission through tradition.

B. National Collegiate Athletic Association (NCAA)

The colleges, universities, and conferences, referred to as “members,” make up the NCAA. The members appoint volunteer representatives who serve on committees that introduce and vote on rules called bylaws. The members also establish programs to govern, promote, and further the purposes and goals of intercollegiate athletics.

Approximately 350 paid professionals who implement the rules and programs established by the membership make up the “national office.” The national office staff is located primarily at the NCAA headquarters office in Indianapolis, Indiana. The entire organization, comprised of members and staffs, is referred to as the NCAA.

The NCAA's core ideology consists of two notions: core purpose – the organization's reason for being – and core values – essential and enduring principles that guide the organization. Its purpose is to govern competition in a fair, safe, equitable, and sportsmanlike manner and to integrate intercollegiate athletics into higher education so that the educational experience of the student-athlete is paramount. The NCAA – through its member institutions, conferences, and national office staff – shares a belief in and commitment to:

- The collegiate model of athletics in which students participate as an avocation, balancing their academic, social, and athletics experiences.
- The highest levels of integrity and sportsmanship.
- The pursuit of excellence in both academics and athletics.
- The supporting role that intercollegiate athletics plays in the higher education mission and in enhancing the sense of community and strengthening the identity of member institutions.
- An inclusive culture that fosters equitable participation for student-athletes and career opportunities for coaches and administrators from diverse backgrounds.
- Respect for institutional autonomy and philosophical differences.
- Presidential leadership of intercollegiate athletics at the campus, conference, and national levels.

For more information regarding the NCAA, visit <http://www.ncaa.org/>.

C. History of Intercollegiate Athletics

The creation of athletic teams occurred just 25 years after the UW was founded in 1848. By the end of the 19th century, the UW joined six other schools to form the Western Conference (now known as the Big Ten Conference). As a charter member of the Big Ten, the UW has a long and proud athletic history.

Men’s sports dominated the scene at the UW until the late 1960s when women’s athletics began to grow. Naming Kit Saunders as the administrator of the women’s sports program in 1967 and the enactment of Title IX of the Educational Amendments Act of 1972 both helped vault UW women’s athletics into the mainstream.

That movement along with the growing popularity of sports on college campuses around the nation catapulted the UW Athletics program into the college culture.

Today, the UW sponsors 23 sport programs supporting approximately 900 student-athletes at any given time, depending on cuts, quits, and other roster changes. The sport programs are well supported and funded, which is evident in the All-Sports Directors' Cup rankings, in which the UW has finished among the nation's top 30 programs nine times in the past 10 years. UW programs have enjoyed some of their most successful seasons in the past decade, with Rose Bowl appearances in football, national titles in men's and women's hockey, men's indoor track, men's cross country, men's rowing and women's lightweight rowing, and remarkable facilities construction such as the Porter Boathouse and LaBahn Arena.

For more information regarding the Division of Intercollegiate Athletics, visit www.uwbadgers.com.

The Athletics Department is a member institution of the National College Athletic Association (NCAA), the Big Ten Conference, and the Western Collegiate Hockey Association (WCHA). Therefore, the Athletics Department abides by the rules and regulations promulgated by these organizations.

Big Ten Conference

The Big Ten Conference is an association of 14 world-class universities whose member institutions share a common mission of research, graduate, professional, and undergraduate teaching and public service. Intercollegiate athletics has an important place within the Big Ten's common mission. Conference institutions sponsor broad-based athletic programs supporting more than 300 teams.

Founded in 1896, the Big Ten Conference has sustained a comprehensive set of shared practices and policies that enforce the priority of academics in student-athletes' lives and emphasize the values of integrity, fairness, and competitiveness. Big Ten universities provide nearly \$200 million in athletic scholarship aid to more than 9,500 men and women student-athletes who compete for 28 championships – 14 for men and 14 for women.

The Big Ten Conference institutions provide an avenue for thousands of young men and women to pursue higher education while competing in sport. The Big Ten Conference sponsors the following twenty-eight sports:

Men's Sports

Baseball
Basketball
Cross Country
Football
Golf
Gymnastics
Ice Hockey
Lacrosse
Soccer
Swimming & Diving
Tennis
Indoor Track & Field
Outdoor Track & Field
Wrestling

Women's Sports

Basketball
Cross Country
Field Hockey
Golf
Gymnastics
Lacrosse
Rowing
Soccer
Softball
Swimming & Diving
Tennis
Indoor Track & Field
Outdoor Track & Field
Volleyball

For more information regarding the Big Ten Conference, visit www.bigten.org.

Western Collegiate Hockey Association (WCHA)

The Big Ten Conference does not sponsor women's hockey, thus the Athletics Department is a member of the Western Collegiate Hockey Association (WCHA).

From the WCHA's founding days as the Midwest Collegiate Hockey League (MCHL) from 1951-53, as the Western Intercollegiate Hockey League (WIHL) from 1953-58, and ultimately as the Western Collegiate Hockey Association in 1959, this prestigious association has maintained a tradition of excellence that is second to none. With a noteworthy past that spans seven decades, three overriding characteristics that have continued to define the WCHA over its existence are history, tradition, and success.

For more information regarding the WCHA, visit <http://www.wcha.com/>.

D. Athletics Department Annual Report

On a yearly basis the Athletics Department creates an Annual Report that provides an overview of the Athletics Department's accomplishments and progress towards specific performance goals. The Athletics Department has embraced the following core values to guide future decision making:

<p style="text-align: center;">EXCELLENCE in Academics and Athletic Competition</p> <p style="text-align: center;">COMMITMENT to Fiscal Responsibility, Compliance and Diversity and Gender Equity</p> <p style="text-align: center;">PERSONAL DEVELOPMENT of Student-Athletes</p> <p style="text-align: center;">SERVICE AND CONNECTION to Community and Campus</p> <p style="text-align: center;">PROFESSIONAL DEVELOPMENT of Staff</p> <p style="text-align: center;">RECOGNITION of Department Success</p>

An annual report is found online at <http://www.uwbadgers.com/athletic-dept/business-reports.html>

II. FINANCIAL HIGHLIGHTS

A. 2013-14 Final Budget Report

Please see **Appendix A** on page 10 for the detailed report.

B. 2013-14 Debt Balances & Payments Report

Please see **Appendix B** on page 11 for the detailed report.

C. 2013-14 Value of Endowments Dedicated to Support Athletics

	Market Value	Cash/Interest
June 2014	\$52,900,758	\$1,238,466
June 2013	\$49,083,731	\$1,036,745

III. MEASURES & BENCHMARKS USED TO ASSESS STUDENT-ATHLETE ACADEMIC PROGRESS

A. Measure 1: Federal Graduation Rate

Definition: The percentage of first-time, full-time freshmen who graduate within six years of entering their original four-year institution.

Three-Year Federal Graduation Rate Trend for the Three Highest Revenue Men's Sports

	Football	Basketball	Hockey
2013-2014 (2007-2008 Cohort)	56%	33%	46%
2012-2013 (2006-2007 Cohort)	71%	67%	50%
2011-2012 (2005-2006 Cohort)	52%	33%	75%

Three Year Federal Graduation Rate Trend for the Three Highest Revenue Women's Sports

	Basketball	Hockey	Volleyball
2013-2014 (2007-2008 Cohort)	71%	83%	80%
2012-2013 (2006-2007 Cohort)	80%	100%	33%
2011-2012 (2005-2006 Cohort)	50%	83%	100%

Benchmark I: Maintain a student-athlete graduation rate that is greater than the rate for all UW-Madison students.

UW Student-Athletes vs. All UW Madison Students

Year	Graduation Rate			Four Year Average		
	UW S-A	UW	Difference	UW S-A	UW	Difference
2014	65%	83%	(18%)	71%	83%	(12%)
2013	75%	83%	(8%)	72%	82%	(10%)
2012	73%	83%	(10%)	68%	82%	(14%)
2011	71%	83%	(12%)	68%	81%	(13%)

Benchmark II: Maintain a student-athlete graduation rate that is greater than the rate for the Big Ten Conference.

UW Student-Athletes vs. Median of Big Ten Conference

Year	Graduation Rate			Four Year Average		
	UW S-A	Big Ten S-A	Difference	UW S-A	Big Ten S-A	Difference
2014	65%	72%	(7%)	71%	72%	(1%)
2013	75%	74%	1%	72%	72%	-
2012	73%	75%	(2%)	68%	71%	(3%)
2011	71%	73%	(2%)	68%	68%	-

Benchmark III: Maintain a student-athlete graduation rate that is greater than the rate for all Division I Student-Athletes.

UW Student-Athletes vs. All NCAA Division I Student-Athletes

Year	Graduation Rate			Four Year Average		
	UW S-A	D1 S-A	Difference	UW S-A	D1 S-A	Difference
2014	65%	66%	(1%)	71%	65%	6%
2013	75%	65%	10%	72%	65%	7%
2012	73%	65%	8%	68%	64%	4%
2011	71%	65%	6%	68%	64%	4%

B. Measure 2: Graduation Success Rate (GSR)

Please see **Appendix C** on page 12 for the detailed report.

Definition: The percentage of first-time, full-time freshmen who graduate within six years of entering their original four-year institution, excluding from the denominator those student-athletes who leave the institution in good academic standing and including in the numerator those who transfer into the institution and go on to graduate.

Benchmark I: Maintain a GSR for student-athletes that is greater than the median GSR of the Big Ten Conference.

UW Student-Athletes vs. Median of Big Ten Conference

Year	UW S-A	Big Ten S-A	Difference
2014	84%	87%	(3%)
2013	85%	88%	(3%)
2012	83%	85%	(2%)
2011	81%	82%	(1%)

Benchmark II: Maintain a GSR for student-athletes that is greater than the GSR of all NCAA Division I Athletes.

UW Student-Athletes vs. All Division I Student-Athletes

Year	UW S-A	D1 S-A	Difference
2014	84%	82%	2%
2013	85%	80%	5%
2012	83%	80%	3%
2011	81%	80%	1%

C. Measure 3: Academic Progress Rate (APR)

Please see **Appendix D** on page 13 for the detailed NCAA 2012-13 report. **The 2012-2013 NCAA report is the most current publicly available data.

Definition: A term-by-term calculation of the eligibility and retention of all student-athletes. Each student-athlete receiving athletically related financial aid earns one retention point for staying in school and one eligibility point for being academically eligible. A team's total points are divided by points possible and then multiplied by one thousand to equal the team's Academic Progress Rate score.

Benchmark I: Maintain a multiyear Academic Progress Rate (APR) above 930 for all sports.

Number of Sports with a Multiyear APR below 930

Year	APR < 930
2013	0 sports
2012	0 sports
2011	0 sports
2010	0 sports

Multiyear APR by Sport

Men's Sports	Multiyear APR	Women's Sports	Multiyear APR
Basketball	975	Basketball	986
Cross Country	1000	Cross Country	996
Football	989	Rowing	988
Golf	976	Golf	1000
Hockey	981	Hockey	990
Rowing	-	Soccer	987
Soccer	981	Softball	992
Swimming	961	Swimming	991
Tennis	968	Tennis	1000
Track (Indoor)	979	Track (Indoor)	996
Track (Outdoor)	983	Track (Outdoor)	994
Wrestling	970	Volleyball	985

Benchmark II: Maintain a single year Academic Progress Rate (APR) above 930 for all sports.

Single Year APR by Sport

Men's Sports	Single Year APR	Women's Sports	Single Year APR
Basketball	981	Basketball	964
Cross Country	1000	Cross Country	1000
Football	994	Rowing	994
Golf	1000	Golf	1000
Hockey	1000	Hockey	1000
Rowing	-	Soccer	969
Soccer	987	Softball	1000
Swimming	951	Swimming	988
Tennis	1000	Tennis	1000
Track (Indoor)	1000	Track (Indoor)	1000
Track (Outdoor)	1000	Track (Outdoor)	1000
Wrestling	942	Volleyball	1000

D. Additional Information: GPA & Major Selection

University of Wisconsin student-athletes carried a 3.02 cumulative GPA at the end of the Spring 2014 term. After the Spring 2014 semester, 51% of student-athletes carried a cumulative GPA of 3.00 or above, and two student-athletes have a perfect 4.00 cumulative GPA. Between the Fall 2013 and Spring 2014 semesters, a total of 209 student-athletes earned Academic All-Big Ten honors.

UW student-athletes currently major in eighty-one diverse areas of study. Sociology, Life Sciences, Kinesiology, and Biology are the most common majors among student-athletes, but there are currently sixty-four different areas of study that ten or fewer student-athletes have declared as majors. A total of 277 student-athletes graduated during the 2013-14 academic year. For a full list of majors, please see **Appendix E** on page 17.

E. Additional Information: Special Admissions of Student-Athletes

The UW does not employ a special admissions process for student-athletes. Student-athletes progress through the admissions process in the same manner as other applicants. The UW utilizes a holistic, competitive, and selective admissions review. The Athletics Department's goal is to recruit, admit, and enroll a high quality and diverse student body. The academic record always comes first in our review, but we also consider written statements, standardized test scores, extracurricular activities, leadership involvement, and optional letters of recommendation.

IV. AGREED UPON PROCEDURES REPORT & INTERCOLLEGIATE ATHLETIC BUDGET REPORT

Please see **Appendix F** on page 19 for the detailed evaluation report.

V. COMPLIANCE EVALUATION REPORT IN ACCORDANCE WITH SECTION 20.4.4 OF THE NCAA DIVISION I MANUAL

Please see **Appendix G** on page 60 for the detailed evaluation report.

VI. NCAA SELF-STUDY REPORT (IN YEARS REQUIRED BY THE NCAA)

Not applicable at this time.

VII. LIST OF LEVEL III & LEVEL IV NCAA VIOLATIONS REPORT & NCAA OVERSIGHT CERTIFICATION LETTER

Please see **Appendix H** on page 62 for the detailed report, and **Appendix I** on page 63 for the letter.

APPENDICES

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Appendix A

2013-14 University of Wisconsin Athletics Department Budget Report

<u>REVENUE</u>	<u>Budget</u>	<u>Actual</u>
Concessions & Catering	6,990,000	4,628,604
Conference Distributions	23,087,100	24,676,356
Events	949,500	779,308
Gift Funds	51,550,000	37,564,080
Multi Media	9,925,000	11,092,050
Other Revenue	3,437,500	3,735,836
Post Season	3,400,000	2,321,734
Ticket Sales	28,333,200	27,556,038
TOTAL REVENUE	127,672,300	112,354,006

<u>EXPENSE</u>		
All Salaries & Fringe Benefits	38,093,800	37,817,794
Capital Projects	33,750,000	20,705,638
Debt Service	13,228,500	12,822,349
Financial Aid	5,927,700	6,341,971
Operational Expenses	33,071,000	31,439,314
Post Season Participation	3,500,000	2,955,732
TOTAL EXPENSE	127,571,000	112,082,797

Net Operating Margin	101,300	271,209
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Ending Cash Balance 2013-14 (Unrestricted Fund Balance)	640,172
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There is no deficit from 2013-14 operations

Appendix B

2013-14 University of Wisconsin Athletics Department Debt Balances & Payments Report

<u>Project</u>	<u>Outstanding Debt, as of 6/30/14</u>	<u>Debt Service Payment FY '14</u>
Kohl Center	6,794,254	2,452,777
McClain Athletic Facility	0	0
McClimon Track & Utility System Improvements	0	0
Goodman Softball Complex	226,544	54,634
Camp Randall Stadium Renovation	50,489,461	6,603,698
Crew House	3,626,363	481,762
Camp Randall Electric	0	0
Nielsen Tennis Stadium Floor	5,789	1,034
University Ridge Golf Course	136,886	13,827
Hockey/Swimming Facility	8,573,042	587,781
Student Athlete Performance Center	47,180,846	<u>2,382,280</u>
Total Debt Service - GO Bonds	117,033,186	12,577,793
Dane County Bonds Feb '94 - Coliseum Ice & Arena Improves	237,800	244,556
Total Debt Service and Coliseum/Kohl Center Obligations		<u>12,822,349</u>

Appendix C

Graduation Success Rate Report

2004 - 2007 Cohorts: University of Wisconsin, Madison

Men's Sports			Women's Sports		
Sport	GSR	Fed Rate	Sport	GSR	Fed Rate
Baseball	-	-	Basketball	88	71
Basketball	40	33	Bowling	-	-
CC/Track	95	78	CC/Track	97	86
Fencing	-	-	Crew/Rowing	97	91
Football	69	56	Fencing	-	-
Golf	86	60	Field Hockey	-	-
Gymnastics	-	-	Golf	90	88
Ice Hockey	64	46	Gymnastics	-	-
Lacrosse	-	-	W. Ice Hockey	88	83
Mixed Rifle	-	-	Lacrosse	-	-
Skiing	-	-	Skiing	-	-
Soccer	95	79	Soccer	100	86
Swimming	88	71	Softball	86	73
Tennis	100	71	Swimming	95	86
Volleyball	-	-	Tennis	100	100
Water Polo	-	-	Volleyball	89	80
Wrestling	60	56	Water Polo	-	-
Men's Non-NCAA Sponsor. Sports	-	-	Women's Non-NCAA Sponsor. Sports	-	-

2012 - 2013 NCAA Division I Academic Progress Rate Public Report

Institution: University of Wisconsin, Madison

Date of Report: 05/06/2014

This report is based on NCAA Division I Academic Progress Rate (APR) data submitted by the institution for the 2009-10, 2010-11, 2011-12 and 2012-13 academic years.

*[Note: All information contained in this report is for four academic years. Some squads may still have small sample sizes within certain sport groups. In accordance with the Family Educational Rights and Privacy Act's (FERPA's) interpretation of federal privacy regulations, data cells containing three or fewer student-athletes have been suppressed and are indicated by an * symbol. The information in this report does not reflect any changes to data made after this date.]*

The following chart represents by-sport APR averages for noted subgroups. National aggregates are based on all squads that have certified their academic data as final.

Appendix D

Sport (N)	Multiyear APR	2012-2013 APR	Percentile Rank within Sport	Percentile Rank with in All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl Subdivision	Football Championship Subdivision	Division I (Non-Football)
By Sport - Men's											
Baseball (297)	NA	NA	NA	NA	967	962	978	971	971	967	964
Basketball (346)	975	981	70th-80th	30th-40th	957	952	968	961	961	955	954
Cross Country (312)	1000	1000	90th-100th	90th-100th	977	972	986	981	981	975	974
Football (244)	989	994	90th-100th	60th-70th	951	947	964	957	957	947	882

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

NA = No APR or not applicable.

N = Number of teams represented.

¹ Denotes APR that does not subject the team to ineligibility for postseason competition based on institutional, athletics and student resources and the team's Graduation Success Rate.

² Denotes APR that does not subject the team to ineligibility for postseason competition due to the team's demonstrated academic improvement.

³ Denotes APR that does not subject the team to ineligibility for postseason competition due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 950 for that team to be subject to ineligibility for postseason competition. Squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

⁴ Denotes APR that does not subject the team to penalties due to the team's demonstrated academic improvement.

⁵ Denotes APR that does not subject the team to penalties due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 930 for that team to be subject to penalties. The squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

⁶ Denotes APR based on a one year cohort, not subject to ineligibility for postseason competition and/or any penalties.

⁷ Denotes APR based on a two year cohort, not subject to ineligibility for postseason competition and/or any penalties.

⁸ Denotes that team is not subject to ineligibility for postseason competition and/or penalties based on institutional resources.

⁹ Denotes that team's APR data is under review.

2012 - 2013 NCAA Division I Academic Progress Rate

Public Report

Institution: University of Wisconsin, Madison

Date of Report: 05/06/2014

Sport (N)	Multiyear APR	2012-2013 APR	Percentile Rank within Sport	Percentile Rank with in All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Championship Subdivision	Division I (Non-Football)
Fencing (18)	NA	NA	NA	NA	980	970	985	979		980	984
Golf (299)	976	1000	40th-50th	40th-50th	975	971	983	983		972	969
Gymnastics (16)	NA	NA	NA	NA	981	981	989	983		986	951
Ice Hockey (59)	981	1000	30th-40th	50th-60th	984	979	989	985		992	981
Lacrosse (63)	NA	NA	NA	NA	975	969	978	980		974	973
Skating (11)	NA	NA	NA	NA	978	972	987	987		985	957
Soccer (203)	981	987	60th-70th	50th-60th	970	964	975	969		973	968
Swimming (134)	961	951	10th-20th	20th-30th	977	971	986	978		975	978
Tennis (261)	968	1000	20th-30th	20th-30th	977	974	983	980		974	978
Track, Indoor (256)	979	1000	60th-70th	40th-50th	967	961	981	969		966	967
Track, Outdoor (279)	983	1000	60th-70th	50th-60th	969	964	982	971		969	969
Volleyball (22)	NA	NA	NA	NA	981	977	985	979		986	980
Water Polo (22)	NA	NA	NA	NA	983	978	986	989		988	976
Wrestling (77)	970	942	60th-70th	30th-40th	962	958	973	967		960	956

By Sport - Women's

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

N/A = No APR or not applicable.

N = Number of teams represented.

¹ Denotes APR that does not subject the team to ineligibility for postseason competition based on institutional, athletics and student resources and the team's Graduation Success Rate.

² Denotes APR that does not subject the team to ineligibility for postseason competition due to the team's demonstrated academic improvement.

³ Denotes APR that does not subject the team to ineligibility for postseason competition due to the squad-size adjustment. The "upper confidence boundary" of a team's APR must be below 950 for that team to be subject to ineligibility for postseason competition. Squad-size adjustment does not apply to teams with four years of APR data and a multiyear cohort of 30 or more student-athletes.

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⁸ Denotes that team is not subject to ineligibility for postseason competition and/or penalties based on institutional resources.

⁹ Denotes that team's APR data is under review.

2012 - 2013 NCAA Division I Academic Progress Rate Public Report

Institution: University of Wisconsin, Madison

Date of Report: 05/06/2014

Sport (N)	Multiyear APR	2012-2013 APR	Percentile Rank within Sport	Percentile Rank with in All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Subdivision	Championship	Division I (Non-Football)
Basketball (344)	986	964	70th-80th	60th-70th	973	968	983	973		974		973
Bowling (34)	NA	NA	NA	NA	971	969	976	991		964		980
Cross Country (342)	996	1000	70th-80th	80th-90th	985	982	991	985		984		984
Fencing (22)	NA	NA	NA	NA	987	980	990	983		992		986
Field Hockey (79)	NA	NA	NA	NA	988	985	990	986		991		984
Golf (261)	1000	1000	90th-100th	90th-100th	985	983	991	989		983		981
Gymnastics (61)	NA	NA	NA	NA	990	991	990	991		992		985
Ice Hockey (35)	992	1000	50th-60th	70th-80th	990	987	991	990		992		989
Lacrosse (100)	NA	NA	NA	NA	986	981	989	990		987		982
Rowing (88)	988	994	40th-50th	60th-70th	988	986	989	986		991		985
Skiing (12)	NA	NA	NA	NA	990	988	993	983		993		995
Soccer (322)	987	969	50th-60th	60th-70th	982	980	987	984		981		982
Softball (290)	992	1000	70th-80th	70th-80th	980	976	988	983		977		979
Swimming (196)	991	988	50th-60th	70th-80th	987	985	990	988		986		987
Tennis (321)	1000	1000	90th-100th	90th-100th	983	980	988	985		980		984

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⁹ Denotes that team's APR data is under review.

2012 - 2013 NCAA Division I Academic Progress Rate Public Report

Institution: University of Wisconsin, Madison

Date of Report: 05/06/2014

Sport (N)	Multiyear APR	2012-2013 APR	Percentile Rank within Sport	Percentile Rank with in All Sports	All Division I	Private Institutions	Football Subdivision	Bowl Subdivision	Football Championship Subdivision	Division I (Non-Football)
Track, Indoor (316)	996	1000	80th-90th	80th-90th	978	974	988	979	977	979
Track, Outdoor (324)	994	1000	80th-90th	70th-80th	980	975	989	980	978	981
Volleyball (329)	985	1000	40th-50th	50th-60th	982	978	991	984	979	983
Water Polo (33)	NA	NA	NA	NA	983	976	991	987	983	983
By Sport - Co-Ed										
Rifle (22)	NA	NA	NA	NA	976	977	964	982	963	NA

* Denotes data representing three or fewer student-athletes. In accordance with FERPA's interpretation of federal privacy regulations, institutions should not disclose statistical data contained in this report in cells made up of three or fewer students without student consent.

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⁹ Denotes that team's APR data is under review.

Appendix E

Student-Athlete Major Analysis

Student-Athletes vs. Student Body

Student-Athlete Majors vs. Student Body Majors (As of 12/8/2014)			
<i>Major</i>	<i># S-A Majors*</i>	<i>S-A %</i>	<i>Student Body %</i>
Agricultural & Appl Econ	4	0.42%	0.14%
Agricultural Business Mgmt	17	1.78%	0.24%
Animal Sciences	4	0.42%	0.57%
Anthropology	3	0.31%	0.37%
Art	4	0.42%	0.79%
Art History	1	0.10%	0.22%
Biochemistry	13	1.36%	1.52%
Biological Systems Engineering	6	0.63%	0.44%
Biology	34	3.55%	3.98%
Biomedical Engineering	3	0.31%	1.54%
Botany	1	0.10%	0.06%
Bus: Accounting	9	0.94%	1.32%
Bus: Finance, Invest & Bank	11	1.15%	1.96%
Bus: International Business	1	0.10%	0.49%
Bus: Management & Hum Res	9	0.94%	1.23%
Bus: Marketing	8	0.84%	1.63%
Bus: Operations & Tech Management	2	0.21%	0.17%
Bus: Real Estate & Urban Econ	6	0.63%	0.44%
Bus: Risk Man. & Insurance	5	0.52%	0.60%
Chemical Engineering	3	0.31%	1.59%
Chemistry	5	0.52%	0.51%
Civil Engineering	5	0.52%	1.29%
Classical Humanities	1	0.10%	0.09%
Communication Science & Disorders	4	0.42%	0.42%
Communication Arts	7	0.73%	1.33%
Community & Env Soc	4	0.42%	0.21%
Community & Nonprofit Leadership	19	1.99%	0.35%
Comparative Literature	1	0.10%	0.01%
Computer Engineering	1	0.10%	0.82%
Computer Sciences	3	0.31%	0.86%
Consumer Affairs	12	1.25%	0.17%
Economics	31	3.24%	2.51%
Educational Leadership MS**	11	1.15%	--
Electrical Engineering	2	0.21%	0.95%
Elementary Education	3	0.31%	0.97%
English	8	0.84%	1.26%
Environmental Studies	4	0.42%	0.78%
Food Science	4	0.42%	0.44%
Forest Science	1	0.10%	0.12%
French	2	0.21%	0.23%
Gender and Women's Studies	3	0.31%	0.25%
Genetics	5	0.52%	0.93%
Geography	2	0.21%	0.21%
Geological Engineering	1	0.10%	0.31%
Geology & Geophysics	2	0.21%	0.35%
German	1	0.10%	0.20%
History	25	2.61%	1.52%

<i>Major</i>	<i># S-A Majors*</i>	<i>S-A %</i>	<i>Student Body %</i>
Human Development & Family St	19	1.99%	0.61%
Industrial Engineering	1	0.10%	0.71%
International Studies	10	1.04%	1.00%
Journalism	5	0.52%	1.37%
Kinesiology	48	5.02%	1.77%
Latin	1	0.10%	0.01%
Latin Am, Carib & Iberian St	1	0.10%	0.11%
Legal Studies	9	0.94%	0.69%
Life Sciences Comm	55	5.75%	0.52%
Materials Science & Engineering	1	0.10%	0.27%
Mathematics	5	0.52%	0.90%
Mechanical Engineering	7	0.73%	2.80%
Microbiology	2	0.21%	0.67%
Medical Micro & Immun	1	0.10%	0.23%
Nuclear Engineering	1	0.10%	0.40%
Nursing	8	0.84%	2.29%
Nutritional Sciences	7	0.73%	0.94%
Personal Finance	27	2.82%	0.20%
Philosophy	1	0.10%	0.37%
Physics	1	0.10%	0.27%
Political Science	27	2.82%	2.36%
Portuguese	1	0.10%	0.03%
Psychology	19	1.99%	2.62%
Rehabilitation Psychology	7	0.73%	0.46%
Retailing	8	0.84%	0.39%
Russian	1	0.10%	0.11%
Scandinavian Studies	1	0.10%	0.07%
Social Welfare	2	0.21%	0.62%
Sociology	51	5.33%	1.08%
Spanish	9	0.94%	1.74%
Special Education	3	0.31%	0.24%
Statistics	2	0.21%	0.36%
Wildlife Ecology	1	0.10%	0.31%
Zoology	12	1.25%	0.72%
Undecided	287	29.99%	30.35%
Grand Total	957		

* Duplicated counts. As students with more than one major are counted as one unit in each major, the total number of majors may exceed the total number of students.

** Since these majors are graduate or doctorate degrees, they were not included in the undergraduate student body percentage calculation.

Appendix F

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE
ATHLETICS**
Madison, Wisconsin

STATEMENT OF REVENUES AND
EXPENDITURES – BUDGETARY BASIS

For the Year Ended June 30, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT
AND REPORT ON AGREED-UPON PROCEDURES
REQUIRED BY THE PROVISIONS OF
NCAA CONSTITUTION 3.2.4.16

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

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INDEPENDENT AUDITORS' REPORT

To the Chancellor
University of Wisconsin - Madison
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying statement of revenues and expenditures - budgetary basis of the University of Wisconsin - Madison Division of Intercollegiate Athletics (the "Athletic Department") for the year ended June 30, 2014, and the related notes to the statement of revenues and expenditures - budgetary basis.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the basis of accounting described in Note 1.B.; this includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Athletic Department's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Athletic Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



To the Chancellor
University of Wisconsin - Madison

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Athletic Department for the year ended June 30, 2014 in accordance with the basis of accounting described in Note 1.B.

Emphasis of Matters

As discussed in Note 1.A., the statement of revenues and expenditures - budgetary basis of the Athletic Department is intended to present the changes in financial position that are attributable to the transactions of the Athletic Department. The financial statement does not purport to, and does not, present fairly the financial position of the State of Wisconsin as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.B., the Athletic Department prepares the statement of revenues and expenditures on the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Baker Jilly Virehow Krause, CPA

Madison, Wisconsin
January 23, 2015

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
For the Year Ended June 30, 2014

	FOOTBALL	MENS BASKETBALL	MENS HOCKEY	WOMENS BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTALS
REVENUES							
Ticket Sales	\$ 18,660,405	\$ 5,806,980	\$ 2,744,764	\$ 115,720	\$ 219,827	\$ 8,341	\$ 27,556,037
Away Sales and Guarantees	300,000	260,000	2,591	-	-	-	562,591
Contributions	9,087,257	1,546,004	1,121,260	1,000,069	2,305,373	23,386,658	38,456,621
Direct Institutional Support	1,518,379	265,347	239,819	333,017	2,684,405	50,393	5,091,360
Facilities and Administrative Support	-	-	-	-	-	2,982,000	2,982,000
NCAA and Conference Distributions	16,264,057	10,793,058	12,025	-	188,371	2,248,885	29,506,396
Broadcasts and Internet Rights	-	-	-	-	-	8,773,160	8,773,160
Programs, Concessions and Parking	935,562	370,604	240,146	38,515	98,952	4,843,142	6,526,921
Royalties and Advertisements	354,210	64,288	68,979	43,444	588,894	3,486,384	4,616,209
Sports Camp Revenue	146,437	259,763	67,100	45,557	1,288,171	2,769	1,809,797
Endowment and Investment	-	-	-	-	-	322,152	322,152
Other	18,415	4,816	597	1,133	3,065	1,679,647	1,707,673
Total Revenues	47,284,722	19,370,860	4,497,281	1,577,455	7,377,058	47,803,541	127,910,917
EXPENDITURES							
Athletics Student Aid	2,918,290	474,144	603,325	568,744	6,416,352	70,237	11,051,092
Guarantees	3,208,909	653,569	55,000	55,000	16,236	-	3,988,714
Head Coach Salaries and Benefits	2,343,823	2,552,878	377,536	377,253	2,763,926	-	8,415,416
Assistant Coaches Salaries and Benefits	3,406,446	839,582	307,349	315,934	2,646,889	3	7,516,203
Support Staff Compensation	887,095	262,452	210,939	220,200	613,203	21,581,910	23,775,799
Recruiting	311,013	62,082	51,614	92,830	509,218	-	1,026,757
Team Travel	2,865,530	1,297,860	618,755	519,920	3,800,074	622,665	9,724,804
Equipment, Uniforms and Supplies	576,786	75,798	173,490	47,108	936,537	267,655	2,077,374
Game Expenditures	944,687	280,258	207,776	178,440	184,240	1,873,151	3,668,552
Fundraising, Marketing and Promotion	-	-	-	-	-	2,907,841	2,907,841
Sports Camps Expenditures	64,464	129,444	27,806	15,180	473,067	857	710,818
Direct Facilities and Maintenance	12,743,623	829,276	1,301,553	763,106	6,741,211	15,789,832	38,168,601
Spirit Groups	-	-	-	-	-	723,049	723,049
Indirect Facilities and Administrative	-	-	-	-	-	2,982,000	2,982,000
Medical Expenditures	340,988	48,307	73,881	42,624	2,338,613	-	2,844,413
Memberships and Dues	1,900	885	390	885	9,444	-	13,604
Other	669,375	89,571	64,908	78,548	677,882	3,921,106	5,501,190
Total Expenditures	31,282,929	7,596,206	4,074,322	3,275,772	28,126,692	50,740,306	125,096,227
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 16,001,793	\$ 11,774,654	\$ 422,959	\$ (1,698,317)	\$ (20,749,634)	\$ (2,936,765)	\$ 2,814,690

See accompanying notes to statement of revenues and expenditures - budgetary basis.

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

INDEX TO NOTES TO STATEMENT OF
REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

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**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying statement of revenues and expenditures – budgetary basis has been prepared on the budgetary basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). The budgetary basis for the University of Wisconsin-Madison Division of Intercollegiate Athletics represents the accounting principles used in managing its operations in accordance with its budgetary procedures. The Governmental Accounting Standards Board establishes generally accepted accounting principles for states and local governmental units, including the University of Wisconsin-Madison Division of Intercollegiate Athletics. The most significant differences between the budgetary basis and GAAP (full accrual basis) are as follows:

- > Capital asset acquisitions funded by revenues are reported as expenditures rather than as capital assets.
- > Capital asset acquisitions funded by debt proceeds or from the State of Wisconsin are not reported.
- > Depreciation on capital assets is not reported.
- > Long-term debt proceeds are not reported as other financing sources or as a liability.
- > Principal payments on long-term debt are reported as expenditures rather than as a reduction of a liability.
- > In-kind contributions are reported as revenues and expenditures in the year the goods were received or services provided to the Division of Intercollegiate Athletics.

See also Note 1B.

The format of the statement of revenues and expenditures – budgetary basis is based upon the prescribed format of the National Collegiate Athletic Association (NCAA).

A. REPORTING ENTITY

The Division of Intercollegiate Athletics (the "Athletic Department") of the University of Wisconsin-Madison (the "University") is responsible for intercollegiate sports programs of the University. The Athletic Director is responsible for the day to day operation of the Athletic Department. The Athletic Department is ultimately governed by the University's Chancellor through the authority delegated by the Board of Regents of the University of Wisconsin System, which is part of the State of Wisconsin.

This report includes the statement of revenues and expenditures – budgetary basis of the Athletic Department's intercollegiate sports programs. All functions related to these intercollegiate sports programs are included. The University Ridge Golf Course financial activity has not been included except for the payments for the UW Men's and Women's Golf Teams use of the golf course. Officially recognized booster organizations have been established to aid the Athletic Department with its outreach booster efforts. These organizations are not component units of the University and are not under the direct accounting control of the University or Athletic Department. As such, the accompanying statement of revenues and expenditures – budgetary basis excludes the financial activity of these booster organizations. However, the accompanying statement of revenues and expenditures – budgetary basis includes, upon satisfying all donor restrictions, those cash or in-kind contributions made to the Athletic Department by the recognized booster organizations.

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**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Expenditures of these organizations are excluded from the accompanying statements. The recognized booster organizations at June 30, 2014 are as follows:

Badger Basketball Boosters
Mendota Gridiron Club, Inc.
National "W" Club, Inc. and Subsidiary

B. BASIS OF ACCOUNTING

The accompanying statement of revenues and expenditures – budgetary basis has been prepared on the budgetary basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Under the budgetary basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Athletic Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues susceptible to accrual include most operating revenues. Contributions from recognized booster organizations generally are recorded as revenues when received in cash or in-kind because they are not measurable or available until actually received. Cash receipts from advance ticket sales related to athletic events to be held in the subsequent year are unearned and will be recognized as revenues during the year the event takes place.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a liability when expected to be paid with expendable available financial resources. Guaranteed payments to nonconference football opponents are reported as expenditures. Ticket sales shared with conference opponents are netted against gross ticket revenues.

Tuition waivers are recorded as athletic scholarships and tuition waivers. The value of the Adidas merchandise received is reported under the sports or other team expenditure categories while revenue is recorded under corporate sponsorships.

C. MEASUREMENT FOCUS

The measurement focus of the statement of revenues and expenditures – budgetary basis is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays funded by operating revenues and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable revenue. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are not recognized as current expenditures. These related expenditures are recognized when the liabilities are liquidated.

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. GENERAL CAPITAL ASSETS

General capital assets acquired for Athletic Department purposes are recorded as expenditures in the statement of revenues and expenditures – budgetary basis when they are funded by operating revenues. Capital assets funded by debt proceeds and the State of Wisconsin are not reported.

Depreciation is not recorded on capital assets and is not reflected in the statement of revenues and expenditures – budgetary basis.

E. COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Employees are allowed to accumulate unused sick leave and vacation time and carry it forward to future periods. The Athletic Department is charged for sick leave by the State of Wisconsin as the sick leave is earned. Amounts are accumulated by the State of Wisconsin in the accumulated sick leave fund in the state's Comprehensive Annual Financial Report. Therefore, no sick leave liability exists for the Athletic Department. Total vested vacation time and other compensated absences at June 30, 2014 were \$2,050,890.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Vested benefit liabilities are determined on the basis of current salary rates and include salary related payments.

F. OTHER POSTEMPLOYMENT BENEFITS

The State of Wisconsin's health insurance program, a cost-sharing multiple employer, defined benefit plan, is an employer-sponsored program offering group medical coverage to eligible employees and retirees of the State of Wisconsin. Under this plan, retired employees of the State are allowed to pay the same healthcare premium as active employees creating an implicit rate subsidy for retirees. This implicit rate subsidy, which is calculated to cover pre-age 65 retirees, is treated as an other postemployment benefit (OPEB) and results in an actuarial determined liability and expense in the State of Wisconsin's Comprehensive Annual Financial report. Details of the plan are included in the Comprehensive Annual Financial Report of the State of Wisconsin for the year ended June 30, 2014. The liability and expense is computed for the entire State of Wisconsin and is not separately calculated for the Athletic Department.

G. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as expenditures if all the conditions of Governmental Accounting Standards Board pronouncements are met.

The Division of Intercollegiate Athletics (DIA) is a unit of a state governmental body. The Board of Regents of the University of Wisconsin System and DIA, as a unit of this state agency, cannot be sued because they have governmental immunity. Claims arising out of employment or agency (excluding employment discrimination claims) must be brought against state employees or agents individually under § 895.46, Wis. Stats.

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

H. CONTRIBUTIONS

The Athletic Department receives contributions in support of various intercollegiate sports programs. All contributions for the Athletic Department are initially remitted to the University of Wisconsin Foundation (the "Foundation") which is the official not-for-profit fund raising corporation for the University of Wisconsin-Madison.

The Athletic Department applies some of the contributions for capital outlay (capital assets). Other contributions are used to support the annual operations of the Athletic Department. These contributions are reported as contribution revenues, which are recorded as revenues when they are drawn from the Foundation.

NOTE 2 – LONG-TERM DEBT

The State of Wisconsin has issued various general obligation bonds, portions of which were for construction of various Athletic Department projects.

The general obligation bonds are backed by the full faith and credit of the State of Wisconsin. The Athletic Department's share of these bonds will be retired by Athletic Department program revenues.

In 2013-14, the Athletic Department's debt service payments consisted of the following:

	2013-14
Principal on bonds	\$ 7,277,987
Interest on bonds	5,299,805
Total	\$ 12,577,792

The following represents the unpaid balance of all long-term general obligation debt for which the Athletic Department is financially responsible:

	Issue Year	Original Debt	Maturity Date	Average Interest Rates	Balance 6/30/14
Utility System Improvement	1998	\$ 627,278	4/15/17	5.50%	\$ 317,827
	2005	140,509	4/15/18	5.00%	113,970
	2007	31,802	4/15/20	5.00%	31,802
Total Utility System Improvement					463,599

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 2 – LONG-TERM DEBT (cont.)

	Issue Year	Original Debt	Maturity Date	Average Interest Rates	Balance 6/30/14
Goodman Softball Complex	2005	\$ 218,366	4/15/21	5.00%	\$ 177,121
	2007	31,802	4/15/20	5.00%	49,423
Total Goodman Softball Complex					<u>226,544</u>
Kohl Center	1998	11,653,139	10/15/17	5.50%	5,904,380
Environmental Management Center	1998	223,729	10/15/17	5.50%	113,359
	2002	210,732	4/15/15	5.50%	31,838
	2005	7,668	4/15/18	5.00%	6,220
	2007	31,802	4/15/20	5.00%	48,746
	2011	26,763	10/17/22	5.00%	26,763
	2014	199,349	4/15/20	5.00%	199,349
Total Environmental Management Center					<u>426,275</u>
Camp Randall					
	2004	15,000,000	4/15/25	4.70%	702,770
	2005	4,366,472	4/15/15	5.00%	538,555
	2005	622,599	4/15/17	5.00%	622,596
	2007	17,362,138	4/15/20	5.00%	16,672,826
	2011	431,577	4/15/22	5.00%	431,577
	2011	16,816,187	10/17/22	5.00%	16,816,187
	2012	7,690,868	4/15/25	5.00%	7,690,868
	2013	5,744,354	4/15/25	5.00%	5,744,354
	2014	1,269,727	4/15/16	5.00%	1,269,727
Total Camp Randall					<u>50,489,460</u>
Nielsen Stadium					
	2005	4,586	4/15/20	5.00%	4,577
	2007	31,802	4/15/20	5.00%	811
	2011	511	4/15/21	5.00%	402
Total Nielsen Stadium					<u>5,790</u>

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 2 – LONG-TERM DEBT (cont.)

	Issue Year	Original Debt	Maturity Date	Average Interest Rates	Balance 6/30/14
Crew House	2007	2,030,000	4/15/20	5.00%	\$ 2,023,00
	2011	1,194,973	10/17/22	5.00%	1,194,973
	2012	408,390	4/15/25	5.00%	408,390
Total Crew House					3,626,363
Hockey/Swim Facility	2011	9,000,000	4/15/31	5.00%	8,573,042
University Ridge Golf Course	2008	172,338	4/15/28	5.00%	136,886
Student Athlete Performance Center	2012	31,422,857	4/16/42	5.50%	31,422,857
	2012	8,647,637	4/15/33	5.50%	8,647,637
	2012	6,474,464	5/03/21	5.50%	5,796,447
	2013	1,467,596	5/03/21	5.50%	1,313,906
Total Student Athlete Performance					47,180,847
Total					\$ 117,033,186

Future general obligation debt repayment schedule:

Fiscal Year	Principal	Interest	Total
2014 – 15	\$ 7,607,126	\$ 5,286,638	\$ 12,893,764
2015 – 16	7,979,751	4,876,650	12,856,401
2016 – 17	7,478,181	4,478,287	11,956,468
2017 – 18	6,173,979	4,178,065	10,352,044
2018 – 19	6,992,689	3,870,999	10,863,688
2019 – 2024	34,946,292	13,874,447	48,820,739
2024 – 2029	10,539,513	7,996,677	18,536,190
2029 – 2034	18,954,224	5,269,612	24,223,836
2034 – 2039	9,473,750	2,518,617	11,992,367
2039 – 2042	6,887,681	560,022	7,447,703
Totals	\$ 117,033,186	\$ 52,910,014	\$ 169,943,200

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 3 – EMPLOYEES' RETIREMENT SYSTEM

All eligible Athletic Department employees participate in the Wisconsin Retirement System ("system"), a cost-sharing defined benefit multiple-employer public employee retirement system (PERS).

All permanent employees expected to work over 600 hours a year are eligible to participate in the system. Covered employees are required by statute to contribute 6.65% of their salary to the plan. The total contributions by the Athletic Department for the year ended June 30, 2014 are unknown.

Details of the plan are included in the Comprehensive Annual Financial Report of the State of Wisconsin for the year ended June 30, 2014.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

During the ordinary course of business, the Athletic Department enters into various long-term commitments with third parties. These commitments vary in duration and in the amount of resources required to fulfill each commitment. A description of the major commitments in effect at June 30, 2014, and the expiration date of the current agreements are summarized below:

<u>Description of Long-Term Commitment</u>	<u>Expiration Date of Current Agreement</u>
Employment contract – football head coach	January 31, 2019
Employment contract – men's basketball head coach	May 31, 2019
Employment contract – men's hockey head coach	June 30, 2019
Employment contract – women's basketball head coach	May 31, 2019
Employment contract – men's track head coach	January 31, 2017
Employment contract – wrestling head coach	May 31, 2017
Employment contract – volleyball head coach	January 31, 2018
Employment contract – women's hockey head coach	June 30, 2019
Employment contract – men's crew head coach	June 30, 2017
Employment contract – director of strength and conditioning	On-going
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – assistant football coach	June 30, 2016
Employment contract – men's tennis head coach	June 30, 2015

During fiscal year 2010-11, the Athletic Department began its student athlete performance center project. Including amendments subsequent to 2010-11, the Athletic Department has entered into construction contracts that total \$91,153,000. At June 30, 2014, \$82,446,228 has been expended.

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 4 – COMMITMENTS AND CONTINGENCIES (cont.)

From time to time, the Athletic Department is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Legal Affairs Office that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Athletic Department's statement of revenues and expenditures – budgetary basis.

NOTE 5 – ADIDAS CONTRACT

A five year contract with Adidas Promotional Retail Operators was entered into on August 20, 2010. During each contract year, Adidas shall be the exclusive supplier of athletic footwear and apparel to UW Intercollegiate Athletic teams, and Adidas shall provide compensation in the form of goods, services and monetary contributions to benefit the University, Athletic Department and the Madison community.

NOTE 6 – RELATED PARTY TRANSACTIONS

The University provides various administrative and accounting services to the Athletic Department. The cost of these services is charged to the Athletic Department. In addition, the Foundation provides various administrative and accounting services to the Athletic Department. The Athletic Department pays the Foundation for these costs.

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 7/01/13	Additions	Deletions	Balance 6/30/14
Land	\$ 2,975,678	\$ -	\$ -	\$ 2,975,678
Construction in progress	85,735,775	-	85,735,775	-
Buildings and fixtures	241,121,921	104,025,505	-	345,147,426
Improvements other than buildings	9,705,093	-	-	9,705,093
Equipment	10,139,496	849,302	-	10,988,798
Total Capital Assets	349,677,963	104,874,807	85,735,775	368,816,995
Less accumulated depreciation for:				
Buildings and fixtures	74,968,416	8,367,365	-	83,335,781
Improvements other than buildings	6,769,278	335,658	-	7,104,936
Equipment	7,772,490	762,630	-	8,535,120
Total Accumulated Depreciation	89,510,184	9,465,653	-	98,975,837
Capital Assets, Net of Depreciation	\$ 260,167,779			\$ 269,841,158

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**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2014

NOTE 8 – SIGNIFICANT CONTRIBUTIONS

In fiscal year 2013-14, the Foundation did not receive contributions for the Athletic Department from any individual constituting greater than ten percent of all contributions received by the Foundation for Athletic Department purposes.

NOTE 9 – RISK MANAGEMENT

The Athletic Department participates in the State of Wisconsin's Risk Management Fund. It is the general policy of the State not to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the State believes it is more economical to manage its risks internally and set aside assets for claim settlement in its Risk Management Fund. The fund services most claims for risk of loss to which the State is exposed, including damage to State owned property, liability for property damages and injuries to third parties, and worker's compensation.

In addition, the Athletic Department participates in the Wisconsin Department of Employee Trust Funds. The Wisconsin Department of Employee Trust Funds operates four public entity risk pools: health insurance, group income continuation insurance, protective occupation duty disability insurance, and long-term disability insurance. Information regarding these risk pools can be found in the State's Comprehensive Annual Financial Report.

NOTE 10 – CONTRIBUTIONS AND ENDOWMENTS HELD BY THE UNIVERSITY OF WISCONSIN FOUNDATION

As of June 30, 2014 the Athletic Department had \$81,612,907 of fundraising, endowment and other investments held at the Foundation. The Athletic Department will draw funds from the Foundation as needed to finance expenditures of the Athletic Department.

NOTE 11 – SUBSEQUENT EVENT

On September 3, 2014, the State of Wisconsin issued general obligation bonds to refund certain issues. The Athletic Department's portion of these bonds was \$39,301 with interest rates from 2.0% to 5.0%. The amount was used to refinance other obligations of the University Ridge golf course.

SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON
PROCEDURES FOR BOOSTER ORGANIZATIONS

To the Chancellor
University of Wisconsin-Madison
Madison, Wisconsin

We have performed the procedures enumerated below, which were agreed to by the University of Wisconsin-Madison Division of Intercollegiate Athletics (the "Athletic Department") and the National Collegiate Athletic Association (the "NCAA"), solely to assist you with respect to complying with NCAA Constitution 3.2.4.16 for the year ended June 30, 2014. The University of Wisconsin-Madison Division of Intercollegiate Athletics is responsible for compliance with the requirements of NCAA Constitution 3.2.4.16. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the 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 we performed are summarized as follows:

- a. We obtained a list of recognized booster organizations ("organizations") and related statements of changes in cash of recognized booster organizations presented in Exhibit A for the year ended June 30, 2014, or comparable period. No audit procedures were performed on these statements in connection with our audit of the statement of revenues and expenditures – budgetary basis.
- b. We confirmed with the appropriate office of the recognized booster organizations the cash receipts and disbursements of the organizations for the year ended June 30, 2014, or comparable period as shown in Exhibit A.
- c. We obtained a schedule of expenditures of the recognized booster organizations for or on behalf of the Athletic Department's intercollegiate athletic programs or employees and reconciled those expenditures to the revenues recorded on the Athletic Department's accounting records.
- d. We received the financial statements of the National "W" Club, Inc. and subsidiary for the year ended June 30, 2014, and the financial statements of the Mendota Gridiron Club, Inc. for the year ended December 31, 2013, both of which had been audited by other independent auditors who expressed unmodified opinions on these statements.

The results of these procedures are summarized in the following statement of changes in cash of recognized booster organizations.

To the Chancellor
University of Wisconsin-Madison

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accompanying statements of changes in cash of recognized booster organizations. Accordingly, we do not express such an opinion. 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 Chancellor, management of the University of Wisconsin and Athletic Department, or an authorized representative of the National Collegiate Athletic Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Veitchow Krause, LLP

Madison, Wisconsin
January 23, 2015

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

STATEMENT OF CHANGES IN CASH OF RECOGNIZED BOOSTER ORGANIZATIONS
For the Year Ended June 30, 2014

	Beginning Cash Balance	Revenue Transfers From/(To) Foundation	Booster Cash Receipts	Expenditures On Behalf of Athletics	Expenditures On Behalf of Booster Organization	Ending Cash Balance
Badger Basketball Boosters	\$ 20,500	\$ 20,000	\$ 110,133	\$ -	\$ (112,982)	\$ 37,651
Mendota Gridiron Club, Inc.	83,595	-	252,544	(7,500)	(249,710)	78,929
National "W" Club, Inc. and Subsidiary	1,046,317	-	1,594,472	-	(1,842,705)	798,084
TOTALS	\$ 1,150,412	\$ 20,000	\$ 1,957,149	\$ (7,500)	\$ (2,205,397)	\$ 914,664

See independent auditors' report on applying agreed-upon procedures for booster organizations and notes to statement of changes in cash of recognized booster organizations.

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

NOTES TO STATEMENT OF CHANGES IN CASH OF
RECOGNIZED BOOSTER ORGANIZATIONS
For the Year Ended June 30, 2014

(1) Cash Receipts

Cash receipts represent funds deposited by recognized booster organizations in their checking accounts during their fiscal year. These amounts are proceeds from club activities. Individual gifts made in support of particular sports are made directly to the University of Wisconsin Foundation and, therefore, are not reflected as a booster organization receipt in the Statement of Changes in Cash of Recognized Booster Organizations. These amounts are recognized as revenues when they are transferred to the Athletic Department.

(2) Expenditures

Cash disbursements are made by the recognized booster organizations for various purposes.

Disbursements that are reflected on the Statement of Changes in Cash of Recognized Booster Organizations as expenditures on behalf of the Athletic Department include the following:

- a. Annual sport banquet, parent weekend and senior day expenses
- b. Products used specifically by department staff

Disbursements that are reflected on the Statement of Changes in Cash of Recognized Booster Organizations as expenditures on behalf of support organizations include the following:

- a. Cost of goods sold (where the organization sells products or services)
- b. Administrative expenses
- c. Athletic Department sanctioned club activity expense
- d. Other miscellaneous disbursements

In addition to these expenditures, the Athletic Department may expend funds from specific Foundation funds to assist support organizations in their club activities. These amounts are included in the Athletic Department's statement of revenues and expenditures – budgetary basis.



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INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE
UNIVERSITY OF WISCONSIN – DIVISION OF INTERCOLLEGIATE ATHLETICS

To the Chancellor
University of Wisconsin-Madison
Madison, Wisconsin

We have performed the procedures enumerated below, which were agreed to by the University of Wisconsin-Madison Division of Intercollegiate Athletics (the "Athletic Department") and the National Collegiate Athletic Association (the "NCAA"), solely to assist you with respect to complying with NCAA Constitution 3.2.4.16 for the year ended June 30, 2014. The University of Wisconsin-Madison Division of Intercollegiate Athletics is responsible for compliance with the requirements of NCAA Constitution 3.2.4.16. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the 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 we performed are summarized as follows:

- a. We compared and agreed each operating revenue category reported in the statement of revenues and expenditures – budgetary basis to supporting schedules provided by the Athletic Department.
- b. We traced a sample of operating revenue receipts to supporting documentation including:
 1. Confirmed Big Ten Conference receipts directly with Big Ten Conference management.
- c. We compared each major revenue account to prior period amounts and budget estimates and obtained and documented significant account variations.
- d. We compared and agreed each operating expenditure category reported in the statement of revenues and expenditures – budgetary basis to supporting schedules provided by the Athletic Department.
- e. We tested a sample of operating expenditures to supporting documentation for the following:
 1. Athletic Department disbursements
 2. University of Wisconsin Foundation disbursements on behalf of the Athletic Department
 3. Athletic Department payroll disbursements
- f. We compared each major expenditure account to prior period amounts and budget estimates and obtained and documented significant account variations.

To the Chancellor
University of Wisconsin-Madison

- g. We obtained the Athletic Department's schedule of capital assets, additions and improvements summarized by type.
- h. We tested significant capitalized fixed assets greater than \$25,000 incurred during the reporting period and reconciled the recorded cost to supporting documentation.
- i. We obtained a list of individual contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization to determine whether it was 10 percent or more of all contributions received for intercollegiate athletics during the reporting year.
- j. We determined that the sources of funds, goods and services, as well as the value associated with these items, were disclosed within the notes to the financial statement if they exceeded 10 percent of all contributions.
- k. We obtained repayment schedules for all outstanding Athletic Department debt and reconciled the current year's activity to amounts reported by the Athletic Department.
- l. We obtained the NCAA EADA report submission and compared certain reported amounts to those in the financial statement and related footnotes.

There are no findings to report as a result of these procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. 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 Chancellor, management of the University of Wisconsin and Athletic Department, or an authorized representative of the National Collegiate Athletic Association and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Dilly Viechow Krause, CP
Madison, Wisconsin
January 23, 2015



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INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON
PROCEDURES FOR THE UNIVERSITY RIDGE GOLF COURSE

To the Chancellor
University of Wisconsin-Madison
Madison, Wisconsin

We have performed the procedures enumerated below, which were agreed to by the University of Wisconsin-Madison Division of Intercollegiate Athletics (the "Athletic Department"). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the 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 we performed related to the University Ridge Golf Course for the period July 1, 2013 through June 30, 2014 are summarized as follows:

- a. We compared each major revenue account to prior period amounts and budget estimates and obtained and documented significant account variations.
- b. We tested a sample of operating expenditures to supporting documentation for the following:
 1. Athletic Department disbursements for University Ridge activity.
 2. Athletic Department payroll disbursements for University Ridge personnel.
- c. We compared each major expenditure account to prior period amounts and budget estimates and obtained and documented significant account variations.
- d. We tested individual capital assets greater than \$25,000 to supporting documentation.
- e. We obtained repayment schedules for all outstanding capital leases of the University Ridge Golf Course and agreed the payments reported by the Athletic Department to the schedules.

There are no findings to report as a result of these procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. 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 Chancellor and management of the University of Wisconsin and Athletic Department, and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
January 23, 2015



UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS
Madison, Wisconsin

COMMUNICATION TO THOSE CHARGED WITH
GOVERNANCE AND MANAGEMENT

For the Year Ended June 30, 2014

**UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS**

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**



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To the Chancellor
University of Wisconsin-Madison
Madison, Wisconsin

In planning and performing our audit of the statement of revenues and expenditures – budgetary basis of the University of Wisconsin-Madison Division of Intercollegiate Athletics (Athletic Department) for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Athletic Department's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the statement of revenues and expenditures – budgetary basis, but not for the purpose of expressing an opinion on the effectiveness of the Athletic Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Athletic Department's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of the Chancellor, management of the University of Wisconsin and Athletic Department, or an authorized representative of the National Collegiate Athletic Association, and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
January 23, 2015



OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statement, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statement whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of the financial statement and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Athletic Department is ultimately governed by the University's Chancellor through the authority delegated by the Board of Regents of the University of Wisconsin System. The Athletic Director and others within management have the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statement?

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

Also, is there anything that we need to know about the attitudes, awareness, and actions of the Athletic Department concerning:

- a. The Athletic Department's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. Our final fieldwork is scheduled for late October or early November to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our audit procedures at our office and review drafts of your report as prepared by your staff. Final copies of your report and other communications are issued after approval by your staff. This is typically in December or early January, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

**COMMUNICATION OF OTHER CONTROL DEFICIENCIES AND
RECOMMENDATIONS TO MANAGEMENT THAT ARE NOT MATERIAL
WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

PAYROLL – SEGREGATION OF DUTIES

A properly designed system of internal control includes creating application controls within financial systems used as well as policies and procedures to properly segregate duties. Property designed internal controls limit the access or control of any one individual to the Athletic Department's assets or accounting records, and achieve a higher likelihood that errors or irregularities in the Athletic Department's accounting processes would be discovered by your staff in a timely manner.

The Human Resource System (HRS) is used throughout the University of Wisconsin (UW) System, including Athletics, to process payroll and track and maintain employee information. Users are granted specific access rights to the HRS system dependent upon their responsibilities. Two users of the HRS system in the Athletic Department have the ability to add employees and make other changes to employee information, at the same time that they have access rights to process payroll. Allowing users to have access to both of these critical areas without independent oversight, results in a weakness in internal controls.

This same issue for the entire UW System has been communicated to members of the Board of Regents by the Legislative Audit Bureau. In response, UW-Madison has developed a procedure to provide a compensating control for this deficiency. A monitoring report is generated each week that allows for an independent review of payroll transactions. This control began for Athletics in June of 2014. We recommend that the Athletic Department continue to use this monitoring report to review payroll transactions to ensure that they are appropriate. This review should be documented and performed by someone in the Athletic Department that is independent from the HRS responsibilities but is also knowledgeable regarding the requirements of payroll transactions and processing.

REQUIRED COMMUNICATIONS BY THE AUDITOR
TO THOSE CHARGED WITH GOVERNANCE



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To the Chancellor
University of Wisconsin-Madison
Madison, Wisconsin

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the statement of revenues and expenditures – budgetary basis of the University of Wisconsin-Madison Division of Intercollegiate Athletics (Athletic Department) for the year ended June 30, 2014, and have issued our report thereon dated January 23, 2015. This letter presents communications required by our professional standards.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or those charged with governance of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statement and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

The statement of revenues and expenditures – budgetary basis has been audited. Our responsibilities are addressed in the Independent Auditors' Report. Also included in the bound document is the statement of changes in cash of recognized booster organizations. We have not audited this document and our responsibilities are addressed in the Independent Auditors' Reports on Applying Agreed-Upon Procedures for Booster Organizations.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in the Communication to Those Charged with Governance and Management dated February 5, 2014 and our meeting with the Finance, Facilities, and Operations Committee on February 11, 2014.

To the Chancellor
University of Wisconsin-Madison

QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Athletic Department are described in Note 1 to the statement of revenues and expenditures – budgetary basis. We noted no transactions entered into by the Athletic Department during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the statement of revenues and expenditures – budgetary basis prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We are not aware of any particularly sensitive accounting estimates utilized by management in its financial statement process.

Financial Statement Disclosures

The disclosures in the notes to the financial statement are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

There were no such misstatements identified.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the statement of revenues and expenditures – budgetary basis or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Chancellor
University of Wisconsin-Madison

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. This letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and the Athletic Department that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of for the year ended June 30, 2014, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to the Athletic Department in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants, and provided no services to the Athletic Department other than audit services provided in connection with the audit of the current year's financial statement and the agreed-upon procedures which in our judgment do not impair our independence.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Athletic Department's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

RESTRICTION ON USE

This information is intended solely for the use of the Chancellor, management of the University of Wisconsin, and Athletic Department and is not intended to be, and should not be, used by anyone other than the specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
January 23, 2015

MANAGEMENT REPRESENTATIONS



January 23, 2015

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the Statement of Revenues and Expenditures-Budgetary Basis of the University of Wisconsin Madison Division of Intercollegiate Athletics for the year ended June 30, 2014 for the purpose of expressing an opinion as to whether the Statement of Revenues and Expenditures-Budgetary Basis presents fairly, in all material respects, the revenues and expenditures of the University of Wisconsin Madison Division of Intercollegiate Athletics, in conformity with the budgetary basis of accounting. We confirm that we are responsible for the fair presentation of the previously mentioned Statement of Revenues and Expenditures-Budgetary Basis in conformity with the budgetary basis of accounting. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. The financial statements referred to above are presented in conformity with the budgetary basis of accounting which is an other comprehensive basis of accounting. This basis of accounting is not in accordance with accounting principles generally accepted in the United States of America.
2. We have provided you with:
 - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of the meetings of the Athletic Board and Finance Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statement.
5. All known bookkeeping adjustments have been included in our financial statement, and we are in agreement with those adjustments.

University of Wisconsin • Intercollegiate Athletics

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Baker Tilly Virchow Krause, LLP

January 23, 2015

Page 2

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. The following, if any, have been properly recorded or disclosed in the financial statement:
 - a. Related party transactions, including revenues, expenditures, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the University of Wisconsin Madison Division of Intercollegiate Athletics is contingently liable.
 - c. All accounting estimates that could be material to the financial statements including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
10. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant and debt agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
11. There are no –
 - a. Violations or possible violations of budget ordinances, provisions of contracts and grant agreements, laws or regulations including those pertaining to adopting and amending budgets, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
 - a. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
12. The University of Wisconsin Madison Division of Intercollegiate Athletics has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
13. The University of Wisconsin Madison Division of Intercollegiate Athletics has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

Baker Tilly Virchow Krause, LLP

January 23, 2015

Page 3

14. The financial statements include all related organizations.
15. The financial statements properly classify all activities.
16. Capital assets are properly reported and depreciated as disclosed in the Notes to the Statement of Revenues and Expenditures – Budgetary Basis.
17. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of this audit being undertaken and the corrective actions taken to address significant findings and recommendations.

18. With respect to the NCAA Financial Audit Guidelines:

The Athletic Department management confirms to the best of our knowledge and belief, the following representations made to you during the course of your engagement.

- a. All booster organizations and related statements are properly disclosed.
- b. The financial statement properly classify all activities.
- c. Capital assets are properly reported and depreciated as disclosed in the Notes to the Statement of Revenues and Expenditures – Budgetary Basis.
- d. All individual contributions of moneys, goods or services rendered directly by an intercollegiate athletics program from any affiliated or outside organization exceeding 10 percent of all contributions are properly disclosed.
- e. Long-term obligations are properly reported.

19. With respect to the Agreed Upon Procedures for the University Ridge Golf Course:

The Athletic Department management confirms to the best of our knowledge and belief, the following representations made to you during the course of your engagements.

- a. Revenues and expenditures are properly classified.
- b. Capital assets are properly reported and depreciated as disclosed in the Notes to the Statement of Revenues and Expenditures – Budgetary Basis.
- c. Capital leases are properly reported.

Baker Tilly Virchow Krause, LLP

January 23, 2015

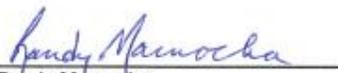
Page 4

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to June 30, 2014, and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statement.

Sincerely,

UNIVERSITY OF WISCONSIN MADISON DIVISION
OF INTERCOLLEGIATE ATHLETICS

Signed: 
Barry Alvarez
Athletic Director

Signed: 
Randy Marnocha
Sr. Associate Athletic Director Business Operation

Appendix G



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

Internal Audit Report
Athletic Department NCAA Compliance

For the period beginning July 1, 2013 and ending June 30, 2014

Submitted by: UW-Madison Internal Audit

SCOPE

We have completed our examination of the NCAA rules-compliance program for the period July 1, 2013 to June 30, 2014.

OBJECTIVE

This examination was conducted to comply with *Bylaw 22.2.1.2 (e)* of the *2013-14 NCAA Division I Manual* that requires every Division I institution to have its athletic rules-compliance program evaluated at least once every four years by an authority outside of the athletics department. Our examination included the recommended audit procedures suggested by the comprehensive program in the *NCAA Division I Compliance Audit Guide* published by the Association of College and University Auditors (ACUA). This comprehensive program provides for a general understanding of the compliance system with limited substantive work involving testing and data examination. This was an examination of twelve of the thirteen compliance areas as identified below. Amateurism was covered and reported on in 2013.

- | | |
|---------------------------------|---------------------------------------|
| 1. Camps and Clinics | 7. Rules Education |
| 2. Commitment to Compliance | 8. Student-Athlete Employment |
| 3. Eligibility | 9. Extra Benefits |
| 4. Financial Aid Administration | 10. Governance and Organization |
| 5. Playing and Practice Seasons | 11. Academic Performance Program |
| 6. Recruiting | 12. Investigations and Self-Reporting |

METHODOLOGY

Our examination was planned to cover all compliance areas by rotating the teams and compliance areas over a four year period. For each compliance area, we reviewed policies and procedures, as well as tested documentation and monitoring activities as suggested in the ACUA audit guide. This report is the second issued in the four year rotation period.

CONCLUSIONS

Based on this examination it is our opinion that there is an adequate system in place to monitor compliance in each of the functioning areas. Our assessment is derived from a review of formal documented policies, monitoring procedures, and training programs for compliance in the areas we tested.



Ed Ruotsinoja
Director, Internal Audit
August 20, 2014

Appendix H

2013-14 Summary of Level III & Level IV NCAA Violations

Sport/Department	Occurred	Bylaw(s)	Violation
Men's/Women's Golf	8/26/2013	13.2.1	Benefit provided to incoming freshmen SAs, while they were still considered PSAs
Football	9/7 & 21/2013	13.1	Student section chanted names of PSAs on visits to campus during pregame of two home football games
Marketing (WIH & WVB)	9/17/2013	13.4.1, 13.4.1.4.3	Email correspondence sent to parents of PSAs prior to permissible date to receive such correspondence
Football, Men's Basketball	9/20/2013	14.1.7.2	SAs were all enrolled in less than 12 credit hours due to class cancellation
Men's Swimming	9/24/2013	13.1.3.1	Coaching staff exceeded permissible number of phone calls within one week period
Wrestling	10/2/2013	13.10.2	Publicity on online wrestling forum by assistant coach that PSA made a verbal commitment to the institution
Men's Crew & Men's Swimming & Diving	10/17/2013	12.1.1.1.3 12.1.1.1.3.1	SA did not receive final certification for amateurism and was permitted to practice and compete beyond 45 day temporary certification period
Women's Swimming	10/18/2013	12.1.1.1.3 and 12.1.1.1.3.1	SA permitted to practice with team beyond 45 day limit when she did not have final certification of amateur status
WSO Outside Competition	12/11&14/13	17.02.9	Outside competition
WTK Outside Competition	1/11/2014	17.02.9	Outside competition
Football	1/16/2014	13.1.6.1; 13.1.6.2	Assistant coach had off-campus contact with PSA on day of competition
Football	1/28/2014	13.1.2.1	PSA contact with booster at MBB game
Women's Hockey	1/30/2014	12.5.1.1 12.5.1.1.6	SA participated in otherwise permissible promotional activity prior to receiving permission to do so
Football	2/1/2014	13.7.2.1.2 13.7.2.1	PSA and guests received impermissible benefit during unofficial visit
Women's Ice Hockey & Women's Tennis	2/1/2014	14.3.1.1.1.1	Deadline was missed for submitting 2 SA (both early academic qualifiers) transcripts to NCAA Eligibility Center
Women's Crew	2/4/2014	13.1.1.1 13.1.8.1 13.1.4 13.1.5.1 13.1.6.1 13.1.6.2	Impermissible off-campus contact by head coach with PSAs in conjunction with visit to rowing programs
Men's Ice Hockey	2/22/2014	13.1.1.1, 13.1.1.1.3	Assistant coach had impermissible off-campus contact with PSA during unofficial visit
Men's Crew	4/19/2014	12.10.1 and 12.10.2	SA permitted to compete prior to being certified as eligible for competition
Football	4/23/2014	13.10	Fulfillment of public records request resulted in violation of NCAA rule against publicity of PSA
MTK Outside Competition	4/24/2014	14.6.1.7	Outside competition
Women's Crew	5/4/2014	11.3.2.8	Impermissible promotion of PSA's team via Twitter page
Volleyball	5/30/2014	13.4.3.2.2	Assistant coach worked an outside camp that did not include language in its advertisements that the camp was open to any and all entrants
Football/Sports Medicine	6/9/2014	13.11.2.6.2	Medical Examination during SOAR
Men & Women's Swimming & Diving	6/16/2014	17.1.5.1 17.1.5 17.1.6.2.4 17.21.7	Head coach knowingly allowed four SAs to participate in voluntary workout/practice before they completed their mandatory medical examinations

Appendix I

NCAA OVERSIGHT CERTIFICATION LETTER



January 21, 2015

Mr. Michael J. Falbo, President, University of Wisconsin Board of Regents
Mr. Raymond W. Cross, President, University of Wisconsin System
Van Hise Hall
1220 Linden Drive
Madison, WI 53706

Presidents:

In connection with your oversight of the University of Wisconsin-Madison's intercollegiate athletics program, we are confirming via this letter and supporting documents, to the best of our knowledge and belief, the following pertaining to 2013-14.

There were no instances of any major Level I or Level II compliance violations. We are aware of 24 Level III or Level IV secondary violations of non-compliance with NCAA rules and regulations which occurred during 2013-14.

There were no illegal acts or non-compliance with federal, state, or local law by individuals employed by the institution or representatives of the University of Wisconsin's athletics interests.

There are no monitoring reviews currently underway by the NCAA, law enforcement officials, or others, except for routine audits done annually or periodically.

There are no allegations of fraud or suspected fraud affecting intercollegiate athletics received in communication from employees, former employees, or others.

There have been no modifications to the institution's gender-equity plan from our previous self-study, dated 2008-2009, and all aspects of the plan have been fully implemented.

We have processes in place to ensure background checks are performed on all coaches, assistant coaches, contractors, volunteers, student employees, and any other individuals serving as an agent of the institution related to intercollegiate athletics. These processes apply to those involved with offering camps and clinics, and others who participate in activities involving children. Adverse outcomes of background checks are evaluated by Director of Human Resources Holly Weber.

We understand our fiduciary responsibilities to act in the best interest of the institution even if it conflicts with the immediate interests of the athletic department.

The athletic department has not intervened when a student-athlete is being disciplined under regular student conduct rules.

Very truly yours,

Chancellor

Athletic Director

Athletics Compliance Officer

Chief of Staff

University of Wisconsin • Intercollegiate Athletics

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