

1/26/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
UW-Madison, Union South, 1308 W. Dayton Street, 2nd Floor, Madison, Wisconsin 53715
Friday, February 3, 2017

II. 9:00 a.m. All Regents – Varsity Hall II

1. Calling of the roll
2. Approval of the minutes of the December 2016 meeting
3. Report of the President of the Board
 - a. Wisconsin Technical College System Board report
 - b. Update on task forces and future Board meetings
 - c. Additional items that the President may report to the Board
4. Report of the President of the System
 - a. Legislative and other updates
 - b. Update on biennial budget process
 - c. News from around the UW System
 - d. Student spotlight
5. *Presentation:* Annual NCAA Division I Athletics Report -- UW-Madison
6. Report and approval of actions taken by the Research, Economic Development and Innovation Committee
7. Report and approval of actions taken by the Business and Finance Committee
8. Report and approval of actions taken by the Education Committee
9. Report and approval of actions taken by the Audit Committee
10. Report and approval of actions taken by the Capital Planning and Budget Committee
11. Consideration of revisions to the UW System Board of Regents Bylaws – technical corrections and updates
[Resolution II.11.]
12. Presentation of Board of Regents 2017 Diversity Awards
 - a. Dr. Cyndi Kernahan, UW-River Falls – Individual Award
 - b. Ms. Angela Miller, UW-Platteville – Individual Award
 - c. Blugold Beginnings, UW-Eau Claire – Team Award
13. Resolution of appreciation to UW-Madison as host of the February Board of Regents meeting
14. Regent communications, petitions, and memorials
15. Adjourn

The closed session agenda may be considered at the end of the Board's regular open-session agenda on Friday, as well as Thursday.

UW-MADISON NCAA DIVISION I ATHLETICS 2015-16 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 2012 study by the Association of Governing Boards of Colleges and Universities (AGB), “Trust, Accountability, and Integrity: Board Responsibilities for Intercollegiate Athletics” 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 2015-16 athletics report to the Board of Regents for discussion at the Board's February 2017 meeting. An overview of significant items in the report follows.

I. Athletics

UW-Madison Athletics Department's 2015-16 report to the Board of Regents states that the department provided educational support and athletic opportunities to approximately 900 student-athletes in 23 sports. The report also includes a link to the Athletics Department 2015-16 Annual Report, which provides an overview of accomplishments and progress towards specific goals. Athletic accomplishments highlighted in the two reports included:

- The men's basketball team reached the NCAA Tournament Sweet 16, becoming the only school in the nation to make the Sweet 16 five times in the last six years.
- The football team ended its 10-3 season with a comeback victory in the Holiday Bowl.
- The volleyball team advanced to its third straight NCAA regional.
- Women's hockey claimed both the WCHA regular season and tournament championships before advancing to the Frozen Four for the third-straight season, and the ninth time in the past 11 years.
- Five coaches were recognized as Coach of the Year by their respective coaching organization or conference:
 - Dave Astrauskas (Men's Track & Field), USTFCCCA Regional Assistant Coach of the Year;
 - Bebe Bryans (Women's Rowing), Big Ten Coach of the Year;
 - Greg Gard (Men's Basketball), Jim Phelan National Coach of the Year;
 - Mark Johnson (Women's Hockey), WCHA Coach of the Year; and
 - Paula Wilkins (Women's Soccer), Big Ten Coach of the Year.

II. Academics

The UW-Madison Athletics Department's 2015-16 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. 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 rate for the Big Ten Conference; and (3) greater than the rate for all Division I student-athletes. With an FGR of 74% (up from 71% the previous

year), the Athletics Department met the third but did not meet the first two benchmarks in 2015-16. The FGRs for UW-Madison students, Big Ten Conference student-athletes, and Division I student-athletes were 85%, 75%, and 66%, respectively.

The report identifies two benchmarks related to the Graduation Success Rate. These call for a 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 86% (up from 85% the previous year), the Athletics Department did not meet the first of these two benchmarks, as the median GSR for the Big Ten Conference was at 88%. However, UW-Madison's GSR was higher than the GSR of all Division I student-athletes (84%).

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 multiyear APR for postseason competition is 930. All teams maintained multiyear APRs above 930 for 2014-15, the most recent year for which NCAA APR data are available. All but two teams, men's basketball and golf, also had single-year APRs above 930. The men's basketball team APR for the 2014-15 was 900, and the men's golf team APR was 909. The teams are not at risk of losing post-season competition eligibility, however.

According to the Athletics Department report to the Board of Regents, there was considerable academic achievement among UW-Madison's student-athletes during 2015-16. UW-Madison student-athletes maintained a 3.06 cumulative grade point average (GPA) at the end of the Spring 2016 term. Eight student-athletes had a perfect 4.0 cumulative GPA, and 202 student-athletes earned Academic All-Big Ten honors.

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 2015-16 fiscal year. The report notes an actual operating surplus of \$290,721 for FY 2015-16. The report also identifies an unrestricted fund balance of \$1,010,985 at the end of the 2015-16 fiscal year, or 0.89% of 2015-16 expenditures.

The report 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 by NorthStar Economics at \$970 million annually, with nearly 9,000 jobs supported and created by the department.

IV. NCAA Rules Compliance

The report to the Regents indicates no major NCAA violations and 27 secondary violations in 2015-16, and indicates that these numbers are consistent with prior years.

The Athletics Department report to the Board includes the NCAA-required report on Agreed Upon Procedures, issued by independent auditor Baker Tilly, for the year ended June 30, 2016. Baker Tilly noted that the comment in the prior year's audit, related to procedurally

verifying capital assets to identify capital assets and related accumulated depreciation that should be deleted, has been resolved. No new comments were identified.

Also included in the Athletics Department report to the Board is the Athletics Department's Standards for Safeguarding Institutional Governance of Intercollegiate Athletics. The Department adopted these standards to express its support and commitment to implement the Big Ten standards adopted by the Big Ten Council of Presidents/Chancellors. The Big Ten standards were developed in response to issues at Penn State University and went into effect on August 1, 2015. The Big Ten standards were aimed at making sure all Big Ten institutions are committed to implementing policies and procedures to ensure the "integrity of governance of athletic programs."

The Athletics Department's NCAA compliance audit completed by the UW System Office of Internal Audit identifies six findings, each with an Audit Priority Rating of "low." The findings are related to operations of camps and clinics, playing and practice seasons, recruiting, and student-athlete employment records. According to the report, the Athletics Department agreed with each of the six findings and has developed plans to address each finding.

RELATED REGENT POLICIES

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

2015-16

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



February 3, 2017

2015-16 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 (“UW”). While retaining ultimate authority, subject to the general oversight of the Board of Regents of the University of Wisconsin System, the Chancellor has delegated the authority, responsibility, and accountability for the day-to-day administration of intercollegiate athletics to the Athletic Director. There are no exceptions to this delegation. The Athletic Board exercises the authority of the faculty as part of the University’s shared-governance system.¹

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.

On-Field Achievements

The UW experienced another successful season in 2015-16. The program featured two conference champions and 15 sport or individual participants in post-season play on the way to another national top-30 finish (UW’s 17th in 19 years) in the Learfield Directors Cup all-sports standings. Headlining the year were a Holiday Bowl victory over perennial football power USC and a Sweet Sixteen appearance in the NCAA Men’s Basketball Final Four that included a buzzer-beating upset of Xavier. In addition, the volleyball program advanced to its third consecutive Sweet Sixteen; women’s soccer captured its first Big Ten regular-season title since 1994; women’s hockey won the WCHA regular-season and tournament titles on the way to its ninth Frozen Four appearance in the last eleven years; and several current and former UW student-athletes represented their countries in the 2016 Rio Summer Olympics.

Financial Highlights

The full report contains the final budget, debt balances and payments, and endowments for the 2015-16 fiscal year (see Appendices C and D). The annual budget for the Athletics Department supports 23 sports and approximately 900 student-athlete participation opportunities at any given time, depending on 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 2015-16 operations.

¹ For a more detailed elaboration on the authority over intercollegiate athletics, please see Appendix A: “University of Wisconsin-Madison Standards for Safeguarding Institutional Governance of Intercollegiate Athletics.” These standards were prepared in response to the standards adopted by the Big Ten’s Council of Presidents/Chancellors (Appendix B).

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 10 student-athletes in the 2016 single-year FGR cohort for the three highest revenue men's and women's sports who did not graduate from the UW in six years, six transferred to other institutions, of which three have since earned degrees, and three left early to pursue professional opportunities. The remaining student-athlete did not enroll in another institution upon leaving the UW.

The UW student-athlete four-year average FGR was 71% in 2015-16, compared to 74% for the Big Ten Conference, and 66% for all NCAA Division I student-athletes. The graduation rate for all UW-Madison students is 84%.

The GSR for UW student-athletes was 86% in 2015-16, which exceeded the GSR for all NCAA Division I student-athletes (84%). 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 in 2014-15, the most current publicly available data.

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 who matriculates at UW and receives Athletics aid, but graduates from another institution within the prescribed period, to be successful.

University of Wisconsin student-athletes carried a 3.06 cumulative grade-point average (GPA) at the end of the Spring 2016 term. After the Spring 2016 semester eight student-athletes carried a perfect 4.00 cumulative GPA. Between the Fall 2015 and Spring 2016 semesters, a total of 202 student-athletes earned Academic All-Big Ten honors.

UW undergraduate student-athletes currently major in 82 diverse areas of study. Biology, Communication Arts, Economics, Kinesiology, and Sociology are the most common majors among undergraduate student-athletes. Additionally, of those 82 areas of undergraduate study, there are currently 64 different areas which 10 or fewer student-athletes have declared as majors. A total of 134 student-athletes graduated with either a Bachelor's or Master's degree during the 2015-16 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 2015-16 fiscal year.

Compliance

The Athletics Department recently underwent its compliance review by the UW System Administration Office of Internal Audit for the 2015-16 academic year. This audit found that there exists a satisfactory system to monitor NCAA compliance, exclusive of minor documentation and processing issues within specified areas. For a detailed summary of this audit, see Appendix H.

The Athletics Department reported no Level I or Level II violations (formerly classified as “major” violations) and 27 Level III or Level IV violations (formerly classified as “secondary” violations) to the NCAA in 2015-16. These numbers are consistent with reporting statistics from previous years. For a detailed list of reported Level III and Level IV violations, see Appendix J.

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”). While retaining ultimate authority subject to the general oversight of the Board of Regents of the University of Wisconsin System, the Chancellor has delegated the authority, responsibility, and accountability for the day-to-day administration of intercollegiate athletics to the Athletic Director. There are no exceptions to this delegation. The Athletic Board exercises the authority of the faculty as part of the UW’s shared-governance system.²

A. Mission of Intercollegiate Athletics

The Athletics Department dedicates itself to the mission of providing athletic opportunities to a wide range of students and creating 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 UW, 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 UW.
- **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 UW’s purpose, intercollegiate athletics is aligned with the UW’s mission through tradition.

² For a more detailed elaboration on the authority over intercollegiate athletics, please see Appendix A: “University of Wisconsin-Madison Standards for Safeguarding Institutional Governance of Intercollegiate Athletics.” These standards were prepared in response to the standards adopted by the Big Ten’s Council of Presidents/Chancellors (Appendix B).

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 Athletics Department into the college culture.

Today, the UW sponsors 23 sports programs supporting approximately 900 student-athlete participation opportunities at any given time, depending on roster changes. The UW experienced another successful season in 2015-16. The program featured two conference champions and 15 sport or individual participants in post-season play on the way to another national top-30 finish (UW's 17th in 19 years) in the Learfield Directors Cup all-sports standings. Headlining the year were a Holiday Bowl victory over perennial football power USC and a Sweet Sixteen appearance in the NCAA Men's Basketball Final Four that included a buzzer-beating upset of Xavier. In addition, the volleyball program advanced to its third consecutive Sweet Sixteen; women's soccer captured its first Big Ten regular-season title since 1994; women's hockey won the WCHA regular-season and tournament titles on the way to its ninth Frozen Four appearance in the last eleven years; and several current and former UW student-athletes represented their countries in the 2016 Rio Summer Olympics.

For more information regarding the Athletics Department, 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 28 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>EXCELLENCE in Academics and Athletic Competition</p> <p>COMMITMENT to Fiscal Responsibility, Compliance and Diversity and Gender Equity</p> <p>PERSONAL DEVELOPMENT of Student-Athletes</p> <p>SERVICE AND CONNECTION to Community and Campus</p> <p>PROFESSIONAL DEVELOPMENT of Staff</p> <p>RECOGNITION of Department Success</p>

The 2015-16 report is found online at https://issuu.com/uwathletics/docs/merged_1.

II. FINANCIAL HIGHLIGHTS

A. 2015-16 Final Budget Report

Please see **Appendix C** on page 27 for the detailed report.

B. 2015-16 Debt Balances & Payments Report

Please see **Appendix D** on page 28 for the detailed report.

C. 2015-16 Value of Endowments Dedicated to Support Athletics

	Market Value	Cash/Interest
June 2016	\$65,261,810	\$2,541,851
June 2015	\$52,436,228	\$3,306,948

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
2015-2016 (2009-2010 Cohort)	75%	100%	50%
2014-2015 (2008-2009 Cohort)	63%	80%	29%
2013-2014 (2007-2008 Cohort)	56%	33%	46%

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

	Basketball	Hockey	Volleyball
2015-2016 (2009-2010 Cohort)	50%	67%	100%
2014-2015 (2008-2009 Cohort)	75%	100%	100%
2013-2014 (2007-2008 Cohort)	71%	83%	80%

**Of the ten student-athletes in the 2016 single-year FGR cohort for the above sports who did not graduate from the UW in six years, six transferred to other institutions, of which three have since earned degrees, and three left early to pursue professional opportunities. The remaining student-athlete did not enroll in another institution upon leaving the UW.*

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
2016	74%	85%	(11%)	71%	84%	(13%)
2015	71%	85%	(14%)	71%	83%	(12%)
2014	65%	83%	(18%)	71%	83%	(12%)
2013	75%	83%	(8%)	72%	82%	(10%)

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
2016	74%	75%	(1%)	71%	74%	(3%)
2015	71%	74%	(3%)	71%	73%	(2%)
2014	65%	72%	(7%)	71%	72%	(1%)
2013	75%	74%	1%	72%	72%	-

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
2016	74%	66%	8%	71%	66%	5%
2015	71%	67%	4%	71%	66%	5%
2014	65%	66%	(1%)	71%	65%	6%
2013	75%	65%	10%	72%	65%	7%

B. Measure 2: Graduation Success Rate (GSR)

Please see **Appendix E** on page 29 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
2016	86%	88%	(2%)
2015	85%	88%	(3%)
2014	84%	87%	(3%)
2013	85%	88%	(3%)

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
2016	86%	84%	2%
2015	85%	83%	2%
2014	84%	82%	2%
2013	85%	80%	5%

C. Measure 3: Academic Progress Rate (APR)

Please see **Appendix F** on page 30 for the detailed NCAA 2014-15 report. **The 2014-15 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
2015	0 sports
2014	0 sports
2013	0 sports
2012	0 sports

Multiyear APR by Sport

Men's Sports	Multiyear APR	Women's Sports	Multiyear APR
Basketball	976	Basketball	987
Cross Country	984	Cross Country	996
Football	992	Rowing	981
Golf	957	Golf	1000
Hockey	978	Hockey	995
Rowing	-	Soccer	977
Soccer	990	Softball	996
Swimming	966	Swimming	991
Tennis	978	Tennis	992
Track (I/O)	985	Track (I/O)	993
Wrestling	973	Volleyball	1000

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	900	Basketball	1000
Cross Country	1000	Cross Country	1000
Football	980	Rowing	995
Golf	909	Golf	1000
Hockey	954	Hockey	1000
Rowing	-	Soccer	1000
Soccer	1000	Softball	986
Swimming	971	Swimming	1000
Tennis	1000	Tennis	1000
Track (I/O)	1000	Track (I/O)	991
Wrestling	971	Volleyball	1000

D. Additional Information: GPA & Major Selection

University of Wisconsin student-athletes carried a 3.06 cumulative grade-point average (GPA) at the end of the Spring 2016 term. After the Spring 2016 semester eight student-athletes carried a perfect 4.00 cumulative GPA. Between the Fall 2015 and Spring 2016 semesters, a total of 202 student-athletes earned Academic All-Big Ten honors.

UW undergraduate student-athletes currently major in 82 diverse areas of study. Biology, Communication Arts, Economics, Kinesiology, and Sociology are the most common majors among undergraduate student-athletes. Additionally, of those 82 areas of undergraduate study, there are currently 64 different areas which 10 or fewer student-athletes have declared as majors. A total of 134 student-athletes graduated with either a Bachelor's or Master's degree during the 2015-16 academic year.

For a full list of majors, please see **Appendix G** on page 34.

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. COMPLIANCE PROCEDURES REVIEW

Please see **Appendix H** on page 36 for the detailed audit report issued by the UW System Administration Office of Internal Audit for the 2015-16 academic year.

V. NCAA SELF-STUDY REPORT UPDATE

The NCAA self-study report requirement no longer exists. In lieu of this report, please see **Appendix I** on page 49 for the UW's 2015-16 review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics, as required by the Big Ten Conference.

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

Please see **Appendix J** on page 73 for the detailed report, and **Appendix K** on page 74 for the letter.

VII. AGREED UPON PROCEDURES REPORT & INTERCOLLEGIATE ATHLETIC BUDGET REPORT

Please see **Appendix L** on page 75 for the full report.

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Appendix A

UNIVERSITY OF WISCONSIN-MADISON

STANDARDS FOR SAFEGUARDING INSTITUTIONAL GOVERNANCE OF INTERCOLLEGIATE ATHLETICS

Introduction

At its June 1, 2014 meeting, the Big Ten Council of Presidents/Chancellors adopted “The Big Ten Conference Standards for Safeguarding Institutional Governance of Intercollegiate Athletics” (the “Conference Standards”). The Conference Standards embody the firm and common commitment of each Big Ten Conference member institution to the core principle that intercollegiate athletics must be properly aligned with the institution’s overall educational mission. The University of Wisconsin-Madison fully supports the Conference Standards, and adopts this document to demonstrate its commitment to the principles contained therein. While many of the requirements of the Conference Standards are current University policy and practice, the University is pleased to adopt this document and to fully implement the Conference Standards. To the extent any existing policies or practices at the University are contrary to the principles and standards contained in this document, this document controls.

Basic Principles

In accordance with the principles set forth by both the Conference Standards and the Big Ten Handbook, the University affirms that intercollegiate athletics is an integral part of the educational mission of the institution, and that accordingly, governance of intercollegiate athletics should be consistent with, and not independent from, the governance applicable to other University units and programs.

Organizational Governance Standards

The Chancellor of the University, subject to the general oversight of the Board of Regents of the University of Wisconsin System, and working within the constructs of the principles of shared governance, has ultimate authority, responsibility, and accountability for the administration of intercollegiate athletics. There are no exceptions to this authority, responsibility, or accountability.

While retaining ultimate authority, the Chancellor has delegated the authority, responsibility and accountability for the day-to-day administration of intercollegiate athletics to the Athletic Director. There are no exceptions to this delegation.

The Athletic Board exercises the authority of the faculty as part of the University’s shared-governance system. The Athletic Board is a University Committee with membership, functions

and responsibilities set forth in the University's Faculty Policies and Procedures.¹ The "authority of the faculty" in the University's shared-governance system must be understood in the context of the Chancellor being ultimately responsible for the institutional control of athletics. However, Wisconsin law recognizes that chancellors are expected to consult with faculty in discharging their responsibilities and recognizes the role of the faculty in governance.² In this way, University faculty has the shared responsibility for academic and educational activities and faculty personnel matters.³

Operational Standards for Athletics

The University reaffirms its policies and operational standards in the following areas: 1) Academic Support; 2) Institutional, Conference, and NCAA Rules Compliance; 3) Admissions; 4) Student Discipline and Codes of Conduct; 5) Medical and Athletic Training Services; and 6) Cost of Attendance.

1. Academic Support

Academic Success

The University is committed to providing student-athletes with academic support and counseling (e.g., academic advising) that is adequate and appropriate for their progress toward a degree and graduation.⁴ The personal and academic well-being of every student-athlete is the primary concern of the University and the Athletic Board.

Academic Integrity

The University is committed to both the detection and prevention of (a) academic fraud and misconduct, and (b) abusive use of independent study or clustering of student-athletes in particular courses or majors.⁵

¹ Appendix 1, University of Wisconsin-Madison Faculty Policies and Procedures ("FPP"), Section 6.26.

² Wisconsin Statute Section 36.09(4).

³ For more information regarding the Role of the Athletic Board, see Appendix 2, Faculty Document 2114, "Role of the Athletic Board."

⁴ For a detailed review of the steps the University takes to provide student-athletes with academic support, see Appendix 3, Office of Academic Services Handbook ("OAS Handbook"), pgs. 25 ("Advisors"), 27 ("Learning Specialists"), 29 ("Mentors"), 33 ("Individual Tutoring & Drop-In Study Groups"); see also Appendix 4, 2008-2009 Division 1 Athletics Certification Self-Study Instrument ("Self Study"), pgs. 33-35 (point 8) and pgs. 65-91 ("Operating Principle 2.2, Academic Support"); see also Appendix 5, 2013-2014 Badger Student-Athlete Handbook and Planner ("SA Handbook") pgs. 10 ("The Shared Responsibility of Academic Success" and "Staff"), and 12 ("Services and Programs").

⁵ For a detailed review of the steps the University takes to detect and prevent such academic problems, see Appendix 3, OAS Handbook, pgs. 14 ("Academic Misconduct"), 20 ("Writing and Editing Guidelines"), 21 ("Ethical Conduct"), 25 ("Advisors"), 36 ("Class Checking"), and 37 ("Directed Study"); see also Appendix 5, SA Handbook, pgs. 60-64, ("Academic Misconduct Guide for Students"); see also Appendix 9, Coaches Orientation Handbook ("Coaches Handbook"), pgs. 61-64 ("Directed Study Policy").

Prevention of Improper Influence

In order to ensure that athletic academic support staff members are free from potential improper influence, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the academic support staff. Further, coaches shall not attempt to inappropriately influence any member of the academic support staff in order to obtain or maintain the academic eligibility of a student athlete. While a coach may have input or be otherwise involved in the hiring or evaluation of the performance of an academic support staff member, the ultimate authority for hiring and supervising academic support staff will reside with the Associate Athletic Director for Student Services.

In addition, coaches shall not attempt to inappropriately influence any faculty member. To prevent the potential for improper influence, communication between the athletics department staff and faculty regarding a student-athlete's performance in class shall be conducted through the Associate Athletic Director for Student Services, the staff members of the Office of Academic Services, staff members of the Office of Compliance, or through the Faculty Athletics Representative.⁶

In addition to reporting to the Athletic Director, the Associate Athletic Director for Student Services reports monthly to the Athletic Board, chaired by the Faculty Academics Representative, regarding academic performance and support.

2. Institutional, Conference, and NCAA Rules Compliance

Compliance Success

The University is committed to the detection and prevention of breaches of institutional, conference and NCAA rules.⁷ The University does and will maintain appropriate and adequate compliance staffing in order to maintain a compliant environment. In addition to the five full-time employees devoted exclusively to compliance issues, compliance is considered to be a shared responsibility at the University. That is, other athletics department personnel, the

⁶ Coaches are instructed at yearly coaches meetings not to contact campus instructional faculty or staff. See Appendix 9, Coaches Handbook, pg. 7 ("Academic Services will make all contact with professors."); see also, Appendix 6, University of Wisconsin, Division of Intercollegiate Athletics, Compliance Education for New Staff ("Compliance Education") (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

⁷ For a detailed review of the steps the University takes to detect and prevent such breaches, see Appendix 4, Self Study, pgs. 17-23; see also Appendix 5, SA Handbook, pgs. 39-54 ("Big Ten/NCAA Rules & Regulations"); see also Appendix 6, Compliance Education; see also Appendix 7, Compliance Manual, The University of Wisconsin Division of Intercollegiate Athletics ("Compliance Manual").

Faculty Athletics Representative, and the head coaches and administrators outside of the athletic department who are responsible for the certification of student-athletes for financial aid and practice and competition eligibility, are all expected to assume a primary role in ensuring compliance with all rules.⁸

Prevention of Improper Influence

In order to ensure that athletic compliance staff members are free from potential improper influence, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the athletic compliance staff. Further, coaches shall not attempt to influence inappropriately any member of the athletic compliance staff in any way. While a coach may have input or be otherwise involved in the hiring or evaluation of the performance of an athletic compliance staff member, the ultimate authority for hiring and supervising athletic compliance staff will reside with the Associate Athletic Director for Compliance. Communication between the athletics department staff and such compliance constituents as the Registrar's Office, the Student Financial Services Office, Big Ten and NCAA regarding the application of NCAA or Big Ten rules shall be conducted through the Associate Athletic Director for Compliance or staff members of the Office of Compliance.

In addition to reporting to the Athletic Director, the Associate Athletic Director for Compliance reports monthly, for oversight purposes, to the Chair of the Athletic Board, (which is chaired by the Faculty Academics Representative), regarding institutional, Big Ten and NCAA compliance. The Assistant Athletic Director for Compliance shall also make available any information or reports that may be requested by the Vice Chancellor for Legal Affairs.

3. Admissions

Admission Decisions

The final decision-making authority for the admission of potential student-athletes resides in the same office that admits other undergraduate applicants to the University, the Office of Admissions and Recruitment ("Admissions"). Student-athletes progress through the admissions process in the same manner as other applicants.⁹ Admissions utilizes a holistic, competitive, and selective review process. The goal is to recruit, admit, and enroll a high quality and diverse freshman class. Admissions seeks students from groups that are underrepresented at the University, including not only ethnic minorities, but international students, those from rural Wisconsin farm backgrounds, first-generation college students, women and men who have

⁸ For more information regarding this shared responsibility, see Appendix 6, Compliance Education; see also Appendix 7, Compliance Manual pgs. 6 ("Institutional Control") and 7 ("Compliance Philosophy").

⁹ For more information regarding admission of potential student-athletes, see Appendix 3, OAS Handbook, pgs. 46-63 ("Admissions"); see also Appendix 8, "Requirements and Expectations" document created and maintained by the Office of Admissions; see also Appendix 9, Coaches Handbook pgs. 40-41 ("Admissions Information").

served our country in the armed forces, and women interested in STEM (science, technology, engineering, or math) majors. Admissions seeks students with special talent in music, dance, art, athletics, or other areas of the University community.

Prevention of Improper Influence

In order to prevent the potential for improper influence, communication between athletics department staff, and either Admissions or Admissions personnel from individual schools and colleges regarding prospective student-athletes, shall be conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services.¹⁰

4. Student Discipline and Codes of Conduct

University and Athletic Department Discipline

Under the authority of the University's Division of Student Life, student-athletes shall be subject to general disciplinary rules and codes of conduct applicable to other students at the University, and shall be subject to the same procedures and sanctions.¹¹ In addition to, and independent from the process managed by the Division of Student Life, student-athletes are further subject to the Student-Athlete Discipline Policy and to individual team rules.¹²

Prevention of Improper Influence

In order to prevent the potential for improper influence, communication between athletics department staff and the Division of Student Life regarding student-athletes shall be conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services.¹³

¹⁰ Coaches are instructed at yearly coaches meetings not to contact Admissions. See Appendix 9, Coaches Handbook, pg. 7 ("Academic Services will make all contact with the Office of Admissions."); see also, Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

¹¹ For more information regarding the application of general disciplinary rules of the University to student athletes, see Appendix 5, SA Handbook pgs. 60 ("Academic Misconduct Guide for Students"), and 64 ("Institutional Discipline" and "Violations of University Regulations").

¹² For a detailed explanation of the Student Athlete Discipline Policy, see SA Handbook, pgs. 67-71 ("Athletic Department Rules and Policies") and pg. 72 ("Violations of Team Rules").

¹³ Coaches are instructed at yearly coaches meetings not to contact the University's Division of Student Life. See Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

5. Medical and Athletic Training Services

Medical Decisions

The University places priority on a student-athlete's health over other considerations.¹⁴ The personal and academic well-being of every student-athlete is the primary concern of the University and the Athletic Board. Health-related policies, procedures and protocols, including those related to student-athlete concussions,¹⁵ will be followed.

Medical Services to student-athletes at the University are offered in a medical model of care under which the diagnosis and treatment of student-athletes is the ultimate responsibility of the physicians employed by the University of Wisconsin School of Medicine and Public Health, administratively managed by its Division of Sports Medicine in the Department of Orthopedics and Rehabilitation. The Athletic Department's licensed athletic trainers practice under the supervision of these physicians and the Assistant Athletic Director for Sports Medicine. Each Head Team Physician is appointed by the Chair of the Department of Orthopedics and Rehabilitation. The Head Team Physician and the Assistant Athletic Director for Sports Medicine assume joint responsibility for quality assurance and the monitoring of student-athlete care on an ongoing basis. A Medical Advisory Committee reviews and advises policies and procedures related to the delivery of medical services to student-athletes. The committee consists of the Chair of the Division of Sports Medicine, the Head Team Physician, Athletic Department administrators, a representative from UW Hospital and Clinics and two members of the Athletic Board.

Prevention of Improper Influence

The final decision regarding student-athlete participation, in practice or competition, resides with the medical and athletic training staff.¹⁶ In order to ensure that medical and athletic training staff are able to exercise their best professional judgment in caring for student-athletes, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the medical or athletic training staff who works with the coach's own team. Further, coaches shall not attempt to influence

¹⁴ See Appendix 5, SA Handbook, pg. 79 ("Sports Medicine Policy" and "Pregnancy Policy"); see also Appendix 10, Competition and Practice Injury Management Plan; see also Appendix 11, Concussion Management Plan.

¹⁵ See Appendix 10, Competition and Practice Injury Management Plan; see also Appendix 11, Concussion Management Plan

¹⁶ Coaches' employment contracts each state that "[c]oach hereby understands and agrees that the final decision regarding student-athlete participation in organized practices and/or competitions shall be made by the Division's medical and training room staff," and that "[t]his provision is essential to this Employment Agreement and violation thereof may be considered just cause for termination."

inappropriately any member of the medical or athletic training staff regarding the medical treatment of a student athlete.

6. Cost of Attendance

Determination of Cost of Attendance

The process for determining the cost of attendance for student-athletes shall be essentially the same process utilized for all students. Cost of attendance is determined by the Office of Student Financial Aid.¹⁷

Prevention of Improper Influence

Coaches shall not attempt to inappropriately influence any member of the Financial Aid staff in order to adjust cost of attendance values to better serve recruiting or other athletically-related interests.¹⁸ In order to prevent the potential for improper influence, communication between athletics department staff, and the Office of Student Financial Aid, shall be conducted through the Associate Athletic Director for Compliance. The Director of Financial Aid should notify the Chancellor or designee of any inappropriate communication relating to financial aid policy received from any booster or official of the University of staff member in the Athletics Department.

Concern Reporting

The University recognizes that ensuring compliance with the six areas of operational standards set forth above necessarily requires that individuals have the ability to report concerns, free from fear of retaliation, regarding whether these standards are being followed. Individuals can and should report any concerns they have in relation to these standards to the Athletic Director, the Associate Athletic Director for Compliance, Compliance staff or the Faculty Athletics Representative, with the knowledge that no retaliation will occur as a result of voicing such concerns. Indeed, the University encourages individuals to report any concerns they may have.

¹⁷ For the current breakdown of University Cost of Attendance, see Appendix 12, Office of Student Financial Aid, Undergraduate Cost of Attendance, 2015-16.

¹⁸ Coaches are instructed at yearly coaches meetings not to contact the University's Office of Student Financial Aid. See Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.")

Ongoing Obligations

1. Annual Review

The University will conduct an annual internal review of the effectiveness of these Conference Standards.

2. Reporting Requirements

Following the internal annual review, the University will report to the Big Ten Conference Office on how it is achieving compliance with the Conference Standards, and how it is taking action to avoid governance-related problems in athletics. Within this report, the University will describe to the Big Ten Conference Office any violation of the Conference Standards.¹⁹ The University will report to the Big Ten Conference Office any revisions to this document, or any material revisions to any incorporated Appendix, within thirty days of the adoption of any such revision.

¹⁹ Within this requirement, it is understood that identifying and addressing violations in a timely manner is a characteristic of a properly functioning compliance system—indicative of a system that is working as opposed to a system that is malfunctioning. Accordingly, violations of these standards that are properly identified and addressed in a timely manner are to be accounted for in the annual report within the context of demonstrating the effectiveness of the standards. By contrast, violations that are indicative of systemic failures of the standards (e.g., system malfunctions) are to be reported to the conference office within a timeframe that is contemporaneous to the time at which such failures are discovered.

Appendix B

THE BIG TEN CONFERENCE STANDARDS FOR SAFEGUARDING INSTITUTIONAL GOVERNANCE OF INTERCOLLEGIATE ATHLETICS

Introduction

The Big Ten Conference's history demonstrates that high-level athletic programs can be successfully maintained at top research universities and advance the mission of such universities. Incorporating athletic competition within the broader framework of higher education also presents challenges, however, particularly given the visibility of intercollegiate athletics and the passion it engenders. Good governance of athletics within the structure of each Big Ten Conference Member Institution is essential to manage these challenges. The public's trust in a Member Institution and the value of its intercollegiate athletics program are eroded when the Institution fails to implement sound governance principles applicable to its athletics programs, principles that are reflective of those applied to its academic programs and consistent with the values of higher education.

While not alone in this regard, Big Ten Member Institutions have experienced lapses in achieving sound governance of their athletic programs. All Member Institutions are affected when any Member Institution fails to maintain proper control over its intercollegiate athletics programs. Recognizing this, the Big Ten Council of Presidents/Chancellors (COPC) directed the Conference "to initiate an immediate review of the fundamental issues and systems affecting intercollegiate athletics, including the serious issues relating to control of athletics."

Institutions that affiliate in an athletics conference should have common values and common objectives. The Conference's attention to maintaining institutional integrity and earning public trust predates the activities of the NCAA, which did not begin in earnest until the 1960's. Members of the Big Ten Conference have traditionally come together to deal with important matters of common concern. For example, in 1972, the Conference formed an Advisory Commission on the Integration of African-American Athletes to advance their opportunities for participation in intercollegiate athletics at Member Institutions. In 1992, the Conference was a national leader in adopting measures and making concerted efforts to advance gender equity of student-athletes at the Member Institutions. The Conference has had a long history of establishing academic standards governing eligibility of student-athletes, and the Conference office and the Member Institutions have regularly interacted in a constructive manner to improve practices at Member Institutions, especially those involving academic and compliance matters. Conference attention to the integrity of the governance of athletic programs is clearly consistent with this tradition.

The Risks Associated with Failure to Implement Good Governance Policies

To be successful in their objectives, Member Institutions depend in large measure on public trust and confidence. The failure effectively to govern any part or program of the Institution, including athletics, undermines public trust and confidence in the Institution.

Because of the high level of public interest in Big Ten sports, the risks of departures from good governance procedures in athletics are significant, and the impact of such departures on public trust and confidence may prove to be severe.

The loss of public trust in a Member Institution because of governance problems affecting its athletics programs has many negative consequences:

- the reputations of the individual Member Institution and all other Member Institutions in the Conference are damaged;
- injury to reputation reduces support for athletics and other programs among the Member Institution's various constituencies (faculty, staff, students, alumni, donors, fans, legislators, and the general public);
- lack of public confidence invites outside intervention in the Member Institution's affairs;
- student-athletes may lose opportunities for lessons in teamwork, effort, fair play, and the pursuit of excellence because of program-related sanctions;
- the Member Institution may suffer financial losses and additional costs when it is difficult for the Institution to absorb them.

The visibility, competitiveness, and passion associated with intercollegiate athletics combine to create a high-risk, high-reward environment which places great pressures on good governance procedures. At Member Institutions, athletics departments are expected to produce revenue streams through successful sports programs that will be sufficient to fund broad-based athletic programs without additional institutional support. Fans and boosters have high expectations and higher hopes, coaches and administrators seek the job security winning programs provide, the extraordinary popularity of athletics grows every year, and the financial consequences of success and failure are very high, both individually and institutionally. Fans or boosters, in pursuit of personal agendas or through a misplaced desire to "help" their favorite programs, are drawn to interact with coaches and student-athletes in ways that may circumvent ordinary procedures or violate the rules governing athletics. Some participants, by their celebrity status, obtain concentrated power far beyond that held by other employees or students. Successful coaches, major donors, and other persons of influence can seek to circumvent normal lines of authority and to exercise undue and improper influence over the actual responsible or accountable decision-makers. All of these problems are exacerbated if authority over athletic decision-making is unclear or is not formalized in official institutional policies.

For all of these reasons, the COPC proposes to address collectively the issues of integrity in intercollegiate athletics by encouraging the adoption by Member Institutions of clearer governance standards and to engage the Conference office to assist Member Institutions in implementing these standards.

Basic Principles

The Big Ten Conference Standards for Safeguarding Institutional Governance of Intercollegiate Athletics (Conference Standards) conform to the following basic principles:

1. Conference policies for governance of athletics should reflect a common commitment to integrity and good governance practice while recognizing the autonomy of the Member Institutions in fashioning their own organizational structures and allocating authority, responsibility, and accountability to their own officials.
2. Each Member Institution should have a set of governance standards that clearly define the authority over, and responsibility and accountability for, the governance of its athletic programs. Each Member Institution should be expected to comply fully with its own standards.
3. Intercollegiate athletics is an integral part of each Member Institution. Accordingly, athletic governance should be consistent with, and not independent from, the governance applicable to other university units and programs. For example, each Member Institution in the Big Ten provides that the President or Chancellor of the Institution is the chief executive officer and is responsible and accountable for the general administration of the Institution, subject to the general oversight of a Governing Board or a Systems Administration or both. Absent specific policies to the contrary, the President or Chancellor should, therefore, be the responsible and accountable officer for decisions made with respect to athletics.

Organizational Governance Standards

Each Member Institution shall have written standards relating to the allocation of authority, responsibility, and accountability for intercollegiate athletics at its Institution. These standards shall prescribe the governance structure for athletics at the Member Institution. It is anticipated that, at a minimum, the standards shall:

1. a. Provide, expressly or by general description, that the President or Chancellor, subject to the general oversight of the Governing Board or Systems Administration or both, and working within the constructs of the principles of shared governance held by each Member Institution, has ultimate authority, responsibility, and accountability for the administration of intercollegiate athletics, and
b. State any exceptions to this authority, responsibility, or accountability.
2. a. Provide, expressly or by general description, that the President or Chancellor has delegated authority, responsibility, and accountability for the administration of the Athletics Department to the Athletics Director, and
b. State any exceptions to that delegation.

3. State the role and responsibility of any other institutional officer, board, or committee with responsibility for issues relating to intercollegiate athletics, including those officers, boards, or committees who or which play an advisory role to the Athletics Director or to the President or Chancellor relating to intercollegiate athletics.
4. Establish procedures to implement the expectation that those with authority and responsibility to govern the athletic programs of the Member Institution do so without improper influence from others within or outside the Institution.

Operational Standards for Athletics

The integrity of the governance of a Member Institution's intercollegiate athletics program is threatened when improper influence is brought to bear on Member Institution officials to make a decision that is not in the best interest of the Institution or, in more egregious cases, that violates the Institution's, the Conference's, or the NCAA's rules. Certainly, the line between providing advice or appropriate advocacy on the one hand and undue or improper influence on the other is not a bright one, but, at one time or another, that line has been crossed at various Member Institutions. Operational standards that address the exercise of improper influence on important decision-making affecting athletic programs at each Member Institution should reduce the risk that such situations will recur.

Each Member Institution shall, therefore, have written standards with respect to the operation of its Athletics Department and units within the Institution that interact with its Athletics Department. The purpose of these operational standards shall, at a minimum, be to:

1. Assure that the unit that provides academic support services for student-athletes operates without undue influence by Athletics Department staff, including coaching staff. Each Institution's operational standards shall, therefore, be designed to:
 - a. Prevent coaches from: (i) having direct responsibility for, or exercising undue or improper influence over, the hiring or supervision of any member of the academic support staff, and (ii) attempting to influence inappropriately any member of the academic support staff or any faculty member in order to obtain or maintain the academic eligibility of a student-athlete.
 - b. Detect and prevent (i) academic fraud and misconduct, and (ii) abusive use of independent study or clustering of student-athletes in particular courses or majors.
 - c. Provide student-athletes with academic support and counseling that is adequate and appropriate for their progress toward a degree and graduation.
 - d. Route communications between Athletics Department staff and faculty regarding student-athletes' performance in classes through the Director of Academic Support Services or his/her designee(s) or through the FAR.

In addition, good practice suggests that the Director of Academic Support Services should report to an academic administrator outside the Athletics Department, such as the Provost or FAR, either exclusively or as a dual report to that administrator and the Athletics Director.

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2. Assure that the units that enforce compliance with the rules and regulations of the Member Institution, Conference, and NCAA have sufficient independence from athletics staff to meet their responsibilities. Each Institution's operational standards shall, therefore, be designed to:
 - a. Prevent coaches from (i) having direct responsibility for, or exercising undue or improper influence over, the hiring or supervision of any member of the athletics compliance staff, and (ii) attempting to influence inappropriately any member of the athletics compliance staff.
 - b. Detect and prevent breaches of the Institution's, the Conference's, and the NCAA's rules.
 - c. Provide adequate and appropriate athletics compliance staffing for the Institution.

In addition, good practice suggests that, for oversight purposes, the Director of Compliance should report to an administrator outside the Athletics Department, such as the Campus Compliance/Integrity Officer, General Counsel, or FAR, either exclusively or as a dual report to that administrator and the Athletics Director.

3. Assure that the admission process for student-athletes is essentially the same as that for other applicants with special talents. Each Institution's operational standards shall, therefore, be designed to:
 - a. Place final decision-making authority for the admission of student-athletes in the same office that admits other undergraduate applicants to the Member Institution.
 - b. Route all communications regarding prospective student-athletes between Athletics Department staff and the admissions office through the Athletics Director or his/her designee(s).

In addition, good practice suggests that the Director of Admissions should notify the President or Chancellor or his/her designee(s) of any inappropriate communication relating to the admission of a prospective student-athlete received from any booster or official of the Member Institution or from any staff member in the Athletics Department.

4. Assure that student-athletes are subject to general disciplinary rules and codes of conduct applicable to other students at the Member Institution. Each Institution's operational standards shall, therefore, be designed to:
 - a. Apply such rules and codes, including the same procedures and sanctions, as well as any Athletics Department policies applicable specifically to student-athletes and any team rules, to student-athletes.
 - b. Route communications regarding student-athletes between Athletics Department staff and student disciplinary staff through the Athletics Director or

his/her designee(s).

In addition, good practice suggests that the Dean of Students or his/her designee should notify the President or Chancellor or his/her designee(s) of any inappropriate communication on behalf of a student-athlete in connection with a disciplinary decision, especially if that communication is from a booster or official of the Member Institution or from any staff member in the Athletics Department.

5. Assure that the medical and athletic training staff who provide medical services to student-athletes are able to exercise their best professional judgment in caring for student-athletes. Each Institution's operational standards shall, therefore, be designed to:
 - a. Prevent coaches from (i) having direct responsibility for, or exercising undue or improper influence over, the hiring or supervision of any member of the medical or athletic training staff who works with the coach's own team, and (ii) attempting to influence inappropriately any member of the medical or athletic training staff regarding the medical treatment of a student-athlete.
 - b. Allow for effective implementation of and adherence to institutional policies, procedures, and/or protocols regarding student-athlete concussions.
 - c. Place priority on the student-athlete's health over other considerations.

In addition, good practice suggests that the Director of Sports Medicine Services should report to an academic or medical administrator outside the Athletics Department, either exclusively or as a dual report to the administrator and the Athletics Director.

6. Assure that the process for determining an institution's cost of attendance for student-athletes is essentially the same as that for all students, and that the unit that determines an institution's cost of attendance values for financial aid purposes operates without undue influence by Athletics Department staff, including coaching staff. Each Institution's operational standards shall, therefore, be designed to:
 - a. Prevent coaches from attempting to influence inappropriately any member of the financial aid staff in order to adjust an institution's cost of attendance values to better serve recruiting or other athletically related interests.
 - b. Route all communications regarding financial aid between Athletics Department staff and the financial aid office through the Athletics Director or his/her designee(s).

In addition, good practice suggests that the Director of Financial Aid should notify the President or Chancellor or his/her designee(s) of any inappropriate communication relating to financial aid policy received from any booster or official of the Member Institution or from any staff member in the Athletics Department.

Enforcement of the Policies

The Member Institutions recognize that the integrity of the governance of intercollegiate athletics is important for the Conference as well as for intercollegiate athletics generally and that failures of one Member Institution affect the reputation of all Member Institutions. Accordingly, the Member Institutions agree to the following relating to enforcement of these Conference Standards:

1. **Annual Review - Members.** Each Member Institution will conduct an annual internal review of the effectiveness of the standards it has implemented in fulfillment of these Conference Standards.
2. **Reports to/by Conference.**
 - a. After conducting its internal review, each Member Institution will report annually to the Conference on how it is achieving compliance with these Conference Standards and taking action to avoid governance-related problems in athletics. It will attach to that report copies of the standards it has implemented in fulfillment of these Conference Standards. Each Member Institution will also submit copies of any revisions to its standards to the Conference within thirty (30) days after their adoption.
 - b. After reviewing the reports from the Member Institutions, the Conference will prepare a summary in which it will draw on the reports to provide information to the Member Institutions that will assist them in complying with these Conference Standards. The Conference will submit the summary to the COPC for review and discussion at a COPC meeting. The Conference summary may include recommendations for changes in the Conference Standards for consideration by the COPC.
3. **Compliance.**
 - a. Each Member Institution will comply with the standards it has implemented in fulfillment of these Conference Standards.
 - b. If the Conference receives a report or allegation that a Member Institution is not in compliance with these Conference Standards, (i) it shall so advise the Member Institution and require that it file a detailed response to the report or allegation, including means to achieve compliance if the Member Institution determines that the report or allegation is, in one or more respects, accurate; and (ii) it may conduct its own investigation of the report or allegation. The Member Institution will cooperate with the Conference's investigation.
 - c. Each Member Institution will report to the Conference any violation of the standards it has implemented in fulfillment of these Conference Standards.

4. Enforcement.

- a. Informal Actions. The purpose of these Conference Standards is to enhance the integrity of the governance of intercollegiate athletics among the Member Institutions. In the event a Member Institution does not achieve complete compliance with these Conference Standards, the initial response should be that the Conference and the Member Institution engage in constructive conversations whose goal is greater compliance with these Conference Standards by the Member Institution.
- b. Formal Actions. In cases where a Member Institution persistently fails to comply with these Conference Standards, the Commissioner may recommend corrective action to the COPC. The COPC may request information from the Member Institution, which the Member Institution will provide, and the Commissioner, may, if so instructed by the COPC, conduct a more formal hearing on the matter. The COPC may adopt the Commissioner's recommendation or any other corrective action designed to enhance the Member Institution's compliance with these Conference Standards. Such corrective action may include:
 - i. Financial penalties, including a reduction of Conference distributions.
 - ii. Probation, under terms that reasonably relate to correcting the failure to comply.
 - iii. Suspension from participation in a particular sport, or from membership in general, for a stated period of time.
 - iv. Expulsion from membership.

The Big Ten Conference is a voluntary association of Member Institutions. The Conference Bylaws provide that suspension of membership, expulsion from the Conference, or placement on probation each requires a vote of at least 70% of the Membership. It is extraordinarily unlikely that a Member Institution would be expelled unless the failure to comply with these standards was so persistent and serious that it indicated the Member Institution no longer subscribes to the common values and objectives of the Conference and the other Member Institutions.

5. Effective Date

These Conference Standards were approved by the COPC on June 1, 2014 effective for the Conference and all Member Institutions on August 1, 2015. Between the approval date and the effective date, the Conference will assist each Member Institution in preparing to comply fully with the Conference Standards as of the effective date.

Appendix C

2015-16 Wisconsin Athletics Budget Report

Wisconsin Athletics Multi-Year Comparison Report - By Category Type

For the years 2015-16 to 2015-16 (Master Budget, Budget & Actual, Revenue & Expense)

	2015-16	
	Budget	Actual
REVENUE		
Concessions & Catering	\$3,805,000	\$5,387,835
Conference Distributions	\$29,903,000	\$31,486,529
Events	\$875,500	\$1,800,060
Gift Funds	\$25,700,000	\$22,318,847
Multi Media	\$12,085,000	\$12,231,730
Other Revenue	\$8,071,000	\$9,352,202
Post Season	\$2,900,000	\$2,335,141
Ticket Sales	\$29,800,000	\$29,580,798
TOTAL REVENUE	\$113,139,500	\$114,493,143
EXPENSE		
All Salaries & Fringe Benefits	\$42,706,200	\$42,805,909
Capital Projects	\$7,200,000	\$6,707,593
Debt Service	\$13,066,700	\$12,555,705
Financial Aid	\$8,118,100	\$9,037,725
Operational Expenses	\$38,979,050	\$40,307,268
Post Season Participation	\$2,953,000	\$2,788,223
TOTAL EXPENSE	\$113,023,050	\$114,202,422
NET SURPLUS/(DEFICIT)	\$116,450	\$290,721

There is no deficit from 2015-16 operations

Ending Cash Balance \$1,010,985
(Unrestricted Fund Balance)

Appendix D

2015-16 University of Wisconsin Athletics Department Debt Balances & Payments Report

<u>Project</u>	<u>Outstanding Debt, as of 6/30/16</u>	<u>Debt Service Payment FY '16</u>
Kohl Center	2,496,397	2,420,740
Goodman Softball Complex	144,987	49,980
Camp Randall Stadium Renovation	42,036,372	6,531,890
Crew House	3,015,793	478,099
Nielsen Tennis Stadium Floor	4,284	913.8
University Ridge Golf Course	117,527	13,503
Hockey/Swimming Facility	8,253,129	567,178
Student Athlete Performance Center	48,503,830	<u>2,493,401</u>
Total Debt Service - GO Bonds	104,572,319	12,555,705

Graduation Success Rate Report

2006 - 2009 Cohorts: University of Wisconsin, Madison

Men's Sports			Women's Sports		
Sport	GSR	Fed Rate	Sport	GSR	Fed Rate
Baseball	-	-	Basketball	100	80
Basketball	73	67	Bowling	-	-
CC/Track	96	78	CC/Track	93	78
Fencing	-	-	Crew/Rowing	96	88
Football	73	64	Fencing	-	-
Golf	100	56	Field Hockey	-	-
Gymnastics	-	-	Golf	89	88
Ice Hockey	68	47	Gymnastics	-	-
Lacrosse	-	-	W. Ice Hockey	91	78
Mixed Rifle	-	-	Lacrosse	-	-
Skiing	-	-	Skiing	-	-
Soccer	92	67	Soccer	92	88
Swimming	75	56	Softball	82	70
Tennis	75	50	Swimming	96	81
Volleyball	-	-	Tennis	100	86
Water Polo	-	-	Volleyball	91	82
Wrestling	82	64	Water Polo	-	-
Men's Non-NCAA Sponsor. Sports	-	-	Women's Non-NCAA Sponsor. Sports	-	-

2014 - 2015 NCAA Division I Academic Progress Rate

Public Report

Institution: University of Wisconsin, Madison

Date of Report: 04/18/2016

This report is based on NCAA Division I Academic Progress Rate (APR) data submitted by the institution for the 2011-12, 2012-13, 2013-14 and 2014-15 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.

Sport (N)	Multiyear APR	2014-2015 APR	Percentile Rank within Sport	Percentile Rank with in All Sports	By Sport - Men's						
					All Division I	P u b l i c Institutions	Private Institutions	Football Subdivision	Bowl Subdivision	Football Championship Subdivision	Division I (Non-Football)
Baseball (300)	NA	NA	NA	NA	970	966	978	974	968	969	
Basketball (350)	976	900	60th-70th	30th-40th	964	960	970	967	960	965	
Cross Country (315)	984	1000	50th-60th	50th-60th	977	972	987	982	972	978	
Football (251)	992	980	90th-100th	70th-80th	959	956	968	964	954	947	

* 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.

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.

2014 - 2015 NCAA Division I Academic Progress Rate Public Report

Institution: University of Wisconsin, Madison

Date of Report: 04/18/2016

Sport (N)	Multiyear APR	2014-2015 APR	Percentile Rank within Sport	Percentile Rank with in Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl Subdivision	Football Championship Subdivision	Division I (Non-Football)
Fencing (18)	NA	NA	NA	NA	984	970	989	969		997	984
Golf (301)	957	909	1st-10th	10th-20th	983	980	988	986		980	982
Gymnastics (15)	NA	NA	NA	NA	986	986	995	989		1000	942
Ice Hockey (59)	978	954	20th-30th	30th-40th	987	984	989	988		993	983
Lacrosse (69)	NA	NA	NA	NA	977	973	979	985		977	975
Skiing (11)	NA	NA	NA	NA	983	980	988	982		987	978
Soccer (205)	990	1000	80th-90th	60th-70th	974	970	977	973		976	973
Swimming (134)	966	971	10th-20th	20th-30th	980	976	985	980		983	978
Tennis (261)	978	1000	30th-40th	30th-40th	979	978	982	982		978	979
Track (281)	985	1000	70th-80th	50th-60th	969	965	979	974		963	973
Volleyball (22)	NA	NA	NA	NA	985	982	988	983		985	985
Water Polo (22)	NA	NA	NA	NA	984	981	985	988		991	976
Wrestling (77)	973	971	50th-60th	30th-40th	970	969	970	973		970	971
By Sport - Women's											
Basketball (348)	987	1000	60th-70th	50th-60th	978	975	984	978		978	978
Bowling (31)	NA	NA	NA	NA	971	966	978	989		963	985

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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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2014 - 2015 NCAA Division I Academic Progress Rate

Public Report

Institution: University of Wisconsin, Madison

Date of Report: 04/18/2016

Sport (N)	Multiyear APR	2014-2015 APR	Percentile Rank within Sport	Percentile Rank with All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl	Football Subdivision	Championship Subdivision	Division I (Non-Football)
Cross Country (347)	996	1000	70th-80th	80th-90th	986	983	990	989		989	982	987
Fencing (23)	NA	NA	NA	NA	984	961	994	985		985	996	961
Field Hockey (78)	NA	NA	NA	NA	988	985	990	986		986	990	985
Golf (262)	1000	1000	90th-100th	90th-100th	989	987	993	992		992	987	987
Gymnastics (61)	NA	NA	NA	NA	992	992	993	991		991	996	995
Ice Hockey (35)	995	1000	60th-70th	80th-90th	992	990	993	994		994	994	988
Lacrosse (107)	NA	NA	NA	NA	989	987	990	994		994	987	988
Rowing (87)	981	995	20th-30th	40th-50th	988	987	989	987		987	988	991
Skating (12)	NA	NA	NA	NA	991	989	993	988		988	993	991
Soccer (331)	977	1000	20th-30th	30th-40th	984	982	989	986		986	983	983
Softball (294)	996	986	80th-90th	80th-90th	981	978	989	985		985	977	983
Swimming (196)	991	1000	40th-50th	60th-70th	990	988	992	990		990	992	988
Tennis (322)	992	1000	60th-70th	70th-80th	985	983	990	988		988	982	985
Track (333)	993	991	70th-80th	70th-80th	981	977	988	983		983	977	984
Volleyball (333)	1000	1000	90th-100th	90th-100th	984	982	991	987		987	982	985

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2014 - 2015 NCAA Division I Academic Progress Rate

Public Report

Institution: University of Wisconsin, Madison

Date of Report: 04/18/2016

Sport (N)	Multiyear APR	2014-2015 APR	Percentile Rank within Sport	Percentile Rank with All Sports	All Division I	Public Institutions	Private Institutions	Football Subdivision	Bowl Subdivision	Football Championship Subdivision	Division I (Non-Football)
Water Polo (32)	NA	NA	NA	NA	987	983	992	987		990	986
By Sport - Co-Ed											
Rifle (23)	NA	NA	NA	NA	981	980	1000	981		982	NA

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Appendix G

Student-Athlete Major Analysis

Student-Athletes vs. Student Body

Student-Athlete Majors vs. Student Body Majors (As of 12/5/2016)			
<i>Major</i>	<i># S-A Majors*</i>	<i>S-A %</i>	<i>Student Body %</i>
Agricultural & Appl Econ	1	0.10%	0.10%
Agricultural Business Mgmt	14	1.40%	0.17%
Agronomy	3	0.30%	0.08%
Animal Sciences	5	0.50%	0.35%
Art	1	0.10%	0.39%
Art History	1	0.10%	0.09%
Astronomy-Physics	1	0.10%	0.08%
Biochemistry	7	0.70%	1.27%
Biological Systems Engineering	4	0.40%	0.41%
Biology	26	2.60%	3.35%
Biomedical Engineering	15	1.50%	1.41%
Botany	1	0.10%	0.05%
Bus: Accounting	7	0.70%	0.97%
Bus: Accounting MAcc**	1	0.10%	-
Bus: Actuarial Science	1	0.10%	0.53%
Bus: Finance, Invest & Bank	23	2.30%	2.06%
Bus: Information Systems	1	0.10%	0.13%
Bus: International Business	3	0.30%	0.39%
Bus: Management & Hum Res	7	0.70%	0.98%
Bus: Marketing	13	1.30%	1.55%
Bus: Operations & Tech Management	3	0.30%	0.26%
Bus: Real Estate & Urban Econ	3	0.30%	0.65%
Bus: Risk Man. & Insurance	7	0.70%	0.54%
Chemical Engineering	10	1.00%	1.33%
Chemistry	1	0.10%	0.39%
Civil Engineering	9	0.90%	1.03%
Classical Humanities	5	0.50%	0.05%
Communication Science & Disorders	5	0.50%	0.33%
Communication Arts	27	2.70%	1.38%
Community & Env Soc	1	0.10%	0.13%
Community & Nonprofit Leadership	12	1.20%	0.34%
Computer Sciences	4	0.40%	2.29%
Dairy Science	2	0.20%	0.16%
Economics	31	3.10%	1.85%
Educational Leadership MS**	7	0.70%	-
Electrical Engineering	6	0.60%	0.99%
Electrical Engineering MS**	1	0.10%	-
Elementary Education	6	0.60%	0.75%
Engineering Mechanics	2	0.20%	0.50%
English	3	0.30%	0.74%
Environmental Sciences	5	0.50%	0.32%
Environmental Studies	6	0.60%	0.43%
Food Science	3	0.30%	0.31%
Forest Science	1	0.10%	0.08%
French	3	0.30%	0.14%
Gender and Women's Studies	4	0.40%	0.19%
Genetics	4	0.40%	0.65%

<i>Major</i>	<i># S-A Majors*</i>	<i>S-A %</i>	<i>Student Body %</i>
Geography	1	0.10%	0.16%
Geological Engineering	3	0.30%	0.32%
Geology & Geophysics	2	0.20%	0.27%
History	9	0.90%	0.68%
History of Sci, Medicine and Tech	1	0.10%	0.01%
Human Development & Family St	18	1.80%	0.74%
Industrial Engineering	5	0.50%	0.80%
Interior Architecture	2	0.20%	0.08%
International Studies	4	0.40%	0.55%
Journalism	8	0.80%	1.07%
Kinesiology	45	4.50%	1.11%
Kinesiology	3	0.30%	-
Legal Studies	3	0.30%	0.43%
Life Sciences Comm	48	4.80%	0.37%
Materials Science & Engineering	2	0.20%	0.36%
Mathematics	3	0.30%	0.79%
Mechanical Engineering	19	1.90%	2.04%
Mechanical Engineering MS**	1	0.10%	-
Microbiology	1	0.10%	0.54%
Molecular Biology	1	0.10%	0.22%
Nuclear Engineering	3	0.30%	0.28%
Neurobiology	5	0.50%	0.44%
Nursing	6	0.60%	1.90%
Nutritional Sciences	12	1.20%	0.60%
Personal Finance	23	2.30%	0.36%
Philosophy	1	0.10%	0.26%
Physical Education	2	0.20%	0.03%
Physics	3	0.30%	0.25%
Political Science	14	1.40%	1.45%
Psychology	11	1.10%	2.00%
Rehabilitation Psychology	10	1.00%	0.44%
Retailing & Consumer Behavior	17	1.70%	0.58%
Russian	1	0.10%	0.07%
Social Welfare	2	0.20%	0.31%
Sociology	25	2.50%	0.54%
Spanish	5	0.50%	0.99%
Special Education	1	0.10%	0.19%
Statistics	3	0.30%	0.28%
Textiles & Fashion Design	1	0.10%	0.14%
Zoology	7	0.70%	0.42%
Undecided	362	36.20%	17.72%
Engineering Undecided	1	0.10%	0.17%
Grand Total	1000		46016***

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

***This total is representative of the entire student body population major totals and includes some majors not listed here



NCAA Compliance at
University of Wisconsin-Madison

Office of Internal Audit

Report Control # 2017-43
January 9, 2017

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OPINION

To: The University of Wisconsin System Board of Regents Audit Committee

As more fully described within the *Objectives, Scope, and Approach* section of this report, we have performed an internal audit of National Collegiate Athletic Association (NCAA) Compliance at the University of Wisconsin-Madison (UW-Madison or University) for the period of July 1, 2015 through June 30, 2016. NCAA compliance is the responsibility of management of the UW-Madison's Athletic Department. Our responsibility is to express an opinion after evaluating the results of internal audit procedures described within the *Objectives, Scope, and Approach* section of this report.

In our opinion, as it relates solely to the audit objectives described within this report, UW-Madison has achieved an overall audit rating of satisfactory, with opportunity for improvement. This overall audit rating considers the frequency and materiality of the six comments identified during our audit, which have been included within the *Audit Comments* section of this report. To assist management in prioritizing audit comments, each comment has been further assigned an audit comment priority rating of high, moderate, or low. A description of audit ratings is included as Attachment A to this report.

The performance of an internal audit includes performing procedures and applying professional judgment in the evaluation of results. The Institute of Internal Auditors, internationally recognized as the official governing body over the profession of internal auditing, recognizes that audit procedures, even when performed with due professional care, do not guarantee that all significant risks, errors, or irregularities will be identified. Our audit does not provide a legal determination of compliance with all applicable UW System, federal, and state regulations.

This report is the result of the Office of Internal Audit's evaluation of the information described within the *Objectives, Scope, and Approach* section of this report, and is intended solely for the information of management of the UW-Madison and the Board of Regents of the UW System. This restriction is not intended to limit the distribution of this report, which upon final issuance is a matter of public record.

We greatly appreciate the assistance and cooperation of staff at UW-Madison who provided information during the conduct of this audit.

A handwritten signature in cursive script, reading "Amanda Nehmer".

Amanda Nehmer, CPA

Director, Office of Internal Audit

January 9, 2017

OBJECTIVES, SCOPE, AND APPROACH

The objective of this audit is to determine if the internal controls are adequately designed and operating effectively for the fiscal year ended June 30, 2016. The internal controls have been designed and implemented to help ensure the UW-Madison Athletic Department's compliance with regulations outlined in the "NCAA 2015-2016 Division I Manual – April" (manual) for the selected topics.

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 fifteen compliance areas as identified below.

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

SUMMARY OF AUDIT RESULTS

The overall audit rating issued is satisfactory, with opportunity for improvement.

A summary of audit findings is as follows:

Audit Priority Rating	Comment Title	Description
Low	Camps and Clinics – Camp Attendees Characteristics	UW-Madison athletics is not maintaining information about whether camps/clinics attendees are prospects; thus Internal Audit was unable to determine if in compliance with NCAA Bylaw 13.12.1.
Low	Camps and Clinics – Employee Records & Pay Rates	Unable to determine whether coaches and student-athletes employed by camps and clinics were paid an amount that is commensurate with the market rate for similar services due to a lack of documentation.
Low	Playing and Practice Seasons – Real Time Monitoring	The compliance staff does not have a systematic schedule or written guidelines regarding the “real time” monitoring of athletic activities.
Low	Playing and Practice Seasons – CARA Log Details and Signatures	Internal Audit was unable to determine if Men’s Hockey was in compliance with NCAA Bylaw 17.1.7.2.2 due to a lack of information on the Countable Athletically Related Activities (CARA) logs.
Low	Recruiting – Telephone Contacts	One Men’s Hockey prospect was contacted via telephone prior to January 1 of the prospect’s sophomore year.
Low	Student-Athlete Employment - Records	Information was missing for some student-athletes who were employed during the academic year/summer; thus Internal Audit was unable to confirm that student-athletes were not receiving any extra benefits for their employment that may be based on their reputation.

AUDIT COMMENTS

During our audit, we noted certain observations and recommendations involving compliance, internal control, and other operational matters that are summarized herein. These comments have been discussed with the appropriate members of management and are intended to improve internal control or result in other operational improvements. Management’s responses to the written observations and recommendations included herein have not been subjected to further auditing procedures.

COMMENT 1 – CAMPS & CLINICS – CAMP ATTENDEES CHARACTERISTICS

Audit Priority Rating: Low

Criteria: The athletics department should maintain adequate documentation to identify and review information on institutional camp and clinic participants for compliance purposes. Records should include attendance, amount of fees, age, and characteristics such as prospect and athletics-award winner. NCAA Bylaw 13.12.1.5 “Recruiting Calendar Exceptions” states, “An institutional staff member employed at any camp or clinic (e.g., counselor, director) is prohibited from recruiting any prospective student-athlete during the time period that the camp or clinic is conducted (from the time the prospective student-athlete reports to the camp or clinic until the conclusion of all camp activities). The prohibition against recruiting includes extending written offers of financial aid to any prospective student-athlete during his or her attendance at the camp or clinic (see Bylaw 13.9.2.2), but does not include recruiting conversations between the certifying institution’s coach and a participating prospective student-athlete during the institution’s camps or clinics.”

Observation: The spreadsheet maintained by UW-Madison Athletics about camp attendees does not contain any characteristics regarding the participants, such as prospect or athletics-award winner.

Recommendation: UW-Madison Athletics shall document, in their camp manual, their policy of treating all campers as prospects regardless of age. The camp manual, or similar policy/procedure document, should explicitly define what recruiting activities aren’t allowed at camps and clinics.

Management’s Response:

<i>Agree or Disagree:</i>	Agree
<i>Planned course of action:</i>	The Compliance Office will work with the Director of Camps to determine what language to include in the camp manual.
<i>Planned completion date:</i>	March 2017
<i>Contact person:</i>	Tracy Chynoweth; Joel Ott
<i>Contact’s email/phone:</i>	Tracy: TC2@athletics.wisc.edu ; (608) 263-1799 Joel: JMO@athletics.wisc.edu ; (608) 262-4985

COMMENT 2 – CAMPS & CLINICS – EMPLOYEE RECORDS & PAYMENT RATES

Audit Priority Rating: Low

Criteria: The athletics department should maintain adequate documentation to identify those individuals employed by the institutional sports camps and clinics for compliance purposes. Records should include specific responsibilities, compensation, payment method, and characteristics such as institutional coach, two-year college or high school coach, and prospective or enrolled student-athlete. NCAA Bylaw 13.12.2.2 “High School, Preparatory School, Two-Year College Coaches or Other Individuals Involved With Prospective Student-Athletes” states that if a coach from any of these categories is employed at a camp or clinic, “the individual receives compensation that is commensurate with the going rate for camp counselors of like teaching ability and camp experience and that the individual is not paid on the basis of the value he

or she may have for the employer because of his or her reputation or contact with prospective student-athletes.”

Per NCAA Bylaw 13.12.2.1 “Employment at Camp or Clinic” a student-athlete may be employed in any sports camp or clinic, provided compensation is provided pursuant to the criteria of NCAA Bylaw 12.4.1 “Criteria Governing Compensation to Student Athletes”, which states “compensation may be paid to a student-athlete only for work actually performed, and at a rate commensurate with the going rate in that locality for similar services.”

Observation: There is no indication of specific responsibilities, payment methods, or characteristics of the employee (institutional coach, two-year college or high school coach, and prospective or enrolled student-athlete). Per inquiry, it was noted that all camp employees sign a contract; however, the contract does not specify their duties, responsibilities, or the hours to be worked. Because information on whether employees of the camps were institutional coaches, two-year college or high school coaches wasn’t maintained, Internal Audit was unable to conduct substantive testing as to whether these types of coaches were employed at the camps and whether they received the same compensation as other camp employees.

Internal Audit was unable to determine if compensation is commensurate with the market rate for similar services for student-athletes employed at institutional camps and clinics. Internal Audit noted that all employees are listed as general camp/staff counselors. Internal Audit also noted students were paid a lump sum for their work at a camp or clinic and that no logs were maintained detailing the actual hours worked. Additionally, Internal Audit noted that student-athletes were being paid different amounts for work at the same camp. Per Internal Audit discussion with UW-Madison Athletics, the difference was a result of some student-athletes working different sessions than other student-athletes. Information about how many hours worked by student-athletes at different sessions was not retained. Therefore, Internal Audit was unable to verify whether a different amount of work was performed which would justify a difference in payment rate.

Recommendation: UW-Madison Athletics shall have documentation detailing the pay rate review to ensure that employees are paid in accordance with the aforementioned bylaws (i.e., not paid on the basis of the value they may have for the employer because of his or her reputation or contact with prospective student-athletes, or their status as a student-athlete, and instead are paid solely for work actually performed at a rate commensurate with the market). For example, UW-Madison Athletics should develop and document policies and procedures related to their pay rate review process for camps and clinics employees. The review process should be documented with evidence of review and signed off by the reviewer.

Management’s Response:

<i>Agree or Disagree:</i>	Agree
<i>Planned course of action:</i>	The Compliance Office will work with the Director of Camps to determine what language to formally document in the camp manual.
<i>Planned completion date:</i>	March 2017
<i>Contact person:</i>	Tracy Chynoweth; Joel Ott
<i>Contact’s email/phone:</i>	Tracy: TC2@athletics.wisc.edu ; (608) 263-1799 Joel: JMO@athletics.wisc.edu ; (608) 262-4985

COMMENT 3 – PLAYING AND PRACTICE SEASONS – REAL TIME MONITORING

Audit Priority Rating: Low

Criteria: University and compliance staff members will partake in systematic “real time” monitoring of practice activities. Activities could include random interviews of student-athletes and coaching staff members, establishing an anonymous comment box for student-athletes and staff, and observing practice activities and times. These monitoring events will help to ensure that coaches are properly completing practice logs.

Observation: Internal Audit noted the compliance staff does not have a systematic schedule or written guidelines regarding the “real time” monitoring of athletic activities. Employees associated with student athletes (coaches, compliance staff, facilities and maintenance, academic support, etc.) are required to sign an NCAA Certification of Compliance form stating that they reported any observed rules violations.

Internal Audit viewed a list of employees who had completed the form during the audit period and it appears as though UW-Madison Athletics is enforcing this policy for all employees associated with student athletes. Students are to complete and sign a checkout form, where they sign off that they did not observe rules violations. However, it was noted that not all student athletes completed the form, and a monitoring process was not in place to ensure that all student athletes completed the form.

Recommendation: UW-Madison Athletics shall develop and document a monitoring process to ensure that all student athletes are completing the checkout form. UW-Madison Athletics shall follow-up with any individual who has not completed their respective form.

Management’s Response:

Agree or Disagree: Agree

Planned course of action: The Compliance Office will review the checkout process for student-athletes and determine how best to improve the completion rate of these forms.

Planned completion date: April 2017

Contact person: Greg Offerman

Contact’s email/phone: GAO@athletics.wisc.edu; (608) 263-4835

COMMENT 4 – PLAYING AND PRACTICE SEASONS – CARA LOG DETAILS & SIGNATURES

Audit Priority Rating: Low

Criteria: Per NCAA Bylaw 17.1.7.2.2 “Skill Instruction- Sports Other Than Baseball and Football” “Prior to September 15 and after April 15, not more than four student-athletes from the same team may be involved in skill-related instruction with their coaches at any one time in any facility.”

CARA forms are used by each team coach to report monthly on their team's compliance with NCAA limits on hours and type of activities. These NCAA limits vary by sport and include individual, group, and team activities such as conditioning, skill instruction, meetings, and clinics. The CARA form includes a roster of student-athletes for each day of the month to indicate which student-athletes participated in skill instruction each day. Forms should be signed by team captains, coaches, and a compliance office representative to ensure accuracy and compliance with NCAA legislation.

Observation: Internal Audit noted the CARA forms indicated that Men's hockey held skills instruction before September 15, 2015. The form listed all hockey student-athletes partaking in skill instruction on the same day; however, there was no indication of which students participated in skill instruction at what time. Therefore, Internal Audit was unable to determine whether men's hockey was in compliance with NCAA Bylaw 17.1.7.2.2.

Internal Audit noted the CARA log for Men's Hockey was not signed by the compliance office for two of the ten sampled months. Additionally, the CARA log for women's golf team was not signed by team representatives for five of the eight sampled months. Internal Audit only obtained logs for months where athletic activities occurred in fiscal year 2016.

Recommendation: The coaches shall indicate the actual time that each individual is working with which coach on the CARA Logs. This will ensure that not more than four individuals are participating in skill instruction at one time prior to September 15 and after April 15.

All teams should communicate the importance of having the team representative/ captain review and sign the CARA logs. UW-Madison Athletic compliance staff shall communicate the importance of departmental review and sign off of CARA logs to ensure compliance with NCAA regulations in regard to team limits on hours and types of athletic activities.

Management's Response:

<i>Agree or Disagree:</i>	Agree
<i>Planned course of action:</i>	The Compliance Office has since implemented Jump Forward, an online compliance solution. This system has resulted in improved monitoring of CARA logs.
<i>Planned completion date:</i>	Completed
<i>Contact person:</i>	Greg Offerman
<i>Contact's email/phone:</i>	GAO@athletics.wisc.edu ; (608) 263-483

COMMENT 5 – RECRUITING-TELEPHONE CONTACTS

Audit Priority Rating: Low

Criteria: Per NCAA Bylaw 13.1.3.1.5 "Telephone Calls- Exception- Men's Ice Hockey" states, "In men's ice hockey an institution is permitted to make telephone calls to an individual (or the individual's relatives or legal guardians) at its discretion beginning January 1 of the individual's sophomore year in

high school. Coaches are allowed to make phone calls at their discretion after the initial telephone contact eligibility date.”

Per guidance found on the NCAA website, “Standard Penalties for Level III Violations in Division I” updated in Fall of 2015 Bylaw 13.1.1 violations- Telephone Calls to Prospects states, “For each impermissible call, institutions should preclude the entire coaching staff of the involved sport from utilizing the next two permissible calling opportunities with that prospect. In situations where there are unlimited calls, the institution should preclude the entire coaching staff of the involved sport from calling the prospect for a period of two weeks. If recruitment of the specific prospect has ceased, or the prospect has signed a letter of intent, the institution should preclude the entire coaching staff of the involved sport from calling any prospects for a period of one week (even if two or more calls are permissible during the week) for each impermissible call that is made. Note: These violations no longer affect the prospect’s eligibility for intercollegiate competition at the involved institution.”

Observation: It was noted that one Men’s Ice Hockey prospect was contacted via telephone prior to January 1 of the prospect’s sophomore year. This resulted in a level III violation.

Recommendation: The UW-Madison Athletic compliance department shall communicate the importance of verifying a prospect’s grade level when planning to contact the prospect via telephone in order to comply with NCAA regulations. Additionally, the UW-Madison Athletic compliance department shall perform a verification of a sample of selected instances within this testing area to ensure that coaches are contacting prospects for the first time via telephone on dates that are acceptable per NCAA Bylaws.

Management’s Response:

Agree or Disagree: Agree

Planned course of action: The Compliance Office has since implemented Jump Forward, an online compliance solution. This system has resulted in improved monitoring of telephone logs. Jump Forward offers both a proactive and reactive monitoring option. The proactive application alerts coaches of potential violations with a pop-up message prior to proceeding with any potentially impermissible phone calls. Furthermore, the Compliance Office utilizes the reactive application to receive notifications when any potentially impermissible phone calls may have been made.

Planned completion date: Completed

Contact person: Brady Minter

Contact’s email/phone: BSM@athletics.wisc.edu; (608) 262-9125

COMMENT 6 – STUDENT-ATHLETE EMPLOYMENT – RECORDS

Audit Priority Rating: Low

Criteria: NCAA Bylaw 15.2.7 “Employment” states, “Earnings from a student-athlete’s on- or off-campus employment that occurs at any time is exempt and is not counted in determining a student-athlete’s cost of attendance or in the institution’s financial aid limitations, provided: (a) The student-

athlete's compensation does not include any remuneration for value or utility that the student-athlete may have for the employer because of the publicity, reputation, fame or personal following that he or she has obtained because of athletics ability; (b) the student-athlete is compensated only for work actually performed; and (c) the student-athlete is compensated at a rate commensurate with the going rate in that locality for similar services (see Bylaw 12.4)."

The athletics department should monitor student-athlete employment to ensure compliance with the bylaws. Information retained should include: the name and location of the employer; the identity of the supervisor of the athlete; arrangements for the employment; amount of pay; and description of job duties.

Observation: A spreadsheet is used by UW-Madison Athletics to track information on each employer of a student-athlete. The spreadsheet indicates: the name and location of the employer; the name of the supervisor of the student-athlete; any arrangements for employment; amount of pay; and description of job responsibilities. It was noted in our cursory review of the spreadsheet used by UW-Madison Athletics to track information on each employer of a student-athlete, that numerous student-athletes on this spreadsheet were missing documentation regarding their employment, either during the school year or during the summer. Items that were missing included job descriptions, summer pay rates, job duties, and academic year pay rates.

Recommendation: UW-Madison Athletics shall develop and document policies and procedures related to the collection of student athlete employment information from both the student and the employer. These policies shall indicate the timeframe in which the student/employer has to respond to inquiry.

In order to enhance the effectiveness of the spreadsheet maintained by UW-Madison Athletics, information regarding employment of student athletes shall be updated to reflect the cause of missing information in order to indicate that the information was requested, but not returned, or not applicable.

Management's Response:

Agree or Disagree: Agree

Planned course of action: The Compliance Office will update the spreadsheet criteria to document the cause of any missing information. Additionally, the Compliance Office will review its policies regarding distribution of employment questionnaires to employers to determine what steps can be taken to improve the response rate. Lastly, the Compliance Office will document in the spreadsheet all attempts to follow up with employers who have outstanding questionnaires. While it is possible that these attempts may increase the response rate, it should be noted that our ability to obtain this information is sometimes limited depending on the employer's willingness to cooperate.

Planned completion date: May 2017

Contact person: Greg Offerman

Contact's email/phone: GAO@athletics.wisc.edu; (608) 263-4835

ATTACHMENT A: OVERVIEW OF AUDIT RATINGS

Overall Audit Ratings

The overall audit rating is designed to gauge the overall performance of the individual auditable unit against expectations for the audit objective. This rating is based upon the opinion of the Office of Internal Audit, and considers the frequency and materiality of internal control and compliance matters identified related to the scope and audit objectives. Overall audit ratings are classified as follows:

Overall Audit Rating	Description
Excellent	Overall performance meets or exceeds expected levels, and limited or no internal control or compliance matters were identified. To the extent limited matters were identified, all such matters received a low priority rating.
Satisfactory, with opportunity for improvement	Overall performance is generally satisfactory, but opportunities for improvement exist.
Unsatisfactory	Overall performance is unsatisfactory. During the audit, internal control or compliance matters were identified that either have caused or could cause significant errors, omissions, fraud, or other adversities to go undetected.

Audit Comment Priority Ratings

In addition, each comment is assigned an audit comment priority rating based upon the severity of internal control weaknesses and compliance matters identified. Audit comment priority are based upon professional judgment after considering the impact, severity, significance, and other relevant risk factors associated with a comment.

Audit Comment Priority Rating	Description
High	Management should initiate immediate action to address this comment because it represents one or more of the following: <ul style="list-style-type: none">• Significant internal control weakness• Significant policy or procedure exceptions• Significant risk exposure• Significant financial exceptions – loss, misstatement, errors, fraud• Significant law or regulatory violations• Significant potential opportunity – revenue, savings, efficiencies, improvements
Moderate	Management should initiate timely action to address this comment because it represents one or more of the following: <ul style="list-style-type: none">• Substantial internal control weakness• Substantial policy or procedure exceptions• Substantial risk exposure• Substantial financial exceptions – loss, misstatement, errors• Substantial law or regulatory violations• Substantial potential opportunity – revenue, savings, efficiencies, improvements

Audit Comment Priority Rating	Description
Low	<p>Management should initiate reasonable action to incorporate a plan to address the comment in the normal course of business. Comments falling into this category represent one or more of the following:</p> <ul style="list-style-type: none"> • Minor internal control weakness • Minor policy or procedure exceptions • Limited risk exposure • Minor financial exceptions – loss, misstatement, errors • Minor law or regulatory violations • Limited potential opportunity – revenue, savings, efficiencies, improvements

Appendix I

Standards for Safeguarding Institutional Governance of Intercollegiate Athletics University of Wisconsin- Madison's Annual Report for 2015-2016

As required by the Big Ten Conference and University of Wisconsin-Madison's Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), the University has conducted its annual review of the effectiveness of the Standards. The time period covered by this review is August 1, 2015 through August 1, 2016. A copy of the University's Standards (Appendix omitted), is included with this Annual Report as Exhibit 1.

Organizational Governance Standards

The allocation of authority, responsibility and accountability for intercollegiate athletics at the University remains as stated in the University's Standards. The Chancellor of the University, subject to the general oversight of the Board of Regents of the University of Wisconsin System, and working within the constructs of the principles of shared governance, continues to have ultimate authority, responsibility, and accountability for the administration of intercollegiate athletics. While retaining ultimate authority, the Chancellor has delegated the authority, responsibility and accountability for the day-to-day administration of intercollegiate athletics to the Athletic Director. The University's Athletic Board continues to exercise the authority of the faculty as part of the University's shared-governance system.

Operational Standards

In order to determine whether the University achieved compliance with the Operational Standards, the Office of Legal Affairs conducted interviews with the following members of the University community, who would be in a position to verify such compliance and identify any deviations from the requirements of the Standards:

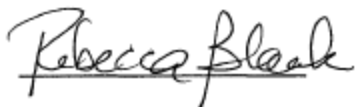
- Senior Associate Athletic Director for Student Services, Mr. Doug Tiedt;
- Associate Athletic Director for Compliance, Ms. Katie Smith;
- Registrar, Mr. Scott Owczarek;
- Interim Director of the Office of Admissions and Recruitment, Mr. André E. Phillips;
- Associate Dean of Students, Mr. Kevin Helmkamp;
- Assistant Athletic Director for Sports Medicine, Mr. Dennis Helwig;
- Head Team Physician, Dr. David T. Bernhardt; and
- Director of Financial Aid, Mr. Derek Kindle.

Each of these members of the University community has provided a written statement comparing their own experiences with the requirements of the Standards. These written statements have also been attached to this Annual Report as Exhibit 2. During these interviews, one instance of potential non-compliance during the year under review was identified, related to a single

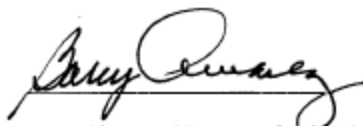
communication between a coach and a faculty member. A detailed description of that instance is attached as Exhibit 3. A review of that instance shows that the potential non-compliance was fairly innocuous, and was identified and remedied quickly.

Conclusion

Based upon our review of the statements contained in Exhibit 2, we believe that the University is achieving compliance with the Standards and taking action to avoid governance-related problems in intercollegiate athletics. The University will remain vigilant regarding continuing compliance, and will report any revisions to its Standards document to the Conference within thirty days of the adoption of any such revision.

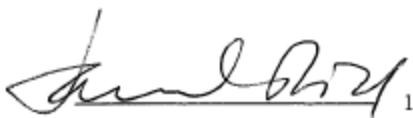


Rebecca Blank, Chancellor 11/8/2016



Barry Alvarez, Director of Athletics

11/1/2016



Laurel Rice, Athletic Board Chair

11/2/2016

Exhibit 1

UNIVERSITY OF WISCONSIN-MADISON
STANDARDS FOR SAFEGUARDING INSTITUTIONAL GOVERNANCE
OF
INTERCOLLEGIATE ATHLETICS

Introduction

At its June 1, 2014 meeting, the Big Ten Council of Presidents/Chancellors adopted "The Big Ten Conference Standards for Safeguarding Institutional Governance of Intercollegiate Athletics" (the "Conference Standards"). The Conference Standards embody the firm and common commitment of each Big Ten Conference member institution to the core principle that intercollegiate athletics must be properly aligned with the institution's overall educational mission. The University of Wisconsin-Madison fully supports the Conference Standards, and adopts this document to demonstrate its commitment to the principles contained therein. While many of the requirements of the Conference Standards are current University policy and practice, the University is pleased to adopt this document and to fully implement the Conference Standards. To the extent any existing policies or practices at the University are contrary to the principles and standards contained in this document, this document controls.

Basic Principles

In accordance with the principles set forth by both the Conference Standards and the Big Ten Handbook, the University affirms that intercollegiate athletics is an integral part of the educational mission of the institution, and that accordingly, governance of intercollegiate athletics should be consistent with, and not independent from, the governance applicable to other University units and programs.

Organizational Governance Standards

The Chancellor of the University, subject to the general oversight of the Board of Regents of the University of Wisconsin System, and working within the constructs of the principles of shared governance, has ultimate authority, responsibility, and accountability for the administration of intercollegiate athletics. There are no exceptions to this authority, responsibility, or accountability.

While retaining ultimate authority, the Chancellor has delegated the authority, responsibility and accountability for the day-to-day administration of intercollegiate athletics to the Athletic Director. There are no exceptions to this delegation.

The Athletic Board exercises the authority of the faculty as part of the University's shared-governance system. The Athletic Board is a University Committee with membership, functions

and responsibilities set forth in the University's Faculty Policies and Procedures.¹ The "authority of the faculty" in the University's shared-governance system must be understood in the context of the Chancellor being ultimately responsible for the institutional control of athletics. However, Wisconsin law recognizes that chancellors are expected to consult with faculty in discharging their responsibilities and recognizes the role of the faculty in governance.² In this way, University faculty has the shared responsibility for academic and educational activities and faculty personnel matters.³

Operational Standards for Athletics

The University reaffirms its policies and operational standards in the following areas: 1) Academic Support; 2) Institutional, Conference, and NCAA Rules Compliance; 3) Admissions; 4) Student Discipline and Codes of Conduct; 5) Medical and Athletic Training Services; and 6) Cost of Attendance.

1. Academic Support

Academic Success

The University is committed to providing student-athletes with academic support and counseling (e.g., academic advising) that is adequate and appropriate for their progress toward a degree and graduation.⁴ The personal and academic well-being of every student-athlete is the primary concern of the University and the Athletic Board.

Academic Integrity

The University is committed to both the detection and prevention of (a) academic fraud and misconduct, and (b) abusive use of independent study or clustering of student-athletes in particular courses or majors.⁵

¹ Appendix 1, University of Wisconsin-Madison Faculty Policies and Procedures ("FPP"), Section 6.26.

² Wisconsin Statute Section 36.09(4).

³ For more information regarding the Role of the Athletic Board, see Appendix 2, Faculty Document 2114, "Role of the Athletic Board."

⁴ For a detailed review of the steps the University takes to provide student-athletes with academic support, see Appendix 3, Office of Academic Services Handbook ("OAS Handbook"), pgs. 25 ("Advisors"), 27 ("Learning Specialists"), 29 ("Mentors"), 33 ("Individual Tutoring & Drop-In Study Groups"); see also Appendix 4, 2008-2009 Division 1 Athletics Certification Self-Study Instrument ("Self Study"), pgs. 33-35 (point 8) and pgs. 65-91 ("Operating Principle 2.2, Academic Support"); see also Appendix 5, 2013-2014 Badger Student-Athlete Handbook and Planner ("SA Handbook") pgs. 10 ("The Shared Responsibility of Academic Success" and "Staff"), and 12 ("Services and Programs").

⁵ For a detailed review of the steps the University takes to detect and prevent such academic problems, see Appendix 3, OAS Handbook, pgs. 14 ("Academic Misconduct"), 20 ("Writing and Editing Guidelines"), 21 ("Ethical Conduct"), 25 ("Advisors"), 36 ("Class Checking"), and 37 ("Directed Study"); see also Appendix 5, SA Handbook, pgs. 60-64, ("Academic Misconduct Guide for Students"); see also Appendix 9, Coaches Orientation Handbook ("Coaches Handbook"), pgs. 61-64 ("Directed Study Policy").

Prevention of Improper Influence

In order to ensure that athletic academic support staff members are free from potential improper influence, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the academic support staff. Further, coaches shall not attempt to inappropriately influence any member of the academic support staff in order to obtain or maintain the academic eligibility of a student athlete. While a coach may have input or be otherwise involved in the hiring or evaluation of the performance of an academic support staff member, the ultimate authority for hiring and supervising academic support staff will reside with the Associate Athletic Director for Student Services.

In addition, coaches shall not attempt to inappropriately influence any faculty member. To prevent the potential for improper influence, communication between the athletics department staff and faculty regarding a student-athlete's performance in class shall be conducted through the Associate Athletic Director for Student Services, the staff members of the Office of Academic Services, staff members of the Office of Compliance, or through the Faculty Athletics Representative.⁶

In addition to reporting to the Athletic Director, the Associate Athletic Director for Student Services reports monthly to the Athletic Board, chaired by the Faculty Academics Representative, regarding academic performance and support.

2. Institutional, Conference, and NCAA Rules Compliance

Compliance Success

The University is committed to the detection and prevention of breaches of institutional, conference and NCAA rules.⁷ The University does and will maintain appropriate and adequate compliance staffing in order to maintain a compliant environment. In addition to the five full-time employees devoted exclusively to compliance issues, compliance is considered to be a shared responsibility at the University. That is, other athletics department personnel, the

⁶ Coaches are instructed at yearly coaches meetings not to contact campus instructional faculty or staff. See Appendix 9, Coaches Handbook, pg. 7 ("Academic Services will make all contact with professors."); see also, Appendix 6, University of Wisconsin, Division of Intercollegiate Athletics, Compliance Education for New Staff ("Compliance Education") (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

⁷ For a detailed review of the steps the University takes to detect and prevent such breaches, see Appendix 4, Self Study, pgs. 17-23; see also Appendix 5, SA Handbook, pgs. 39-54 ("Big Ten/NCAA Rules & Regulations"); see also Appendix 6, Compliance Education; see also Appendix 7, Compliance Manual, The University of Wisconsin Division of Intercollegiate Athletics ("Compliance Manual").

Faculty Athletics Representative, and the head coaches and administrators outside of the athletic department who are responsible for the certification of student-athletes for financial aid and practice and competition eligibility, are all expected to assume a primary role in ensuring compliance with all rules.⁸

Prevention of Improper Influence

In order to ensure that athletic compliance staff members are free from potential improper influence, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the athletic compliance staff. Further, coaches shall not attempt to influence inappropriately any member of the athletic compliance staff in any way. While a coach may have input or be otherwise involved in the hiring or evaluation of the performance of an athletic compliance staff member, the ultimate authority for hiring and supervising athletic compliance staff will reside with the Associate Athletic Director for Compliance. Communication between the athletics department staff and such compliance constituents as the Registrar's Office, the Student Financial Services Office, Big Ten and NCAA regarding the application of NCAA or Big Ten rules shall be conducted through the Associate Athletic Director for Compliance or staff members of the Office of Compliance.

In addition to reporting to the Athletic Director, the Associate Athletic Director for Compliance reports monthly, for oversight purposes, to the Chair of the Athletic Board, (which is chaired by the Faculty Academics Representative), regarding institutional, Big Ten and NCAA compliance. The Assistant Athletic Director for Compliance shall also make available any information or reports that may be requested by the Vice Chancellor for Legal Affairs.

3. Admissions

Admission Decisions

The final decision-making authority for the admission of potential student-athletes resides in the same office that admits other undergraduate applicants to the University, the Office of Admissions and Recruitment ("Admissions"). Student-athletes progress through the admissions process in the same manner as other applicants.⁹ Admissions utilizes a holistic, competitive, and selective review process. The goal is to recruit, admit, and enroll a high quality and diverse freshman class. Admissions seeks students from groups that are underrepresented at the University, including not only ethnic minorities, but international students, those from rural Wisconsin farm backgrounds, first-generation college students, women and men who have

⁸ For more information regarding this shared responsibility, see Appendix 6, Compliance Education; see also Appendix 7, Compliance Manual pgs. 6 ("Institutional Control") and 7 ("Compliance Philosophy").

⁹ For more information regarding admission of potential student-athletes, see Appendix 3, OAS Handbook, pgs. 46-63 ("Admissions"); see also Appendix 8, "Requirements and Expectations" document created and maintained by the Office of Admissions; see also Appendix 9, Coaches Handbook pgs. 40-41 ("Admissions Information").

served our country in the armed forces, and women interested in STEM (science, technology, engineering, or math) majors. Admissions seeks students with special talent in music, dance, art, athletics, or other areas of the University community.

Prevention of Improper Influence

In order to prevent the potential for improper influence, communication between athletics department staff, and either Admissions or Admissions personnel from individual schools and colleges regarding prospective student-athletes, shall be conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services.¹⁰

4. Student Discipline and Codes of Conduct

University and Athletic Department Discipline

Under the authority of the University's Division of Student Life, student-athletes shall be subject to general disciplinary rules and codes of conduct applicable to other students at the University, and shall be subject to the same procedures and sanctions.¹¹ In addition to, and independent from the process managed by the Division of Student Life, student-athletes are further subject to the Student-Athlete Discipline Policy and to individual team rules.¹²

Prevention of Improper Influence

In order to prevent the potential for improper influence, communication between athletics department staff and the Division of Student Life regarding student-athletes shall be conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services.¹³

¹⁰ Coaches are instructed at yearly coaches meetings not to contact Admissions. See Appendix 9, Coaches Handbook, pg. 7 ("Academic Services will make all contact with the Office of Admissions."); see also, Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

¹¹ For more information regarding the application of general disciplinary rules of the University to student athletes, see Appendix 5, SA Handbook pgs. 60 ("Academic Misconduct Guide for Students"), and 64 ("Institutional Discipline" and "Violations of University Regulations").

¹² For a detailed explanation of the Student Athlete Discipline Policy, see SA Handbook, pgs. 67-71 ("Athletic Department Rules and Policies") and pg. 72 ("Violations of Team Rules").

¹³ Coaches are instructed at yearly coaches meetings not to contact the University's Division of Student Life. See Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.").

5. Medical and Athletic Training Services

Medical Decisions

The University places priority on a student-athlete's health over other considerations.¹⁴ The personal and academic well-being of every student-athlete is the primary concern of the University and the Athletic Board. Health-related policies, procedures and protocols, including those related to student-athlete concussions,¹⁵ will be followed.

Medical Services to student-athletes at the University are offered in a medical model of care under which the diagnosis and treatment of student-athletes is the ultimate responsibility of the physicians employed by the University of Wisconsin School of Medicine and Public Health, administratively managed by its Division of Sports Medicine in the Department of Orthopedics and Rehabilitation. The Athletic Department's licensed athletic trainers practice under the supervision of these physicians and the Assistant Athletic Director for Sports Medicine. Each Head Team Physician is appointed by the Chair of the Department of Orthopedics and Rehabilitation. The Head Team Physician and the Assistant Athletic Director for Sports Medicine assume joint responsibility for quality assurance and the monitoring of student-athlete care on an ongoing basis. A Medical Advisory Committee reviews and advises policies and procedures related to the delivery of medical services to student-athletes. The committee consists of the Chair of the Division of Sports Medicine, the Head Team Physician, Athletic Department administrators, a representative from UW Hospital and Clinics and two members of the Athletic Board.

Prevention of Improper Influence

The final decision regarding student-athlete participation, in practice or competition, resides with the medical and athletic training staff.¹⁶ In order to ensure that medical and athletic training staff are able to exercise their best professional judgment in caring for student-athletes, coaches shall not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the medical or athletic training staff who works with the coach's own team. Further, coaches shall not attempt to influence

¹⁴ See Appendix 5, SA Handbook, pg. 79 ("Sports Medicine Policy" and "Pregnancy Policy"); see also Appendix 10, Competition and Practice Injury Management Plan; see also Appendix 11, Concussion Management Plan.

¹⁵ See Appendix 10, Competition and Practice Injury Management Plan; see also Appendix 11, Concussion Management Plan

¹⁶ Coaches' employment contracts each state that "[c]oach hereby understands and agrees that the final decision regarding student-athlete participation in organized practices and/or competitions shall be made by the Division's medical and training room staff," and that "[t]his provision is essential to this Employment Agreement and violation thereof may be considered just cause for termination."

inappropriately any member of the medical or athletic training staff regarding the medical treatment of a student athlete.

6. Cost of Attendance

Determination of Cost of Attendance

The process for determining the cost of attendance for student-athletes shall be essentially the same process utilized for all students. Cost of attendance is determined by the Office of Student Financial Aid.¹⁷

Prevention of Improper Influence

Coaches shall not attempt to inappropriately influence any member of the Financial Aid staff in order to adjust cost of attendance values to better serve recruiting or other athletically-related interests.¹⁸ In order to prevent the potential for improper influence, communication between athletics department staff, and the Office of Student Financial Aid, shall be conducted through the Associate Athletic Director for Compliance. The Director of Financial Aid should notify the Chancellor or designee of any inappropriate communication relating to financial aid policy received from any booster or official of the University of staff member in the Athletics Department.

Concern Reporting

The University recognizes that ensuring compliance with the six areas of operational standards set forth above necessarily requires that individuals have the ability to report concerns, free from fear of retaliation, regarding whether these standards are being followed. Individuals can and should report any concerns they have in relation to these standards to the Athletic Director, the Associate Athletic Director for Compliance, Compliance staff or the Faculty Athletics Representative, with the knowledge that no retaliation will occur as a result of voicing such concerns. Indeed, the University encourages individuals to report any concerns they may have.

¹⁷ For the current breakdown of University Cost of Attendance, see Appendix 12, Office of Student Financial Aid, Undergraduate Cost of Attendance, 2015-16.

¹⁸ Coaches are instructed at yearly coaches meetings not to contact the University's Office of Student Financial Aid. See Appendix 6, Compliance Education (As part of the hiring process, all coaches are told to utilize the resources available and warned not to "directly contact individuals from the Registrar, Housing, Admissions, Big Ten, etc.")

Ongoing Obligations

1. Annual Review

The University will conduct an annual internal review of the effectiveness of these Conference Standards.

2. Reporting Requirements

Following the internal annual review, the University will report to the Big Ten Conference Office on how it is achieving compliance with the Conference Standards, and how it is taking action to avoid governance-related problems in athletics. Within this report, the University will describe to the Big Ten Conference Office any violation of the Conference Standards.¹⁹ The University will report to the Big Ten Conference Office any revisions to this document, or any material revisions to any incorporated Appendix, within thirty days of the adoption of any such revision.

¹⁹ Within this requirement, it is understood that identifying and addressing violations in a timely manner is a characteristic of a properly functioning compliance system—indicative of a system that is working as opposed to a system that is malfunctioning. Accordingly, violations of these standards that are properly identified and addressed in a timely manner are to be accounted for in the annual report within the context of demonstrating the effectiveness of the standards. By contrast, violations that are indicative of systemic failures of the standards (e.g., system malfunctions) are to be reported to the conference office within a timeframe that is contemporaneous to the time at which such failures are discovered.

Exhibit 2



Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Statement of Doug Tiedt

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the Senior Associate Athletic Director for Student Services. I would expect to be made aware of any problems related to student-athlete academic support, admission, discipline or medical and training services.

With regard to Section 1 of the Standards, "Academic Support;" Section 3 of the Standards, "Admissions;" Section 4 of the Standards "Student Discipline and Codes of Conduct;" and Section 5 of the Standards, "Medical and Athletic Training Services;" I am only aware of one instance of potential non-compliance with these Standards, as detailed in Exhibit 3. More specifically, in my role as Senior Associate Athletic Director for Student Services, I confirm the following:

- The University is committed to both the detection and prevention of academic fraud and misconduct and abusive use of independent study or clustering of student-athletes in particular courses or majors;
- While, as a result sport calendars and team schedules, multiple student-athletes may end up taking the same classes, there has been no abusive use of clustering that would bring into question the academic integrity of any of those classes;
- No coach had direct responsibility for, or exercised undue or improper influence over, the hiring or supervision of any member of the academic support staff;
- No coach attempted to inappropriately influence any member of the academic support staff in order to obtain or maintain the academic eligibility of a student-athlete;
- The ultimate authority for hiring and supervising academic support staff resided, and will continue to reside, with me;
- I am not aware of any coach attempting to inappropriately influence any faculty member;
- In all but one instance during the year under review (see Exhibit 3), communication between the Athletic Department staff and faculty regarding a student-athlete's

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performance in class was conducted through me, the staff members of my office, the staff members of the Office of Compliance, or through the Faculty Athletics Representative;

- The final decision-making authority for the admission of potential student-athletes resides in the Office of Admissions and Recruitment ("Admissions"), which is the same office that admits other undergraduate applicants to the University;
- Student-athletes progressed, and will continue to progress, through the admissions process in the same manner as other applicants;
- Communication between Athletic Department staff, and either Admissions or Admissions personnel from individual schools and colleges regarding prospective student-athletes has been appropriately conducted through my office;
- While coaches are occasionally invited by Admissions to provide insight regarding an applicant for admission, I am not aware of any coach attempting to assert undue influence over the admissions process;
- Under the authority of the Division of Student Life, student-athletes were, and continue to be, subject to general disciplinary rules and codes of conduct applicable to other students at the University; and were, and continue to be subject to the same procedures and sanctions;
- Any actions taken by the Athletic Department under its own Student-Athlete Discipline Policy or under any individual team rules were in addition to, and independent from, the process managed by the Division of Student Life;
- Communication between Athletic Department staff and the Division of Student Life regarding student-athletes was, and will continue to be, conducted through my office;
- I am not aware of any coach attempting to influence inappropriately any member of the staff of the Division of Student Life;
- The final decision regarding student-athlete participation, in practice or competition, resided, and will continue to reside, with the medical and athletic training staff;
- Coaches did not have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the medical or athletic training staff; and
- I am not aware of any coach attempting to influence inappropriately any member of the medical or athletic training staff regarding the medical treatment of a student-athlete.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.

Douglas A. Tiedt 090816
Douglas A. Tiedt (date)



Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Statement of Katie Smith

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the Associate Athletic Director for Compliance. I would expect to be made aware of any problems related to compliance with institutional, conference or NCAA rules and any problems related to eligibility of student-athletes.

With regard to Section 1 of the Standards, "Academic Support;" Section 2 of the Standards, "Institutional, Conference, and NCAA Rules Compliance;" and Section 6 of the Standards "Cost of Attendance," I am only aware of one instance of potential non-compliance with these Standards, as detailed in Exhibit 3. More specifically, in my role as Associate Athletic Director for Compliance, I confirm the following:

- I am not aware of any coach attempting to inappropriately influence any member of the academic support staff in order to obtain or maintain the academic eligibility of a student athlete;
- I am not aware of any coach attempting to inappropriately influence any faculty member;
- In all but one instance during the year under review (see Exhibit 3), communication between the Athletic Department staff and faculty regarding a student-athlete's performance in class was conducted through the Senior Associate Athletic Director for Student Services, the staff members of the Office of Academic Services, the staff members of my office, or through the Faculty Athletics Representative;
- No coach had direct responsibility for, or exercised undue or improper influence over, the hiring or supervision of any member of the athletic compliance staff;
- No coach attempted to influence inappropriately any member of the athletic compliance staff in any way;
- The ultimate authority for hiring and supervising athletic compliance staff resided, and will continue to reside, with me;

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Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

- Communication between the Athletic Department staff and such compliance constituents as the Registrar's Office, the Student Financial Services Office, Big Ten and NCAA regarding the application of NCAA or Big Ten rules was and will continue to be conducted through my office;
- I am not aware of any coach attempting to inappropriately influence any member of the Financial Aid staff in order to adjust cost of attendance values to better serve recruiting or other athletically-related interests; and
- Communication between Athletic Department staff, and the Office of Student Financial Aid has been conducted through my office.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.

 9/8/16
Katie Smith (date)

Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Statement of Scott Owczarek

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the University Registrar. In that role, both the Athletic Eligibility Certification Officer and the Athletic Academic Eligibility Coordinator report to me through the Assistant Registrar for Administration, Reporting, and Eligibility Services. I would expect to be kept informed of any issues or problems related to monitoring of student-athlete compliance with institutional requirements, NCAA and B1G Ten policies regarding progress toward degree status, certification of eligibility (for incoming freshman, transfer and continuing student-athletes), and the completion and submission of two annual reports required by the NCAA, the Academic Performance Plans and Graduation Success Rates. I am unaware of any instance in which a coach or any other member of the Athletic Department exerted any inappropriate influence in any of these areas.

With regard to Section 1 of the Standards, "Academic Support" and Section 2 of the Standards, "Institutional, Conference, and NCAA Rules Compliance," I am not aware of any non-compliance during the year under review. More specifically, in my role as University Registrar, I confirm that my office's communication with the Athletic Department in those areas has appropriately been through either the Associate Athletic Director for Student Services or the Associate Athletic Director for Compliance.

I further confirm that my staff and I are familiar with the "Concern Reporting" section of the Standards, and that we are encouraged to report any future concerns we may have regarding compliance with the Standards.

 29 AUG 16
Scott Owczarek (date)



September 9, 2016

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I have been the Interim Director of the Office of Admissions and Recruitment since August 1, 2016. Prior to that, I was Senior Associate Director of the Office. In both my current and previous roles, the individuals responsible for making decisions regarding the admission of potential students to the University reported to me. In both my current and previous roles, I would expect to be kept informed of any issues or problems related to the admission of student-athletes to the University.

With regard to Section 3 of the Standards, "Admissions," I am not aware of any non-compliance during the year under review. More specifically, in my role as Interim Director, I confirm the following:

- Student-athletes progressed, and will continue to progress, through the admissions process in the same manner as other applicants;
- The final decision-making authority for the admission of potential student-athletes resides in my office, which is the same office that admits other undergraduate applicants to the University;
- Communication between Athletic Department staff, and my office, including admissions personnel from individual schools and colleges regarding prospective student-athletes, has been appropriately conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services; and
- While coaches are occasionally invited by my office to provide insight regarding an applicant for admission, no coach has attempted to assert undue influence over the admissions process.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.

Sincerely,

André E. Phillips

Interim Director of Admissions and Recruitment

Office of Admissions and Recruitment

University of Wisconsin-Madison 702 West Johnson Street, Suite 1101 Madison, Wisconsin 53715-1007
608-262-3961 Fax: 608-262-7706 Email: owwisconsin@admissions.wisc.edu www.admissions.wisc.edu



To Whom It May Concern,

As part of the University of Wisconsin - Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the Associate Dean of Students. For the majority of the year under review, the individuals responsible for investigating and adjudicating student conduct at the University reported to me. While as of July 1, 2016, the Division of Student Life's Office of Student Conduct and Community Standards (OSCCS) reports to another individual within the Division of Student Life, I have continued to remain aware of potential issues related to student conduct throughout the year under review. As Associate Dean of Students, I would expect to be kept informed of any issues or problems related to student-athlete conduct at the University.

With regard to Section 4 of the Standards, "Student Discipline and Codes of Conduct," I am not aware of any non-compliance during the year under review. More specifically, in my role as Associate Dean of Students, I confirm the following:

- Under the authority of the OSCCS, student - athletes were, and continue to be, subject to general disciplinary rules and codes of conduct applicable to other students at the University, and were, and continue to be subject to the same procedures and sanctions;
- Any actions taken by the Athletic Department under its own Student-Athlete Discipline Policy or under any individual team rules were in addition to, and independent from, the process managed by the OSCCS.
- Communication between Athletic Department staff and the OSCCS regarding student-athletes was, and will continue to be, conducted through the Associate Athletic Director for Student Services or the staff members of the Office of Academic Services; and
- Coaches did not attempt to influence inappropriately any member of the staff of the OSCCS.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.

Kevin J. Helmkamp 8/26/16
Kevin Helmkamp (date)

Division of Student Life

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Associated Students of Madison • International Student Services • Office of Student Conduct and Community Standards
LGBT Campus Center • McBurney Disability Resource Center • Multicultural Student Center
Center for First Year Experience • Dean of Students Office • Center for Leadership and Involvement •



Statement of Dennis Helwig

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.


I am the Team Athletic Trainer for Women's Hockey, as well as the Assistant Athletic Director for Sports Medicine. In my Assistant Athletic Director role, I oversee the Athletic Trainers for the University's other programs. As Team Athletic Trainer, I have direct experience with the management and treatment of student-athlete injuries. As Assistant Athletic Director, I would expect to be kept informed of any issues or problems another Team Athletic Trainer may be having with regard to student-athlete care.

With regard to Section 5 of the Standards, "Medical and Athletic Training Services," I am not aware of any non-compliance during the year under review. More specifically, in my role as Assistant Athletic Director, I confirm the following:

- Health-related policies, procedures and protocols, including those related to student-athlete concussions, have been followed;
- The final decision regarding student-athlete participation, in practice or competition, resided, and continues to reside, with the medical and athletic training staff;
- Coaches did not, and do not, have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the athletic training staff; and
- Coaches did not attempt to influence inappropriately any member of the athletic training staff regarding the medical treatment of any student-athlete.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.


Dennis Helwig


(date)

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Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Statement of Dr. David T. Bernhardt

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the Team Physician for Women's Volleyball, Women's Crew, Women's Lightweight Crew, Women's Cross Country, Men's Cross Country and Men's Basketball. I am also the Head Team Physician, overseeing the medical care provided by the Team Physicians for the University's other programs. In my role as Team Physician, I have direct experience with the management and treatment of student-athlete injuries. As Head Team Physician, I would expect to be kept informed of any issues or problems another Team Physician may be having with regard to student-athlete medical care.

With regard to Section 5 of the Standards, "Medical and Athletic Training Services," I am not aware of any non-compliance during the year under review. More specifically, in my role as Head Team Physician, I confirm the following:

- Health-related policies, procedures and protocols, including those related to student-athlete concussions, have been followed;
- The final decision regarding student-athlete participation, in practice or competition, resided, and continues to reside, with the medical and athletic training staff;
- Coaches did not, and do not, have direct responsibility for, or exercise undue or improper influence over, the hiring or supervision of any member of the medical staff; and
- Coaches did not attempt to influence inappropriately any member of the medical staff regarding the medical treatment of any student-athlete.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards.

David T. Bernhardt, MD 9/10/16
Dr. David T. Bernhardt (date)



Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Statement of Derek Kindle

To Whom It May Concern:

As part of the University of Wisconsin-Madison's annual internal review of the effectiveness of its Standards for Safeguarding Institutional Governance of Intercollegiate Athletics ("Standards"), I have been asked to review the requirements of the Standards and compare them with my experiences during the year under review, which I understand to be August 1, 2015 through August 1, 2016.

I am the Director of Financial Aid. The two individuals responsible for compiling and determining the University's cost of attendance, the Senior Student Services Coordinator and the Assistant Director for Advising, both report to me. I would expect to be kept informed of any issues or problems related to the calculation of cost of attendance or application of cost of attendance to a student-athlete conduct at the University.

With regard to Section 6 of the Standards, "Cost of Attendance," I am not aware of any non-compliance during the year under review, and have confirmed the same with the Senior Student Services Coordinator and the Assistant Director for Advising. In my role as Director of Financial Aid, I confirm the following:

- The process for determining the cost of attendance for student-athletes was, and will continue to be the same process utilized for all students, as determined by the Office of Student Financial Aid;
- No coach or member of the Athletic Department staff has attempted to inappropriately influence any member of the Financial Aid staff in order to adjust cost of attendance values to better serve recruiting or other athletically-related interests; and
- Communication between Athletic Department staff, and the Office of Student Financial Aid has been conducted through the Associate Athletic Director for Compliance.

I further confirm that I am familiar with the "Concern Reporting" section of the Standards, and that I am encouraged to report any future concerns I may have regarding compliance with the Standards. More specifically, I agree to notify the Chancellor or Chancellor's designee of any inappropriate communication relating to financial aid policy received from any booster or official of the University or staff member in the Athletic Department


Derek Kindle (date) 8/26/2016

Office of Student Financial Aid

Derek Kindle, Director

University of Wisconsin-Madison 333 East Campus Mall #9701 Madison, Wisconsin 53715-1382
Ph: (608) 262-3060 Fax: (608) 262-9068 Email: derek.kindle@wisc.edu

Exhibit 3

Standards for Safeguarding Institutional Governance of Intercollegiate Athletics

Potential Violation of Standards for Safeguarding Institutional Athletics

It is understood that identifying and addressing violations in a timely manner is a characteristic of a properly functioning compliance system—indicative of a system that is working as opposed to a system that is malfunctioning. Violations of the Standards for Safeguarding Institutional Athletics (“Standards”) that are properly identified and addressed in a timely manner will be accounted for in the Annual Report within the context of demonstrating the effectiveness of the Standards. Violations that are indicative of systemic failures of the Standards (e.g., system malfunctions) are to be reported to the conference office within a timeframe that is contemporaneous to the time at which such failures are discovered.

Potential Violation:

In October of 2015, an assistant coach communicated directly, through e-mail, with a faculty member, regarding one of the student-athletes on the assistant coach’s team, stating:

I am one of [student-athlete’s] coaches, she’s sitting at the gate right now at the airport in Boston and her computer has crashed and she’s unable to send her project to you. She’s asked me to email you to let you know since her email is also down.

I’ve also copied our academic advisor so she’s in the loop as well.

Relevant Section of the Standards:

Section 1 of the University’s Standards states as follows:

[C]oaches shall not attempt to inappropriately influence any faculty member. To prevent the potential for improper influence, communication between the athletics department staff and faculty regarding a student-athlete’s performance in class shall be conducted through the Associate Athletic Director for Student Services, the staff members of the Office of Academic Services, staff members of the Office of Compliance, or through the Faculty Athletics Representative.

Is This a Violation of the Standards?

Technically, yes. While there is no reason to believe this was an attempt to inappropriately influence the faculty member, the correct communication channel was not utilized. While it is questionable whether the communication was “regarding a student-athlete’s performance in class,” the timely submission of a class project could be so considered.

If Yes, is the Violation Indicative of a Systemic Failure Requiring Immediate Reporting?

No. The violation was fairly innocuous. Further, the assistant coach copied Office of Academic Service staff on the communication, allowing the staff to quickly correct the violation.

Steps Taken to Remedy the Violation and to Prevent Future Occurrences:

The Assistant Athletic Director for Academic Services educated the involved coach of the prohibition on any contact with faculty regarding student-athletes. Such communication must be done by the Academic Services or Compliance Offices. The involved coach acknowledged the error. All coaches are reminded of this rule through a variety of mechanisms (i.e., coaches meetings, compliance question of the week).

Appendix J

2015-16 Summary of Level III & IV NCAA Violations

Sport/Department	Occurred	Bylaw(s) Involved	Violation
M. Basketball	8/17/2015	12.5.2.1	Men's Basketball student-athlete ("SA") impermissibly posted a picture of himself and his friend on social media, accompanied by a testimonial and contact information for his friend's personal/basketball skills trainer business.
W. Soccer	8/23/2015	12.5.4	During the 2015-16 season, the Women's Soccer team wore pinnies on the sideline during at least two competitions that contained a logo larger than the permissible size.
M. Hockey	8/26/2015	13.1.3.1.4; 13.1.3.4.1	Four impermissible phone calls, including one by an impermissible caller, were placed to a freshman prospective student-athlete ("PSA").
M. Basketball	8/28/2015	17.02.18	Assistant Director of Athletic Communications tweeted a picture of a current Men's Basketball SA engaging in voluntary athletically-related activities.
M. Hockey; W. Rowing	9/6/2015	16.02.3	During tutoring sessions conducted by an athletic department assigned tutor, three SAs took multiple online quizzes in the presence of, and at times, with the assistance of the tutor.
W. Swimming & Diving	9/7/2015	13.1.3.1.1	One impermissible phone call was made by Assistant Swimming & Diving Coach to junior PSA.
M. Hockey	9/13/2015	17.1.7.2	The Men's Ice Hockey team engaged in more than two hours of skill instruction per week on three occasions during the Fall 2015 semester.
Swimming & Diving	10/2/2015	13.6.7.1; 13.6.7.5	During an official visit weekend, the Swimming & Diving coaching staff directly paid for entertainment expenses (pumpkin carving and bowling) for 13 PSAs in addition to providing the maximum permissible amount of host money to their SA hosts.
W. Hockey	10/15/2015	13.10.2.1	An Athletic Communications staff member retweeted information on his personal account regarding the verbal commitment of a junior PSA.
Football	10/16/2015	12.5.1.1	Football SA missed class to attend promotional activity.
Multiple Sports	10/25/2015	12.5.1.1	During the 2015-16 academic year, 17 SAs were involved in three otherwise-permissible promotional activities without first receiving written approval to participate.
Volleyball	10/30/2015	13.10.2	The Associate Director of Athletic Communications retweeted a tweet from a fan that included a picture of the fan's PSA-age daughter who has not signed with UW.
Volleyball	11/1/2015	13.7.2.1.5	A senior PSA was permitted to purchase a ticket (\$5.00 value) to a sold out UW home volleyball match.
M. Basketball	11/7/2015	17.3.3.1	An individual working for the host site of a Men's Basketball practice scrimmage broadcasted live video of the scrimmage via Periscope.
W. Basketball	11/8/2015	Big Ten 14.9.A	Prior to the first date of competition for the Women's Basketball team, the Associate Director of Compliance did not submit the Certified Eligibility List to the Big Ten Conference office.
Volleyball	11/9/2015	13.10.2	The Associate Director of Athletic Communications retweeted an article from the local newspaper that included information on a PSA who has not signed with UW.
Volleyball	11/12/2015	13.1.3.1; 13.4.1	The Head Volleyball Coach made two impermissible phone calls and sent one impermissible text message to the father of a PSA.
W. Tennis	11/14/2015	17.1.7.5	The Women's Tennis coaching staff failed to provide their SAs with two days off per week during two weeks (November 8-14 and 15-21, 2015) of their out-of-season portion of the year.
W. Hockey	12/14/2015	17.02.18	The Athletic Communications Assistant tweeted a picture of a group of current Women's Ice Hockey SAs engaging in voluntary athletically-related activities.
W. Basketball	12/16/2015	12.1.1.1.3; 12.1.1.1.3.2	A Women's Basketball walk-on SA participated in one minute of one competition prior to her amateurism being certified through the NCAA Eligibility Center.
Football	2/2/2016	13.1.3.4.1	Prior to NLI Signing Day, an Athletic Communications staff member placed phone calls to five high school coaches of potential UW Football signees to gather information for a signing day story.
W. Tennis	2/15/2016	13.1.1.1	Head Women's Tennis Coach had in-person off-campus contact with a junior PSA before the permissible date for such contact.
M. Basketball	4/23/2016	13.10.2.1	The Assistant Men's Basketball Coach retweeted information on his personal account regarding the verbal commitment of a PSA.
Volleyball	5/4/2016	17.02.18	The Assistant Volleyball Coach tweeted a picture of a current Women's Volleyball SA engaging in voluntary athletically-related activities.
M. Hockey	5/19/2016	13.8.1	The Assistant Men's Hockey Coach purchased meals for three individuals involved in coaching PSAs, two of whom were former coworkers.
W. Basketball	5/26/2016	11.3.2.5	The Associate Director of Athletic Communications retweeted content from a local newspaper beat writer that included the hyperlink to a recruiting service's article.
M. Hockey	6/15/2016	13.8.1	The Head Men's Hockey Coach purchased three meals for an alumnus who also serves as an assistant high school hockey coach.

Appendix K



February 3, 2017

Ms. Regina Millner, 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 2015-16.

There were no instances of any major Level I or Level II compliance violations. We are aware of twenty-seven Level III or Level IV secondary violations of non-compliance with NCAA rules and regulations which occurred during 2015-16.

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-Madison'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.

The institution has evaluated and updated its gender-equity plan from our previous self-study, dated 2008-2009.

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


Athletics Compliance Officer


Athletic Director


Deputy Athletic Director

University of Wisconsin • Intercollegiate Athletics

Kellner Hall • 1440 Monroe Street • Madison, Wisconsin 53711
(608) 262-1866 • www.uwbadgers.com

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

STATEMENT OF REVENUES AND
EXPENDITURES – BUDGETARY BASIS

For the Year Ended June 30, 2016

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

AND INDEPENDENT ACCOUNTANTS' REPORT ON
AGREED-UPON PROCEDURES
REQUIRED BY THE PROVISIONS OF
NCAA BYLAW 3.2.4.15

AND INDEPENDENT ACCOUNTANTS' REPORT ON
AGREED-UPON PROCEDURES
FOR THE UNIVERSITY RIDGE GOLF COURSE

**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, 2016, 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 these financial statements in accordance with the basis of accounting described in Note 1.B; this includes determining that the basis of accounting described in Note 1.B is an acceptable basis for the preparation of the financial statements 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 statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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, 2016 in accordance with the basis of accounting described in Note 1.B.

Emphasis of Matter

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, 2016, 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.

Basis of Accounting

We draw attention to Note 1.B. to the financial statements, which describes the basis of accounting. The financial statements are prepared 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 Tilly Virchow Krause, LLP

Madison, Wisconsin
January 24, 2017

UNIVERSITY OF WISCONSIN-MADISON
DIVISION OF INTERCOLLEGIATE ATHLETICS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
For the Year Ended June 30, 2016

	Football	Men's Basketball	Men's Hockey	Women's Volleyball	Women's Basketball	Other Sports	Net Team Related	Totals
REVENUES								
Ticket sales	\$ 20,959,306	\$ 6,646,170	\$ 1,836,618	\$ 209,648	\$ 93,164	\$ 115,827	\$ 1,359,241	\$ 30,959,874
Direct institutional support	1,677,723	253,605	327,802	296,329	317,529	2,608,574	64,480	5,546,045
Less - transfers to institution	(2,579,852)	(686,520)	(102,833)	-	(102,833)	-	(2,074,007)	(5,546,045)
Indirect institutional support	-	-	-	-	-	-	2,805,000	2,805,000
Guarantees	4,000,000	-	-	1,500	7,000	12,000	107,500	4,128,000
Contributions	9,269,223	1,860,528	1,051,131	60,866	863,084	1,993,782	5,940,494	21,109,338
In-kind	64,073	21,887	-	-	-	17,157	287,338	360,455
Media rights	25,054,576	7,032,394	410,000	102,500	-	-	615,507	32,629,138
NCAA distributions	-	4,522,464	-	33,830	-	75,204	28,138	6,891,834
Conference distributions	6,627,834	333,862	-	-	-	-	(1,689,896)	6,489,784
Program, novelty, parking and concession sales	3,983,128	2,302,513	1,046,787	319,725	196,369	380,968	6,747,177	7,728,291
Royalties, licensing, advertisements and sponsorships	353,055	59,433	16,798	26,433	43,431	481,993	26,426	2,663,155
Sports camp revenues	960,025	397,661	100,425	467,285	56,847	1,454,487	2,265,491	2,265,491
Athletics restricted endowment and investments income	-	-	-	-	-	-	-	-
Other operating revenue	29,548	62,753	10,009	4,876	16,206	125,376	7,010,482	7,259,320
Bowl revenues	2,522,045	-	-	-	-	-	-	2,522,045
Total Revenues	71,220,654	22,808,750	4,796,708	1,523,112	1,620,997	7,265,408	23,553,081	132,788,720
EXPENDITURES								
Athletic student aid	3,967,478	572,907	850,387	618,480	715,942	7,282,168	656,407	14,593,769
Guarantees	3,250,000	545,000	52,500	39,000	58,500	35,800	-	3,980,800
Head coaching salaries, benefits, and bonuses paid by the University and related entities	-	-	-	-	-	-	-	-
Coaches salaries, benefits, and bonuses paid by the University and related entities	2,591,331	2,670,368	471,936	363,400	545,891	2,508,336	2,370	9,153,681
Support staff/administrative salaries, benefits and bonuses paid by the University and related entities	3,448,505	978,538	409,618	281,714	429,881	2,814,598	14,525	8,377,179
Severance payments	1,075,089	322,153	260,043	165,580	201,209	428,526	26,231,180	28,684,780
Recruiting	6,142	-	79,880	-	118,544	94,011	-	299,377
Team travel	261,418	74,146	69,164	65,603	134,068	523,912	-	1,128,311
Sports equipment, uniforms and supplies	1,527,203	1,608,824	556,751	513,022	823,384	3,739,976	60,454	8,629,484
Game expenditures	768,271	89,803	196,757	48,869	64,326	964,978	302,720	2,335,757
Fund raising, marketing and promotion	544,865	283,370	180,244	52,235	160,996	233,797	2,955,620	4,411,127
Sports camp expenditures	1,860	540	540	353	1,240	2,317	2,454,930	2,461,780
Split groups	39,953	189,440	25,084	236,062	22,027	526,901	107,651	1,146,118
Athletic facilities debt service, leases and rental fee	8,027,931	807,701	920,348	-	806,525	2,229,629	399,100	399,100
Direct overhead and administrative expenditures	2,321,946	1,497,425	1,522,792	6,044	1,494,499	990,254	424,502	13,217,037
Indirect institutional support	-	-	-	-	-	-	15,531,578	15,531,578
Medical expenditures and insurance	307,368	47,282	76,198	36,783	39,410	1,870,659	2,805,000	2,805,000
Memberships and dues	2,450	930	550	735	1,416	7,833	54,564	68,468
Student athlete meals	13,441	477	1,150	119	1,416	71,172	113	86,472
Other operating expenditures	918,710	146,532	68,417	55,624	101,078	389,077	7,278,842	8,559,280
Bowl expenditures	2,587,324	-	-	-	-	-	-	2,587,324
Total Expenditures	30,731,315	9,834,446	5,702,404	2,483,643	5,519,016	24,715,944	51,446,969	130,433,367
Excess of Revenues Over (Under) Expenditures	\$ 40,489,369	\$ 12,974,304	\$ (905,696)	\$ (960,531)	\$ (3,898,019)	\$ (17,450,536)	\$ (27,893,538)	\$ 2,355,353
OTHER								
Excess transfers to institution	-	-	-	-	-	-	(1,875,993)	(1,875,993)
TOTAL REVENUES OVER EXPENDITURES LESS TRANSFERS TO INSTITUTION	\$ 40,489,369	\$ 12,974,304	\$ (905,696)	\$ (960,531)	\$ (3,898,019)	\$ (17,450,536)	\$ (29,769,531)	\$ 479,360

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

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

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REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016

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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, 2016**

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 operations of University Ridge Golf Course have been included within the Statement of Revenues and Expenditures – Budgetary Basis. In prior years, University Ridge prepared separate calendar year financial reports to coincide with the golf season being in mid-season on June 30.

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.

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

**NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016**

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, 2016 are as follows:

Badger Basketball Boosters
Mendota Gridiron Club, Inc.
National "W" Club, Inc. and Subsidiary (dissolved 501(c) 3; merged with Athletics)

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 deferred 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 student aid. 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 deferred 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, 2016**

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

D. CAPITAL ASSETS

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 reflected in the statement of revenues and expenditures – budgetary basis. Depreciation is accounted for and reported in Note 8. Depreciation is calculated using the straight-line method.

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, 2016 were \$2,205,037.

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, 2016. 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. There were no significant claims or judgments at year end.

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, 2016

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.

For the year ended June 30, 2016, the Athletic Department's debt service payments consisted of the following:

Principal on bonds	\$ 7,966,216
Interest on bonds	<u>4,589,489</u>
Total	<u>\$ 12,555,705</u>

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 6/30/16
Utility System Improvement	1998	\$ 627,278	4/15/17	5.50%	\$ 111,622
	2007	31,802	4/15/20	5.00%	31,802
	2014	61,491	4/16/18	5.00%	<u>61,491</u>
Total Utility System Improvement					<u>204,915</u>

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

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016

NOTE 2 – LONG-TERM DEBT (cont.)

	Issue Year	Original Debt	Maturity Date	Average Interest Rates	Balance 6/30/16
Goodman Softball Complex					
	2007	\$ 49,423	4/15/20	5.00%	\$ 49,423
	2014	95,564	4/16/18	2.20%	95,564
Total Goodman Softball Complex					<u>144,987</u>
Kohl Center	1998	11,653,139	10/15/17	5.50%	<u>2,073,636</u>
Environmental Management Center					
	1998	223,729	10/15/17	5.50%	39,812
	2007	48,746	4/15/20	5.00%	34,501
	2011	26,763	10/17/22	5.00%	26,763
	2014	199,349	4/15/20	5.00%	113,414
	2014	3,356	4/16/18	2.21%	<u>3,356</u>
Total Environmental Management Center					<u>217,846</u>
Camp Randall					
	2007	17,362,138	4/15/20	5.00%	11,897,244
	2011	431,577	4/15/22	5.00%	431,577
	2011	16,816,187	10/17/22	5.00%	16,044,800
	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	227,529	4/16/18	1.97%	<u>227,529</u>
Total Camp Randall					<u>42,036,372</u>
Nielsen Stadium					
	2007	31,802	4/15/20	5.00%	811
	2011	511	4/15/21	5.00%	300
	2014	3,166	4/16/18	2.70%	3,166
	2015	717	4/16/24	5.00%	<u>7</u>
Total Nielsen Stadium					<u>4,284</u>

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

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016

NOTE 2 – LONG-TERM DEBT (cont.)

	Issue Year	Original Debt	Maturity Date	Average Interest Rates	Balance 6/30/16
Crew House					
	2007	\$ 2,030,000	4/15/20	5.00%	\$ 1,412,430
	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					3,015,793
University Ridge Golf Course					
	2007	172,338	4/15/28	5.00%	15,783
	2014	39,301	10/17/23	5.00%	39,301
	2014	62,443	4/14/28	5.00%	62,443
Total University Ridge Golf Course					117,527
Hockey/Swim Facility					
	2011	9,000,000	4/15/31	5.00%	6,977,106
	2014	10,696	4/14/28	5.00%	10,696
	2015	276,685	4/16/27	4.00%	276,685
	2016	988,642	10/15/27	4.00%	988,642
Total Hockey/Swim Facility					8,253,129
Student Athlete Performance Center					
	2012	31,422,857	4/16/42	5.50%	28,922,679
	2012	8,647,637	4/15/33	5.50%	8,647,637
	2012	6,474,464	5/03/21	5.50%	4,337,014
	2013	1,467,596	5/03/21	5.50%	994,098
	2015	1,327,671	4/16/35	5.00%	1,327,671
	2015	352,770	4/16/21	5.00%	352,770
	2016	2,426,096	10/15/27	4.00%	2,426,095
	2016	1,495,866	4/16/36	4.00%	1,495,866
Total Student Athlete Performance Center					48,503,830
Total					\$ 104,572,319

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

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016

NOTE 2 – LONG-TERM DEBT (cont.)

Future general obligation debt repayment schedule:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 7,562,843	\$ 4,624,061	\$ 12,186,904
2018	6,245,743	4,320,148	10,565,891
2019	7,061,424	4,011,741	11,073,165
2020	6,811,538	3,638,078	10,449,616
2021	7,182,370	3,214,689	10,397,059
2022 – 2026	26,730,044	11,279,010	38,009,054
2027 – 2031	14,999,009	7,660,172	22,659,181
2032 – 2036	15,139,531	3,983,360	19,122,891
2037 – 2041	10,430,179	1,769,120	12,199,299
2042	2,409,638	96,386	2,506,024
Totals	<u>\$ 104,572,319</u>	<u>\$ 44,596,765</u>	<u>\$ 149,169,084</u>

NOTE 3 – LONG-TERM CAPITAL LEASES

The State of Wisconsin (State) established a facility in 1992 that provides lease purchase financing for property and certain service items acquired by state agencies. This facility is the Third Amended and Restated Master Lease between the State acting by and through the Wisconsin Department of Administration and U.S. Bank National Association. Lease purchase obligations under the Master Lease are not general obligations of the State, but are payable from appropriations of State agencies participating in the Master Lease Program, subject to a separate determination. Pursuant to terms of the Master Lease, the Trustee for the facility issues parity Master Lease certificates of participation that evidence proportionate interest of the owners thereof in lease payments.

The capital leases that are the responsibility of University Ridge Golf Course are for various equipment capital assets with terms ranging from 48 to 60 months. Equipment under capital leases is included in capital assets as follows:

Equipment under capital leases	\$ 486,254
Less: Accumulated depreciation	<u>354,845</u>
Totals	<u>\$ 131,409</u>

Following is a schedule of future minimum lease payments required under these capital leases:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 111,289	\$ 12,346	\$ 123,635
2018	76,403	6,458	82,861
2019	29,898	2,849	32,747
2020	31,412	1,335	32,747
2021	<u>3,052</u>	<u>76</u>	<u>3,128</u>
Totals	<u>\$ 252,054</u>	<u>\$ 23,064</u>	<u>\$ 275,118</u>

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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, 2016**

NOTE 4 – 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, 2016 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, 2016.

NOTE 5 – 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, 2016, 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, 2021
Employment contract – men's basketball head coach	May 31, 2021
Employment contract – men's hockey head coach	June 30, 2021
Employment contract – women's basketball head coach	May 31, 2021
Employment contract – men's track head coach	June 30, 2019
Employment contract – wrestling head coach	May 31, 2019
Employment contract – volleyball head coach	January 31, 2020
Employment contract – women's hockey head coach	June 30, 2021
Employment contract – men's crew head coach	June 30, 2019
Employment contract – director of strength and conditioning	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – assistant football coach	June 30, 2017
Employment contract – men's tennis head coach	May 31, 2019

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

**NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016**

NOTE 5 – COMMITMENTS AND CONTINGENCIES (cont.)

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 totaling \$94,998,000. At June 30, 2016, \$91,944,184 has been expended.

During fiscal year 2015-16, the Athletic Department began to replace the roof at the Kohl Center and has entered into contracts totaling \$2,518,000. At June 30, 2016, \$136,870 has been expended.

During fiscal year 2015-16, the Athletic Department began to remodel the volleyball locker rooms at the Field House and has entered into contracts totaling \$1,745,000. At June 30, 2016, \$262,824 has been expended.

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 6 – 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 7 – 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.

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

NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016

NOTE 8 – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 7/01/15	Additions	Deletions	Balance 6/30/16
Land	\$ 10,651,178	\$	\$	\$ 10,651,178
Buildings and fixtures	350,787,188	5,937,743	-	356,724,931
Improvements other than buildings	18,422,022	-	-	18,422,022
Equipment	14,743,128	587,331	(6,084,170)	9,246,289
Total Capital Assets	394,603,516	6,525,074	(6,084,170)	395,044,420
Less: Accumulated depreciation for:				
Buildings and fixtures	93,535,360	8,855,888	-	102,391,248
Improvements other than buildings	9,060,028	353,781	-	9,413,809
Equipment	12,342,851	1,060,189	(6,084,170)	7,318,870
Total Accumulated Depreciation	114,938,239	10,269,858	(6,084,170)	119,123,927
Capital Assets, Net of Depreciation	\$ 279,665,277			\$ 275,920,493

NOTE 9 – SIGNIFICANT CONTRIBUTIONS

In fiscal year 2015-16, the Foundation received a significant contribution for the Athletic Department in the amount of \$5,971,506 for athletic scholarships and the UW Aquatics Center Fund. A significant contribution is defined as any individual constituting greater than ten percent of all contributions received by the Foundation for Athletic Department purposes.

NOTE 10 – 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.

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

**NOTES TO STATEMENT OF REVENUES AND EXPENDITURES – BUDGETARY BASIS
For the Year Ended June 30, 2016**

NOTE 11 – CONTRIBUTIONS AND ENDOWMENTS HELD BY THE UNIVERSITY OF WISCONSIN FOUNDATION

As of June 30, 2016 the Athletic Department had \$115,094,456 of fundraising, endowment and other investments held at the Foundation. The Athletic Department will draw funds from the Foundation as needed, and according to the Memorandum of Agreement upon approval, to finance expenditures of the Athletic Department.

NOTE 12 – SUBSEQUENT EVENTS

On July 12, 2016, the Athletic Department issued general obligation bonds in the amount of \$514,000 principal plus \$80,000 of premium with an interest rate of 4.8%. These proceeds will be used for the Student Athlete Performance Center (SAPC) McClain project 10H3A.

A 10 year contract with Under Armour Promotional Retail Operators was entered into effective July 1, 2016. During each contract year, Under Armour shall be the exclusive supplier of athletic footwear and apparel to UW Intercollegiate Athletic teams, and Under Armour shall provide compensation in the form of goods, services and monetary contributions to benefit the University, Athletic Department and the Madison community.

SUPPLEMENTAL INFORMATION

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON
PROCEDURES FOR AFFILIATED AND OUTSIDE 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 Bylaw 3.2.4.15 for the year ended June 30, 2016. The University of Wisconsin-Madison Division of Intercollegiate Athletics is responsible for compliance with the requirements of NCAA Bylaw 3.2.4.15. 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 organizations presented in Exhibit A for the year ended June 30, 2016, 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, 2016, or comparable period as shown in Exhibit A.
- c. We received the financial statements and report regarding internal control of the Mendota Gridiron Club, Inc. for the year ended December 31, 2015, which had been audited by other independent auditors who expressed an unmodified opinion on these statements.

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

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 statement 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.

To the Chancellor
University of Wisconsin-Madison

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 Virchow Krause, LLP

Madison, Wisconsin
January 24, 2017

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

STATEMENT OF CHANGES IN CASH OF RECOGNIZED BOOSTER ORGANIZATIONS
For the Year Ended June 30, 2016

	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	\$ 57,066	\$ -	\$ 226,323	\$ -	\$ (191,732)	\$ 91,657
Mendota Gridiron Club, Inc.	81,588	-	168,155	(345)	(216,656)	32,742
National "W" Club, Inc. and Subsidiary	927,522	-	189,974	-	(711,863)	405,633
TOTALS	\$ 1,066,176	\$ -	\$ 584,452	\$ (345)	\$ (1,120,251)	\$ 530,032

See independent accountants' report on applying agreed-upon procedures for affiliated and outside 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, 2016**

(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 expenditures
- 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 expenditures
- c. Athletic Department sanctioned club activity expenditures
- 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.

INDEPENDENT ACCOUNTANTS' 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 3.2.4.15 for the year ended June 30, 2016. The University of Wisconsin-Madison Division of Intercollegiate Athletics is responsible for compliance with the requirements of NCAA Constitution 3.2.4.15. 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:

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

General

- > We compared and agreed each operating revenue category reported in the Statement of Revenues and Expenditures – Budgetary Basis ("statement") during the reporting period to supporting schedules provided by the Athletic Department. If a specific reporting category was less than 0.5% of the total revenues, no procedures were required for that specific category.
- > We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to supporting documentation.
- > We compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We obtained an explanation from management of any variations over the lesser of \$1M or 10%. We reported the analysis as a supplement to the final Agreed-Up-on Procedures Report.

No findings were noted.

Ticket Sales

- > We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the Athletic Department in the statement and the related attendance figures and recalculated totals.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES (cont.)

Student Fees

- > We compared and agreed student fees reported by the Athletic Department in the statement for the reporting period to student enrollments during the same reporting period and recalculated totals.
- > We obtained an explanation from management of the Athletic Department's methodology for allocating student fees to intercollegiate athletics programs.
- > If the Athletic Department is reporting that an allocation of student fees should be countable as generated revenue, we recalculated the totals of their methodology for supporting that they are able to count each sport. We tied the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

We did not perform these procedures as they did not apply to the Athletic Department.

Direct State or Other Governmental Support

- > We compared direct state or other governmental support recorded by the Athletic Department during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation and recalculated totals.

We did not perform these procedures as they did not apply to the Athletic Department.

Direct Institutional Support

- > We compared the direct institutional support recorded by the Athletic Department during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated totals.

No findings were noted.

Transfers Back to Institution

- > We compared the transfers back to institution with permanent transfers back to institution from the Athletic Department and recalculated totals.

No findings were noted.

Indirect Institutional Support

- > We compared the indirect institutional support recorded by the Athletic Department during the reporting period with expenditure payments, cost allocation detail, and other corroborative supporting documentation and recalculated totals.

No findings were noted.

Guarantees

- > There were no settlement reports for away games during the reporting period that required calculation since they were fixed amounts. We therefore did not perform this procedure.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES (cont.)

Guarantees (cont.)

- > We selected the most significant contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed the one item selected to the Athletic Department's general ledger and/or the statement and recalculated totals.

No findings were noted.

Contributions

- > We requested information regarding any contributions of monies, goods, or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods. We obtained supporting documentation for each contribution and recalculated totals.

No findings were noted.

In-Kind

- > We compared the in-kind recorded by the Athletic Department during the reporting period with a schedule of in-kind donations and recalculated totals.

No findings were noted.

Compensation and Benefits Provided by a Third-Party

- > We obtained the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the institution.
- > If the third party was audited by independent auditors, we obtained the related independent auditors' report.

See results of procedures performed for affiliated and outside organizations on pages 16 to 19 of this report.

Media Rights

- > We obtained and inspected agreements to understand the Athletic Department's total media (broadcast, television, radio) rights received by the Athletic Department through the Big 10 conference offices as reported in the statement.
- > We compared and agreed the media right revenues to a summary statement of all media rights identified, if applicable, and the institution's general ledger and recalculated totals.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES (cont.)

NCAA Distributions

- > We compared the amounts recorded in the revenue and expenditure reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated totals.

We performed these procedures as they applied to the distributions through the Big 10 conference since additional distributions do not occur from the NCAA. No findings were noted.

Conference Distributions

- > We obtained and inspected agreements related to the Athletic Department's conference distributions and participation in revenues from tournaments during the reporting period.
- > We compared and agreed the related revenues to the Athletic Department's general ledger, and/or the statement and recalculated totals.

No findings were noted.

Program Sales, Concessions, Novelty Sales, and Parking

- > We compared the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales, and parking as well as any other corroborative supporting documents and recalculated totals.

No findings were noted.

Royalties, Licensing, Advertisements, and Sponsorships

- > We obtained and inspected agreements related to the Athletic Department's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period.
- > We compared and agreed the related revenues to the Athletic Department's general ledger, and/or the statement and recalculated totals.

No findings were noted.

Sports Camp Revenues

- > We inspected sports camp contract(s) between the Athletic Department and person(s) conducting the Athletic Department sports-camps or clinics during the reporting period.
- > We obtained schedules of camp participants and selected a sample of 25 individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the Athletic Department's general ledger and/or statement and recalculated totals.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES (cont.)

Athletics Restricted Endowment and Investment Income

- > We obtained and inspected one endowment agreement.
- > We compared and agreed the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income deferred within the related endowment agreement and recalculate totals.

No findings were noted.

Other

- > We performed minimum agreed-upon procedures referenced for all revenue categories and recalculated totals.

No findings were noted.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES

General

- > We compared and agreed each expenditure category reported in the statement during the reporting period to supporting schedules provided by the Athletic Department. If a specific reporting category was less than 0.5% of the total expenditures, no procedures were required for that specific category.
- > We compared and agreed a sample of 25 expenditures obtained from the above statement to adequate supporting documentation. See specific expenditure categories tested below.
- > We compared each major expenditure account over 10% of the total expenditures to prior period amounts and budget estimates. We obtained and documented an understanding of any variations over the lesser of \$1M or 10%. We reported the analysis as a supplement to the final Agreed-Up-on Procedures Report on page 30.

No findings were noted.

Athletic Student Aid

- > We selected a sample of 48 students from the listing of institutional student aid recipients during the reporting period.
- > We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student's account.
- > We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant software using criteria provided by the NCAA.
- > We recalculated totals for each sport and overall.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES (cont.)

Guarantees

- > We obtained and inspected visiting institution's away-game settlement reports received by the Athletic Department during the reporting period and agreed related expenditures to the Athletic Department's general ledger and/or the statement and recalculated totals.

We did not perform this procedure as it did not apply to the Athletic Department during the current year. All guarantees were based upon fixed amounts.

- > We obtained and inspected five contractual agreements pertaining to expenditures recorded by the Athletic Department from guaranteed contests during the reporting period. We compared and agreed related amounts expensed by the Athletic Department during the reporting period to the Athletic Department's general ledger and/or statement and recalculated totals.

No findings were noted.

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

- > We obtained and inspected a listing of coaches employed by the Athletic Department and related entities during the reporting period. We selected a sample of five coaches' contracts including football, and men's and women's basketball from the listing.
- > We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Athletic Department and related entities in the statement during the reporting period.
- > We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by the Athletic Department and related entities expenditures recorded by the Athletic Department in the statement during the reporting period.
- > We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals.

No findings were noted.

Coaching Other Compensation and Benefits Paid by a Third-Party

- > We obtained and inspected a listing of coaches employed by third parties during the reporting period. We selected a sample of coaches' contracts that included football, and men's and women's basketball from the listing.
- > We compared and agreed the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Athletic Department in the statement during the reporting period.
- > We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary register to the coaching other compensation and benefits paid by a third party expenditures recorded by the institution in the statement during the reporting period and recalculated totals.

We did not perform these procedures as they did not apply to the Athletic Department.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES (cont.)

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

- > We selected a sample of 25 support staff/administrative personnel employed by the Athletic Department and related entities during the reporting period.
- > We obtained and inspected reporting period summary payroll register for each selection. We compared and agreed related summary payroll register to the related support staff administrative salaries, benefits, and bonuses paid by the Athletic Department and related entities expenditure recorded by the Athletic Department in the statement during the reporting period and recalculated totals.

No findings were noted.

- > We selected a sample of support staff/administrative personnel employed by the third parties during the reporting period.
- > We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary registers to the related support staff administrative other compensation and benefits expenditure recorded by the Athletic Department in the statement during the reporting period and recalculated totals.

We did not perform these procedures as they did not apply to the Athletic Department.

Severance Payments

- > We selected a sample of two employees receiving severance payments by the Athletic Department during the reporting period and agreed each severance payment to the related termination letter or employment contract and recalculated totals.

No findings were noted.

Recruiting

- > We obtained a copy of the Athletic Department's recruiting expenditure policies.
- > We compared and agreed to existing Athletic Department- and NCAA-related policies.
- > We obtained general ledger detail and compared to the total expenditures reported and recalculated totals.

No findings were noted.

Team Travel

- > We obtained a copy of the Athletic Department's team travel policies.
- > We compared and agreed to existing institutional- and NCAA-related policies.
- > We obtained general ledger detail and compared to the total expenditures reported and recalculated totals.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES (cont.)

Equipment, Uniforms, and Supplies

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Game Expenditures

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of three transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Fund Raising, Marketing, and Promotion

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Sports Camp Expenditures

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Spirit Groups

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Athletic Facilities Debt Service, Leases, and Rental Fees

- > We obtained a listing of debt service schedules, lease payments, and rental fees for athletics facilities for the reporting year. We compared a sample of 15 facility payments including the top two highest facility payments to additional supporting documentation (e.g., debt financing agreements, leases, rental agreements).
- > We compared amounts recorded to amounts listed in the general ledger detail and recalculated totals.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

MINIMUM AGREED-UPON PROCEDURES FOR EXPENDITURES (cont.)

Direct Overhead and Administrative Expenditures

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of 11 transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Indirect Institutional Support

- > We tested with revenue section – Indirect Institutional Support.

No findings were noted.

Medical Expenditures and Medical Insurance

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Memberships and Dues

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of one transaction to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

Other Operating Expenditures and Transfers to Institution

- > We obtained general ledger detail and compared to the total expenditures reported. We selected a sample of three transactions to validate the existence of the transaction and accuracy of recording and recalculated totals.

No findings were noted.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

- > We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Athletic Department.
- > We obtained the Athletic Department's Sports Sponsorship and Demographics Forms Report for the reporting year and validated the countable sports reported met the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirement. We ensured the Athletic Department properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

No findings were noted.

To the Chancellor
University of Wisconsin-Madison

SUPPLEMENTAL AGREED-UPON PROCEDURES

- > We tested a sample of 25 operating expenditures to supporting documentation for University of Wisconsin Foundation disbursements on behalf of the Athletic Department.

No findings were noted.

- > We obtained the Athletic Department's schedule of capital assets, including additions and deletions summarized by type.
- > We selected capital asset additions greater than \$25,000 incurred during the reporting period and reconciled the recorded cost to supporting documentation.

No findings were noted.

- > We obtained support for and disclosed the source of funds, goods, and services, as well as the value associated with individual contributions of monies, goods, or services received directly by the Athletic Department from any affiliated or outside organization within the notes to the financial statements if they exceeded 10 percent of all contributions.

We performed this procedure and disclosed the contribution in the notes to the Statement of Revenues and Expenditures – Budgetary Basis.

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 analysis of major revenue and expenditure accounts with variations over the lesser of \$1M or ten percent. 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 Virchow Krause, LLP

Madison, Wisconsin
January 24, 2017

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

**ANALYSIS OF MAJOR REVENUE AND EXPENDITURE ACCOUNTS (THOSE IN EXCESS OF 10% OF TOTALS) WITH VARIATIONS OVER
THE LESSER OF \$1M OR TEN PERCENT
For the Year Ended June 30, 2016**

Revenue Account	Current Actual	Budgeted	Prior Actual	Explanations
Ticket Sales	\$30,959,974	**	\$28,532,894	<ul style="list-style-type: none"> > One additional men's basketball home game. > Includes processing fees, previously included in other operating revenue. > Increase in men's basketball season ticket prices.
Media Rights	\$32,629,138	**	\$30,489,240	<ul style="list-style-type: none"> > Increase in Learfield Sports Multi-Media Revenue.

Expense Account	Current Actual	Budgeted	Prior Actual	Explanations
Athletic Student Aid	\$14,593,769	**	\$11,996,524	<ul style="list-style-type: none"> > The primary increase in financial aid was due to the implementation of the new NCAA cost of attendance measures which allowed student-athletes to qualify for financial aid related to the cost of attendance. > Increase in out-of-state tuition. > Increase in number of out-of-state students.
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	\$28,684,780	**	\$26,057,188	<ul style="list-style-type: none"> > Increased staffing for student-athlete support services; nutrition, sports medicine, career services, academic services, and community relations. > Added the National W Club staff and operations. > Compensation adjustments for staff.
Direct Overhead and Administrative Expenses	\$15,531,578	**	\$13,234,658	<ul style="list-style-type: none"> > The campus central services assessment increased from 3% to 5% of applicable annual expenditures. > Athletics made an additional \$2 million financial contribution to campus to assist with the campus budget shortfall.

** - The University of Wisconsin - Madison Division of Intercollegiate Athletics budgets by units that differ from those categories presented for NCAA reporting.

See independent accountants' report on applying agreed-upon procedures for the University of Wisconsin-Division of Intercollegiate Athletics.

INDEPENDENT ACCOUNTANTS' 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, 2015 through June 30, 2016 are summarized as follows:

- a. We compared each major revenue account to prior period amounts and budget estimates and obtained explanations from management for any significant account variations.
- b. We tested a sample of 25 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 explanations from management for any significant account variations.
- d. We selected individual capital asset additions greater than \$25,000 and reconciled the recorded cost 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.

No exceptions were noted during our testing.

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 24, 2017

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

Madison, Wisconsin

COMMUNICATION TO THOSE CHARGED WITH
GOVERNANCE AND MANAGEMENT

For the Year Ended June 30, 2016

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



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, 2016, 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 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 24, 2017



OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your Statement of Revenues and Expenditures – Budgetary Basis, 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 Statement of Revenues and Expenditures – Budgetary Basis 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 Statement of Revenues and Expenditures – Budgetary Basis 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 the Statement of Revenues and Expenditures – Budgetary Basis 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 Statement of Revenues and Expenditures – Budgetary Basis. 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 Statement of Revenues and Expenditures – Budgetary Basis?

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

PRIOR YEAR COMMENT

CAPITAL ASSET DELETIONS

The Athletic Department reports capital asset activity within its notes to the Statement of Revenues and Expenditures – Budgetary Basis as required by generally accepted accounting principles. Additions are based upon procedures and controls to identify capital asset acquisitions and donations during the year, but there is not currently a procedure or control to identify capital assets that should be deleted. This likely results in capital assets, and related accumulated depreciation, being reported for which the capital asset is no longer in existence or owned by the Athletic Department. Capital asset management should include a periodic verification process of a comprehensive capital asset listing to ensure that only capital assets that are still currently owned is being reported. We recommend that the Athletic Department determine how to procedurally verify their capital assets, perhaps working with the University of Wisconsin-Madison's Central Business Services property control office, to identify capital assets and related accumulated depreciation that should be deleted.

Status (6/30/16)

The Athletic Department has worked throughout the year with the University of Wisconsin-Madison's Central Business Services, which has oversight of the campus property control office, to identify necessary additions and deletions to the capital asset listing. Our audit procedures tested the additions and deletions to verify this had been completed. In addition, the University of Wisconsin-Madison's property control office will be implementing a new capital asset policy as of January 1, 2017, including ongoing procedures for identifying capital asset dispositions. The Athletic Department is planning to implement this new policy as of January 1, 2017. We consider this comment resolved.

REQUIRED COMMUNICATIONS BY THE AUDITOR
TO THOSE CHARGED WITH GOVERNANCE

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 (“financial statements”) of the University of Wisconsin-Madison Division of Intercollegiate Athletics (Athletic Department) for the year ended June 30, 2016, and have issued our report thereon dated January 24, 2017. 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, and the analysis of major revenue and expense accounts (those in excess of 10% of totals) with variations over the lesser of \$1 M or ten percent. We have not audited these documents and our responsibilities are addressed in the Independent Accountants’ Report on Applying Agreed-Upon Procedures.

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 January 22, 2016 and our meeting with the Finance, Facilities, and Operations Committee on February 10, 2016.

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 auditors' 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, 2016, 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, the 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 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 24, 2017

MANAGEMENT REPRESENTATIONS



January 24, 2017

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, 2016 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.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

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

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. 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.
3. 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.
4. There have been no communications from the NCAA or other regulating agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statement.
6. All known bookkeeping adjustments have been included in our financial statement, and we are in agreement with those adjustments.

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7. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
8. 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.
9. 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.
10. 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.
11. 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.
12. There are no –
 - a. Violations or possible violations of provisions of contracts, laws or regulations, 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.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
13. 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.
14. 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.
15. The financial statements include all related organizations.

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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 NCAA Requirements:

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. We have complied with all provisions within NCAA Bylaw 3.2.4.15.
- b. All booster organizations and related statements are properly disclosed and they include the Badger Basketball Boosters, Mendota Gridiron Club, Inc., National "W" Club, Inc. and Subsidiary.
- c. The financial statement properly classifies all revenue and expenditure categories.
- d. Capital assets are properly reported and depreciated as disclosed in the Notes to the Statement of Revenues and Expenditures – Budgetary Basis.
- e. 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.
- f. 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 leases are properly reported.

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Baker Tilly Virchow Krause, LLP




January 24, 2017
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To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to June 30, 2016, 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:


Walter Dickey
Deputy Athletic Director

Signed:


Mario Morris
Associate Athletic Director-Business Operations

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Approval of Amendments to Update
the Bylaws of the Board of Regents

BOARD OF REGENTS

Resolution II.11.:

That, upon the recommendation of the President of the Board of Regents of the University of Wisconsin System, the Board of Regents approves the attached amendments to update the Bylaws of the Board of Regents.

**UW SYSTEM BOARD OF REGENTS BYLAWS REVISIONS:
TECHNICAL CORRECTIONS AND UPDATES**

BACKGROUND

The Bylaws of the Board of Regents require updating to reflect changes in the statutes, Administrative Code or Board policy that have occurred over time.

REQUESTED ACTION

Approval of Resolution II.11., amending the Bylaws of the Board of Regents.

DISCUSSION

The attachment details seven proposed updates to the Bylaws of the Board of Regents. The proposed revisions provide: Several corrections, based on the content of the bylaws themselves, updates to reflect statutory changes, updates to reflect changes in the Wisconsin Administrative Code, and an update based on a Regent Policy Document change.

RELATED REGENT POLICIES

No applicable Regent Policy Documents

ATTACHMENT

PROPOSED REVISIONS TO THE BYLAWS OF THE BOARD OF REGENTS

SECTION	PROPOSED BYLAWS CHANGE	REASON
Chapter III, “Committees of the Board,” Section 1.f., “Committee on Student Discipline and Student Governance Appeals”	Committee on Student Discipline and <u>Other Student Governance Appeals</u> consisting of at least three members appointed annually thereto by the President of the Board following the annual meeting. The President and Vice President of the Board shall serve as ex-officio voting members. The President shall designate the Chair of the Committee.	Correction: The committee name in this section is different from the name in in Chapter III, Section 7. The change remedies this difference by making the name the same in both sections.
Chapter III, “Committees of the Board,” Section 1.g., “Committee on Faculty and Academic Staff Collective Bargaining”	Committee on Faculty and Academic Staff Collective Bargaining consisting of at least three members appointed annually thereto by the President of the Board following the annual meeting, <u>if and when the committee is necessary</u> . The President and Vice President of the Board shall serve as ex-officio voting members and the President shall designate the Chair of the Committee.	<p>Update based on statutory change: The committee name is changed to Committee on Collective Bargaining to reflect changes to Wisconsin Statutes on collective bargaining.</p> <p>The University of Wisconsin System Faculty and Academic Staff Labor Relations Act, previously codified in subchapter VI of Chapter 111, Wis. Stats., established faculty and academic staff collective bargaining units at UW System institutions. This subchapter was repealed by the 2011 Wisconsin Act 10. Thus, a committee on faculty and academic collective bargaining is no longer necessary.</p> <p>However, the State Employment Labor Relations Act was amended to have the Board of the UW System perform employer functions pertaining to collective bargaining units for certain designated occupational groups if these units are certified. Thus, the Committee on Collective Bargaining may be established if and when necessary.</p>

SECTION	PROPOSED BYLAWS CHANGE	REASON
Chapter III, “Committees of the Board,” Section 6., “Duties of the Personnel Matters Review Committee”	a. Mandatory review. Where an opportunity to be heard, a review or an appeal to the Board is required by <u>s. 36.115(4), Wisconsin Statutes</u> ; the Board's administrative rules, such as UWS 4.08, 5.14(3) or 11.10, Wisconsin Administrative Code; or under Board policies, the Committee may conduct the hearing, review or appeal. All such proceedings shall be conducted upon the record of the matter created at the institutional or administrative levels. The Committee shall prepare recommended findings and a decision, and shall transmit them to the full Board for final action.	Update based on statutory change: The law that created s. 36.115, Wis. Stats. (2011 Wisconsin Act 32), provides for a grievance procedure that includes an appeal process to the Board; this reference is added.
Chapter III, “Committees of the Board,” Section 7., Duties of the Committee on Student Discipline and Other Student Appeals”	a.(1) Under ss. UWS 14.10 and UWS 17.0814, Wisconsin Administrative Code, the Board may, at its discretion, grant a review upon the record of the final institutional decision in a student discipline case. In such cases, the Committee on Student Discipline and Other Student Appeals shall make an initial determination and recommendation to the full Board as to whether the request for review should be granted. <u>A written request for review under s. UWS 17.14, Wis. Admin. Code, must be submitted to the Secretary of the Board within 14 days of the final institutional decision.</u> In making the determination determining whether to grant a request for review, the following factors shall be considered:...	Updates based on Administrative Code changes: Chapter UWS 17 was revised and renumbered since the current language was adopted. Board review is now covered in s. UWS 17.14, Wis. Admin. Code. In addition, revisions to s. UWS 17.14, Wis. Admin. Code, effective July 1, 2016, require any party requesting Board review upon the record of a final institutional decision under ss. UWS 17.11 to 17.13 (pertaining to nonacademic misconduct) to submit a written request within 14 days of the final institutional decision. The proposed bylaws revision reflects this requirement.

SECTION	PROPOSED BYLAWS CHANGE	REASON
Chapter III, "Committees of the Board," Section 7., "Duties of the Committee on Student Discipline and Other Student Appeals"	b.(1) Mandatory review. Where review of a student governance matter is required by the Board's policies, such as by Regent Policy Document 86-430-3 , <i>Guidelines for Implementation of 36.09(5), Wisconsin Statutes Student Governance</i> , the Committee may conduct the review. All such proceedings shall be conducted upon the record of the matter created at the institutional or administrative levels. The Committee shall prepare recommended findings and a decision, and shall transmit them to the full Board for final action.	Update based on change in Regent policy: Regent Policy Document (RPD) 86-4 was renumbered and retitled RPD 30-3, <i>Guidelines for Student Governance</i> .
Chapter III, "Committees of the Board," Section 8., Duties of the Committee on Faculty and Academic Staff Collective Bargaining"	Duties of the Committee on Faculty and Academic Staff Collective Bargaining The Committee on Faculty and Academic Staff Collective Bargaining shall have charge of consideration of all matters relating to collective bargaining under ch. 111, subch. VI, Wis. Stats., " University of Wisconsin System Faculty and Academic Staff State Employment Labor Relations."	Update based on statutory changes: The committee name and reference are changed to reflect changes to Wisconsin Statutes on collective bargaining. The University of Wisconsin System Faculty and Academic Staff Labor Relations Act, previously codified in subchapter VI, Chapter 111, Wis. Stats., established faculty and academic staff collective bargaining units at UW System institutions. This chapter was repealed by the 2011 Wisconsin Act 10. Thus, a committee on faculty and academic collective bargaining is no longer necessary. However, the State Employment Labor Relations Act was amended to have the Board of the UW System perform employer functions pertaining to collective bargaining units for certain designated occupational groups if and when these units are certified. The amendment is codified as subchapter V of Chapter 111, Wis. Stats.

SECTION	PROPOSED BYLAWS CHANGE	REASON
Chapter V, “System Administration,” Section 3., “Staff Services to the Board of Regents”	<p>The President shall, with the approval of the Board, designate a vice president as principal staff officer for the Education Committee; the Business; and Finance; and Audit Committee; <u>and the Capital Planning and Budget Committee; Research, Economic Development and Innovation Committee; and Audit Committee</u> of the Board or, in the event of the unavailability of an appropriate vice president, an associate vice president or other major administrative officer to perform this function. The persons so designated shall provide to the committee such materials and papers as may be required for the agenda of the committee, and be prepared to respond to such other requests for information or interpretation as the committee or its members may require. The Vice Presidents shall designate staff to serve as recording secretaries of these three <u>five</u> committees.</p>	<p>Updates based on changes elsewhere in the Bylaws: The name of the Business and Finance Committee is corrected. The Business, Finance, and Audit Committee was renamed the Business and Finance Committee after the Audit Committee was created.</p> <p>Also, the Research, Economic Development and Innovation Committee and Audit Committee are added to the list of committees requiring staffing.</p>