

THE UNIVERSITY OF TOLEDO
NCAA AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING





Dave Yost • Auditor of State

Dr. Sharon Gaber, President
University of Toledo
2801 W. Bancroft Street
Toledo, Ohio 43606-3390

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the University of Toledo NCAA Report, Lucas County, prepared by CliftonLarsonAllen LLP, for the period July 1, 2017 through June 30, 2018.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The University of Toledo is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 16, 2018

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**THE UNIVERSITY OF TOLEDO
NCAA AGREED-UPON PROCEDURES
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dr. Sharon Gaber, President
The University of Toledo
Toledo, Ohio

We have performed the procedures enumerated below, which were agreed to by the President of the University of Toledo (the Institution), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program statement of revenues and expenses (the statement) of the University of Toledo is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2018. The University of Toledo's management is responsible for the statement and the statement's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

AGREED-UPON PROCEDURES RELATED TO THE STATEMENT OF REVENUES AND EXPENSES

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

Internal Control Structure

A. Related to the Institution's internal control structure:

- We met with the Executive Director of Internal Audit and Chief Compliance Officer and inquired about the general control environment over intercollegiate athletic finances, the level of control consciousness in the Institution, the competence of personnel, and the protection of records and equipment.
- We obtained the University's audited financial statements for the year ended June 30, 2018, any additional reports regarding internal control, and any corrective action taken in response to comments concerning the internal control structure.
- We obtained documentation of the accounting systems and procedures unique to the Intercollegiate Athletics Department.
- Cash disbursements and athletic employee payroll were addressed in connection with the audit of the Institution's financial statements.

No exceptions noted.

NCAA Reporting

B. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Institution.

Results: We noted no exceptions.

C. We obtained the Institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the Institution meet the minimum requirements set forth in 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 that the Institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

Results: We noted no exceptions.

D. For Pell Grants: We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the Institution's financial aid records, of all student-athlete Pell Grants.

Results: We noted no exceptions.

Notes and Disclosures

E. We obtained the Institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, and reviewed them for consistency with the University's policies as described in Note 1 to the statement. We agreed the schedule to the Institution's general ledger. We obtained repayment schedules for all outstanding intercollegiate athletics debt maintained by the Institution during the reporting period. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained and agreed the total annual maturities to supporting documentation and the Institution's general ledger, as applicable. The repayment schedule(s) are included in Note 2 to the statement.

Results: We noted no exceptions.

F. Changes in loan, endowment, or plant funds related to intercollegiate athletics were not included in the Statement.

- 1) We obtained significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds. Significant is defined as exceeding 10% of total contributions.
- 2) We obtained and disclosed the value of endowments at the fiscal year-end that are dedicated to the sole support of athletics.
- 3) We obtained and disclosed the value of all pledges at the fiscal year-end that support athletics.
- 4) We obtained and disclosed the athletics department fiscal year-end fund balance.

Results: We noted no exceptions. There were no significant changes to endowment and plant funds. See Note 3 for disclosures.

Statement of Revenues and Expenses

G. We obtained the Intercollegiate Athletics Program Statement of Revenues and Expenses for the reporting period, prepared by management, and agreed all amounts back to the Institution's general ledger.

Results: We noted no exceptions.

H. For each major revenue/expense account over 10% of the total revenues/expenses, we agreed each revenue and expense amount from the statement to prior year amounts and budget estimates. We obtained and documented an understanding of any variations greater than 10% of total revenues/expenses.

Results: We reported this analysis as a supplement to the final report. See Appendix A.

I. We performed additional procedures on the following revenue and expense categories unless the specific reporting category was less than 4.0% of total revenues or expenses.

Results: See procedures below.

Revenues

J. We agreed each revenue category reported in the statement during the reporting period to supporting schedules provided by the Institution.

Results: We noted no exceptions.

For each of the operating revenue category in excess of 4% of total revenues reported in the statement, we performed the following procedures:

1) 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 Institution in the statement and related attendance figures and recalculated totals.

Results: We selected the following ticket sales transactions for testing:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
10/31/2017	Tickets fb akron and fbniu	\$720
11/2/2017	1710280002 fb akron	2,513
11/17/2017	1711150009 Football	4,975
12/31/2017	Ind FT Game (213 Nov. '17 CC)	33,688
12/31/2017	Season Foot (214 Dec. '17 CC)	7,035

We noted no exceptions.

2) Student Fees

We compared and agreed student fees reported by the Institution in the statement for the reporting period to student enrollments during the same reporting period and recalculated totals. We obtained and documented an understanding of the Institution's methodology for allocating student fees to intercollegiate athletics programs and recalculated totals.

Results: We noted no exceptions. We noted the total amount allocated to athletics agreed to the approved budgeted amount and was composed of the following elements:

<u>Name</u>	<u>Amount</u>
Athletics and Cheerleaders	\$10,091,212
Fetterman Training Facility	95,000
Glass Bowl	51,042
Larimer Team Facility	263,167

3) Direct Institutional Support

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

Results: We noted no exceptions.

4) Transfers Back to the Institution

We compared the transfers back to the Institution with permanent transfers back to the Institution from the athletics department and recalculated totals.

Results: We noted no transfers back to the Institution.

5) Contributions

We obtained and reviewed supporting documentation and recalculated totals for any contribution 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 constituted 10% or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period.

Results: We obtained the general ledger detail for contribution revenue and noted there were no contributions over 10%.

6) Media Rights

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

Results: We selected the following revenue:

<u>Revenue Source</u>	<u>Amount</u>
Learfield (UT's media partner)	\$1,104,370

We noted no exceptions.

7) Conference Distributions

We obtained and inspected agreements related to the Institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. We compared the related revenues to the Institution's general ledger and the statement, and recalculated totals.

Results: We selected the following conference distributions:

<u>Description</u>	<u>Amount</u>
MAC Conference Distribution	\$1,575,000
NCAA Base Unit Pool	126,244

We compared the above distributions to documentation from the Mid-American Conference and the related deposit slips. We noted no exceptions.

8) NCAA Revenue

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

Results: We selected the following NCAA revenues:

<u>Description</u>	<u>Amount</u>
NCAA CDA Trade Pay	\$630,256
NCAA CDA Trade Pay	109,710
NCAA SAOF Stud Assist	225,016
NCAA Academic Enhance	134,667

We noted no exceptions.

Expenses

K. We agreed each expense category reported in the statement during the reporting period to supporting schedules provided by the Institution.

Results: We noted no exceptions.

For each of the operating expense categories in excess of 4% of total expenses reported in the statement, we performed the following procedures:

1) Athletic Student Aid

We selected a sample of 40 students from the listing of institutional student aid recipients during the reporting period (no less than 10% of the total student athletes since the Institution used NCAA's Compliance Assistant software to prepare athletic aid detail). We obtained individual

student account detail for each selection and agreed total aid in the Institution's student system to the student's detail in Compliance Assistant.

- a) We performed a check of each student selected to ensure that his or her information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:
- i) The equivalency value for each student athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator, and the full grant amount, which is the total cost for tuition, fees, books, room and board for an academic year as the denominator. If using the NCAA Compliance Assistant software, this equivalency value should already be calculated on that squad list labeled "Rev. Dist. Equivalent Award."
 - ii) A student-athlete can only be included in one sport. NCAA Compliance Assistant software will place an asterisk by the student athlete within the sport that is not countable towards grants-in-aid revenue distribution per sport hierarchy listed in the Division I manual.
 - iii) All equivalency calculations should be rounded to two decimal places. The NCAA Compliance Assistant software and the on-line summary form will automatically round to two decimal places.
 - iv) The full grant amount should be the full cost of tuition for an academic year, not semester. The "Period of Award" column on the NCAA Compliance Assistance squad list can identify those student-athletes receiving aid for a particular semester.
 - v) If a sport is discontinued and the athletic grant(s) are still being honored by the Institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
 - vi) Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
 - vii) Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women, and FBS football should be included in the calculations.
 - viii) If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the Institution.
 - ix) If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.
- b) We recalculated totals for each sport and overall.

Results: We noted no exceptions. The students' accounts tested are summarized below:

Student Tested	Amount Awarded	Student Tested	Amount Awarded
1	\$15,806	21	\$35,216
2	11,706	22	21,406
3	33,580	23	10,088
4	35,216	24	27,820
5	35,216	25	18,114
6	35,216	26	31,178
7	16,939	27	12,082
8	35,216	28	35,216
9	25,878	29	35,216
10	17,608	30	11,065
11	25,878	31	31,178
12	35,216	32	21,476
13	35,216	33	4,300
14	25,878	34	20,777
15	12,939	35	21,254
16	8,704	36	0
17	25,442	37	25,592
18	28,413	38	31,004
19	21,094	39	29,479
20	16,340	40	9,187

2) Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities

We obtained and inspected a listing of coaches employed by the Institution and related entities during the reporting period. We selected a sample of nine 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 salaries, benefits, and bonuses recorded by the Institution and related entities in the summary registers to the related coaching salaries, benefits and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals.

Results: We selected nine coaches' for detail testing (including football, men's and women's basketball), obtained contracts (where applicable), and performed the procedures above for the following coaches:

Coach	Title
1	Football – Head Coach
2	Men's Basketball – Head Coach
3	Women's Basketball – Head Coach
4	Football – Assistant Coach
5	Track and Field – Assistant Coach
6	Women's Tennis – Head Coach
7	Women's Basketball – Assistant Coach
8	Swimming – Interim Assistant Coach
9	Football – Assistant Coach

We noted one exception during this testing. The head Men's Basketball coach was paid approximately \$16,530 more than what he should have been, per his contract in FY2018. The bonus paid of \$16,530 was calculated using wording from a prior contract and not the most current amended contract. The error was identified in fiscal year 2019. The error in the computation of the bonus was brought to management's attention as a result of these procedures and the matter addressed. As a result, FY2018 net income as reported was understated by \$16,530.

No other exceptions were noted.

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

We selected a sample of 12 support staff/administrative personnel employed by the Institution and related entities during the reporting period. We obtained and inspected the reporting period summary payroll register for each selection. We compared and agreed the related summary payroll register to the related support staff/administrative salaries, benefits and bonuses paid by the Institution and related entities expense recorded by the Institution in the statement during the reporting period and recalculated totals.

Results: We selected 12 support staff/administrative personnel for detail testing and performed the procedures above for the following staff:

<u>Staff</u>	<u>Title</u>
1	Senior Associate Athletics Director
2	Storekeeper 1
3	Associate Head Athletic Trainer
4	Director of Player Personnel
5	Director of Player Development and Community
6	Assistant Athletic director of Development and Premium Seating
7	Director of Women's Basketball Operations
8	Assistant Athletic Director-Sports Medicine
9	Deputy Director of Athletics
10	Associate Athletic Trainer
11	Athletic Development Operations Associate
12	Assistant Athletic Director

We noted no exceptions.

4) Team Travel

We obtained and documented an understanding of the Institution'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 expenses reported and recalculated totals. We selected a sample of 10 transactions to validate existence of the transaction and accuracy of recording and recalculated totals.

Results: We selected the following transactions:

Sample #	Team	Amount
1	Soccer-Women	\$50.97
2	Tennis-Men	6.88
3	Football	187.62
4	Tennis Women	451.75
5	Baseball	236.93
6	Tennis-Men	3.99
7	Softball	417.00
8	Golf-Men	375.00
9	Soccer-Women	1,025.00
10	Tennis-Women	85.11

We noted no exceptions.

5) Equipment, Uniforms, and Supplies

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

Results: We selected the following transactions:

Date	Expense Description	Amount
2/16/2018	Schontier-Che	\$32.98
2/2/2018	Norris	22.25
8/30/2017	Pratt, Charles	35.00

We noted no exceptions.

6) Game Expenses

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

Results: We selected the following transactions:

Date	Expense Description	Amount
12/22/2017	HR Payroll	\$50.90
11/7/2017	Phi Sigma Rho	150.00
7/25/2017	Reimb for pers charges	(350.08)

We noted no exceptions.

7) Athletic Facility Debt Service, Leases, and Rental Fees

We obtained a listing of debt service schedules, lease payments, and rental fees for athletic facilities for the reporting year. We compared a sample of 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.

Results: We selected the following facility debt service payments:

<u>Expense Description</u>	<u>Amount</u>
Debt Service Transfer	\$38,225
Internal Debt Repayment Transfer (Glass Bowl)	12,817
New Debt Service in FY17 for interest	208,425
New Turf Lease Payment	108,000
Larimer Team Project Bridge Funding	1,000,000

We noted no exceptions.

8) Other Operating Expenses

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

Results: We selected the following transactions:

<u>Date</u>	<u>Expense Description</u>	<u>Amount</u>
10/9/2017	Toledo Ticket Company	\$4,002.60
11/10/2017	Roope Holiday Inn Express	273.15
2/2/2018	American Airlines – Candle	436.00

We noted no exceptions.

Affiliated and Outside Organizations

L. In preparation for our procedures related to the Institution's affiliated and outside organizations, we:

- 1) Inquired of management as to whether they have identified any affiliated and outside organizations that meet any of the following criteria:
 - Booster organizations established by or on behalf of an intercollegiate athletics program.
 - Independent or affiliated foundations or other organizations that have as a principal purpose, generating or maintaining of grants-in-aid or scholarships funds, gifts, endowments or other monies, goods, or services to be used entirely or in part by the intercollegiate athletics program.
 - Alumni organizations that have as one of its principal purposes the generating of monies, goods or services for or on behalf of an intercollegiate athletics programs and that contribute monies, goods or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.
- 2) We also obtained documentation on the Institution's practices and procedures for monitoring the internal controls in place and financial activities of these organizations. We inquired of management on the procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the Institution's intercollegiate athletic program.

- 3) We obtained and inspected audited financial statements of the organization and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the control environment that were provided to us by management.

Results: We obtained the following listing prepared by the Institution of all identified affiliated and outside organizations and agreed that list to the activities recorded in the Institution’s financial statements and to the Intercollegiate Athletics Program statement of revenue and expenditures. We noted that two of the organizations’ finances are handled through the Institution’s foundation, with only the Downtown Coaches Association being outside the control of the Institution. We noted the following activity with the three affiliated outside organizations:

Entity	Beginning Cash Balance at 6/30/17	Cash Receipts	Contribution to or on Behalf of Program	Ending Cash Balance at 6/30/18
Varsity ‘T’ Club	\$33,172	\$28,380	\$13,484	\$48,068
Downtown Coaches Association	4,889	198,542	198,596	4,835
The University of Toledo Women’s Basketball Fan Club	15,003	29,239	31,177	13,095
Total All Funds	\$53,094	\$256,161	\$243,257	\$65,998

- M. For expenses on or behalf of intercollegiate athletic programs by affiliated and outside organizations not under the Institution’s accounting control, we obtained that organization’s financial statements for the reporting period. We agreed the amounts reported to the organization’s general ledger, and performed the following procedures:

- 1) We disclosed the following summary of revenue and expenses for one such organization outside the Institution’s control, the Downtown Coaches Association (DCA), as of June 30, 2018:

Revenue	\$198,542
Expenses	198,596
Net Gain	(\$54)

- 2) We agreed a sample of three operating revenue categories reported in the DCA’s statement during the reporting period to supporting schedules provided by the DCA.

Revenue Category	Amount
1 Aramark Lunches	\$22,269
2 Football 50/50	104,440
3 Women’s Basketball 50/50	28,640

- 3) We agreed a sample of three operating revenue receipts obtained from the above operating revenue schedule to supporting documentation.

Date of Receipt	Amount
1 11/7/2017	\$1,018
2 10/10/2017	22,672
3 3/5/2018	2,596

- 4) We agreed each operating expense category reported in the DCA statement during the reporting period to supporting schedules provided by the DCA.

	Expense Account	Amount
1	Lunches – Aramark	\$29,319
2	Miscellaneous Expenses	1,127
3	Football 50/50 Awards	35,990
4	Concert 50/50 Awards	0
5	Men’s Basketball 50/50 Awards	15,556
6	Women’s Basketball 50/50 Awards	12,947
7	50/50 IRS Withholding Payments	11,970
8	Pointstreak Commission	10,215
9	Pointstreak Technical Fees	1,765
10	Miscellaneous 50/50 Expenses	1,586
11	Executive Compensation	4,600
12	50/50 Team Distribution	36,221
13	Athletic Department Distribution	37,300

- 5) We agreed a sample of three operating expenses obtained from the above operating expense supporting schedules to supporting documentation.

	Expense Category	Amount
1	Pointstreak Commission	\$1,443.06
2	Men’s Basketball 50/50 Awards	2,768.00
3	Miscellaneous Expenses	400.00

- 6) We directly confirmed cash balances recorded at the end of the reporting period by the DCA and agreed to the related year-end bank reconciliations. The balance per the bank was \$4,835.14 at June 30, 2018.

- 7) We obtained and inspected minutes of the DCA’s governing body during the reporting period and selected a sample of three financial transactions discussed in the minutes. Each transaction selected was agreed to supporting documentation without exception.

	Meeting Date	Amount
1	10/16/2017	\$673
2	12/11/2017	9,669
3	3/5/2018	2,890

- 8) We obtained and documented an understanding of the internal controls in place surrounding revenues and expenses related to the organization.

* * * * *

Dr. Sharon Gaber, President
The University of Toledo

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Intercollegiate Athletics Program statement of revenues and expenses of the University of Toledo. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users above, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
October 15, 2018

**THE UNIVERSITY OF TOLEDO
INTERCOLLEGIATE ATHLETICS PROGRAM –
STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 2018**

	Football	Men's Basketball	Women's Basketball	Other	Total
OPERATING REVENUES					
Ticket Sales	\$ 1,104,544	\$ 391,054	\$ 183,222	\$ 114,243	\$ 1,793,063
Student Fees	-	-	-	10,500,421	10,500,421
Direct Institutional Support	258,712	19,813	22,876	1,779,834	2,081,235
Guarantees	675,000	100,000	-	29,000	804,000
Contributions	169,308	110,031	44,538	3,524,182	3,848,059
Media Rights	-	-	-	1,298,135	1,298,135
NCAA Revenue	-	-	-	1,358,541	1,358,541
MAC Revenue	-	-	-	1,854,910	1,854,910
Program Sales, Concessions, and Parking	151,362	40,370	19,024	74,268	285,024
Royalties, Ads, and Sponsorships	4,551	-	-	525,830	530,381
Sports Camp Revenue	56,127	56,387	41,758	120,804	275,076
Athletics Restricted Endowment and Investment Income	-	-	-	126,704	126,704
Bowl Revenue	486,975	-	-	-	486,975
Other Revenue	8,580	(600)	9,848	215,049	232,877
Total Operating Revenues	<u>2,915,159</u>	<u>717,055</u>	<u>321,266</u>	<u>21,521,921</u>	<u>25,475,401</u>
OPERATING EXPENSES					
Athletic Student Aid	3,423,890	480,666	554,079	4,327,133	8,785,768
Guarantees	575,000	85,634	25,130	24,000	709,764
Coaching Salaries	3,264,800	1,133,505	1,009,711	1,543,441	6,951,457
Support Staff Salaries	519	582	416	3,406,354	3,407,871
Recruiting	288,117	76,831	98,325	94,672	557,945
Team Travel	475,804	221,326	193,994	1,060,392	1,951,516
Equipment, Uniforms, and Supplies	765,691	84,522	66,525	949,728	1,866,466
Game Expenses	999,630	404,136	235,403	153,214	1,792,383
Fundraising, Marketing, and Promotion	-	-	-	612,592	612,592
Sports Camp Expense	36,983	32,367	29,834	48,310	147,494
Spirit Groups	-	-	-	59,767	59,767
Debt Service	-	-	-	1,367,467	1,367,467
Direct Overhead	14,407	1,944	2,627	518,093	537,071
Medical Expenses and Insurance	300	-	1,247	433,589	435,136
Memberships and Dues	8,529	4,675	4,795	190,242	208,241
Bowl Expense	602,572	-	-	-	602,572
Other Operating Expenses	312,552	81,444	65,631	1,126,288	1,585,915
Total Operating Expenses	<u>10,768,794</u>	<u>2,607,632</u>	<u>2,287,717</u>	<u>15,915,282</u>	<u>31,579,425</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (7,853,635)</u>	<u>\$ (1,890,577)</u>	<u>\$ (1,966,451)</u>	<u>\$ 5,606,639</u>	<u>\$ (6,104,024)</u>

This statement should be read only in connection with the accompanying agreed upon procedures report and the notes to the statement.

**THE UNIVERSITY OF TOLEDO
NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM –
STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 2018**

NOTE 1 – INTERCOLLEGIATE ATHLETICS-RELATED ASSETS

Property and equipment are recorded at cost or, if donated, the fair value at the time of donation. Expense for maintenance and repairs are charged to current expense as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenses for major renewals and betterments that extend the useful lives of the assets are capitalized. Estimated service lives range from four to forty years depending on class.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2018 are as follows:

	<u>Current Year Additions</u>	<u>Current Year Deletions</u>
Football Athletic Facilities	\$18,715	\$ -0-
Other Athletic Facilities	35,094	(60,901)
Total Athletics Facilities	<u>\$53,809</u>	<u>\$(60,901)</u>
Other Institutional Facilities	\$32,873,191	\$26,040,099

The total estimated book values of property, plant, and equipment, net of depreciation, of the Institution as of and for the year ended June 30, 2018 are as follows:

	<u>Estimated Book Value</u>
Athletics-Related Property, Plant, and Equipment Balance	\$45,623,660
Institution's Total Property, Plant, and Equipment Balance	572,529,000

NOTE 2 – INTERCOLLEGIATE ATHLETICS-RELATED DEBT

The annual debt service and debt outstanding for the Institution as of the year ended June 30, 2018 is as follows:

	<u>Annual Debt Service</u>	<u>Debt Outstanding</u>
Athletics-Related Facilities	\$2,218,927	\$37,080,144
Institution's Total	27,761,000	437,216,000

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the Institution during the year ended June 30, 2018 is as follows:

Glass Bowl		Savage Hall		Practice Facility		Total		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
17,750	17,325	567,718	719,777	416,778	479,578	1,002,246	1,216,681	2,218,927
18,650	19,850	658,959	631,793	615,816	461,292	1,293,425	1,112,935	2,406,360
19,450	17,300	618,407	663,611	642,533	434,273	1,280,390	1,115,185	2,395,574
-	-	709,648	578,570	671,921	406,082	1,381,569	984,652	2,366,221
-	-	679,234	602,676	701,309	376,601	1,380,543	979,278	2,359,821
-	-	12,631,728	4,082,649	6,951,643	1,667,222	19,583,372	5,749,870	25,333,242
\$ 55,850	\$ 54,475	\$ 15,865,694	\$ 7,279,076	\$ 10,000,000	\$ 3,825,049	\$ 25,921,544	\$ 11,158,600	\$ 37,080,144

**THE UNIVERSITY OF TOLEDO
NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM –
STATEMENT OF REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 2018**

NOTE 3 – CONTRIBUTIONS

The value of all endowments dedicated to the sole support of athletics at June 30, 2018 is \$3,644,532. The value of all pledges dedicated to the sole support of athletics at June 30, 2018 is \$3,780,852. The athletic department fiscal year-end fund balance for the year ended June 30, 2018 is \$-0-. There were no individual contributions of monies, goods, or services received directly by the Institution's intercollegiate athletics program from any affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constitute 10% or more of all contributions received for intercollegiate athletics during the year ended June 30, 2018.

**THE UNIVERSITY OF TOLEDO
INTERCOLLEGIATE ATHLETICS PROGRAM –
NCAA AGREED UPON PROCEDURES – APPENDIX A
YEAR ENDED JUNE 30, 2018**

OPERATING REVENUES	<u>2017-18 Total</u>	<u>2016-17 Total</u>	<u>Amount Change</u>	<u>Percent Change</u>	<u>Explanation of Variance per Management</u>
Contributions	\$ 3,848,058	\$ 2,723,005	\$ 1,125,053	41.32%	\$523,361 - in prior years, balances were recorded in Other Operating Revenue. Will now be in Contributions unless NCAA provides other guidance in subsequent years. \$555,886 increase due to annual fluctuations based on budgets and cash flow needs.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.



Dave Yost • Auditor of State

UNIVERSITY OF TOLEDO- NCAA

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 29, 2018