
Ohio University
National Collegiate Athletic Association

Agreed-Upon Procedures Report

June 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER



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We have reviewed the *Independent Accountant's Report on Application of Agreed-Upon Procedures* of the Ohio University NCAA Report, Athens County, prepared by Plante & Moran, PLLC, for the period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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 Ohio University is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 7, 2020

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**Ohio University
National Collegiate Athletic Association**

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Independent Accountant's Report on Application of Agreed-Upon Procedures

Dr. M. Duane Nellis, President
Ohio University
Athens, Ohio, 45701

We have performed the procedures enumerated below, which were agreed to by the President of Ohio University (the "University"), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program Statement of Revenues and Expenses (the "Statement") of Ohio University is in compliance with the National Collegiate Athletic Association ("NCAA"), Constitution 3.2.4.15 for the year ended June 30, 2019. Ohio University's management is responsible for the Intercollegiate Athletic Program statement of revenues and expenses and the statement's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

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

Internal Control Structure

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

- 1) We met with the Director of Intercollegiate Athletics and inquired about the general control environment over intercollegiate athletic finances, the level of control consciousness in the University, the competence of personnel, and the protection of records and equipment.
- 2) We obtained the audited financial statements for the year ended June 30, 2019 and any additional reports regarding internal controls if the University was audited independent of these agreed-upon procedures and any corrective action taken in response to comments concerning the internal control structure.
- 3) We obtained any documentation of the accounting systems and procedures unique to the Intercollegiate Athletics Department.
- 4) Cash disbursements, cash receipts, and athletic employee payroll are addressed in connection with the audit of the University's financial statements. The following control environment and accounting systems are (a) unique to the intercollegiate athletics and (b) have not been addressed in connection with the audit of the University's financial statements. We performed the following procedures:

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Procedure: We concluded that the intercollegiate athletics department's internal control structure was the same as the University's internal control for the cash disbursement, general cash receipt, and employee pay process. The only procedure that is unique to intercollegiate athletics is the ticket collection receipt process. We selected three games and tested the ticket collection receipting process by comparing the total receipts for such games to the reconciliation and documentation of the related cash deposit amount with the University Bursar.

Results: We noted no exceptions. We selected three football games during the year and agreed the gate sales for such events, as documented by the University's ticket reconciliation procedures, to deposit slips of the related cash deposit amount with the University Bursar. The games selected for testing were against University of Massachusetts on September 29, 2018, against Ball State University on October 25, 2018, and against University of Buffalo on November 14, 2018.

NCAA Reporting

- B. **Procedure:** We obtained the Financial Report Submission to the NCAA, including the financial data detailing operating revenues, expenses, and capital related to the University's intercollegiate athletics program that was submitted to the NCAA and agreed the amounts to the Intercollegiate Athletics Program Statement of Revenues and Expenses (the "Statement") included in the agreed-upon procedures for the reporting period.

Results: We reviewed a draft of the report to be submitted, noting no discrepancies. Management represents the report will be submitted by the due date of January 15, 2020.

- C. **Procedure:** We agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from JumpForward. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Institution. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 4%.

Results: We noted the following variances greater than +/-4% and noted the explanation provided by Chief Financial Office/Senior Associate Athletic Director below:

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	2018-19 Total	2017-18 Total	Number Change	Percent Change	Explanation of Variance
<u>Grants-In-Aid</u>					
Men's Basketball	13.00	12.00	1.00	8%	Increase in student athletes receiving aid
Men's Golf	4.35	4.98	-0.63	-13%	Decrease in student athletes receiving aid
Women's Basketball	14.00	13.00	1.00	8%	Increase in student athletes receiving aid
Women's Field Hockey	14.03	12.58	1.45	12%	Increase in student athletes receiving aid
Women's Golf	5.91	5.09	0.82	16%	Increase in student athletes receiving aid
Women's Soccer	15.92	17.04	-1.12	-7%	Decrease in student athletes receiving aid
Women's Swimming and Diving	12.56	11.02	1.54	14%	Increase in student athletes receiving aid
Women's Track and Field, Cross Country	20.26	16.35	3.91	24%	Increase in student athletes receiving aid

- D. **Procedure:** We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the University 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 requirements. We compared current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance.

Results: We noted no discrepancies in the countable sports for funding purposes between the NCAA Membership financial reporting system and the supporting documentation. We noted the number of sports sponsored in prior and current year was 16.

- E. **Procedure:** 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 University's financial aid records, of all student athlete Pell Grants. We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 20 grants.

Results: We noted no exceptions. We noted the total Pell Grants in prior and current year was 57 and 67, respectively.

Notes, Disclosures, and Other Procedures

- F. **Procedure:** We obtained and described the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, as disclosed in Note 2. We obtained a schedule of athletics-related capital expenditures made by athletics, the University, and affiliated organizations during the period. We agreed the schedule to the University's general ledger. We selected a sample of one transaction to validate existence of the transactions and accuracy of recording and recalculated totals.

Result: We selected the Trackman addition for \$25,495 and agreed it to the purchase order and the Trackman invoice dated November 30, 2018. We noted no exceptions.

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G. **Procedure:** We obtained repayment schedules for all outstanding intercollegiate athletics debt maintained by the University 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 University's general ledger, as applicable. The repayment schedule is disclosed in Note 3. We agreed the total outstanding athletics-related debt and total institutional debt to supporting documentation and the University's audited financial statements, if available, or the University's general ledger.

Result: We agreed all outstanding intercollegiate debt to the repayment schedules and Note 3. We agreed total institutional debt to the University's audited financial statements. We noted no exceptions.

H. **Procedure:** We obtained the general ledger detail and compared it to the total expenses reported for excess transfers to the University and conference realignment expenses. We attempted to select a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculated totals.

Result: There were no excess transfers to the University or conference realignment expenses; therefore, no samples were selected. We noted no exceptions.

I. **Procedure:** Changes in loan, endowment or plant funds related to intercollegiate athletics shall not be included in the Statement.

- 1) We obtained and disclosed 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 percent of contributions.
- 2) We obtained and disclosed the value of endowments at the fiscal year end that are dedicated to the sole support of athletics. We agreed the fair market value of the schedules to the general ledger. We agreed the total fair market value of athletics dedicated endowments and Institutional endowments to supporting documentation.
- 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 disclosed significant additions to contributions in Note 1 and all other items in Note 4.

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Statement of Revenues and Expenses

- J. **Procedure:** 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 University's general ledger.

Result: We noted no exceptions.

- K. **Procedure:** We compared each revenue and expense account over 10 percent of total revenues and expenses, respectively, to prior period amounts and budget estimates. We obtained and documented any variations exceeding 10 percent of total revenues or expenses.

Result: See Appendix A. We did not compare current actual to budget estimates. It is management's opinion that these comparisons and explanations would not add additional value, as budgets are based on prior year actuals with consideration given to known or expected changes.

- L. **Procedure:** We performed additional procedures on the following revenue and expense categories unless the specific reporting category is less than 4 percent of total revenues or expenses.

Results: See procedures below.

Revenues

- M. **Procedure:** We agreed each revenue reported in the Statement during the reporting period to supporting schedules provided by the University.

Result: The supporting schedules provided by the University agreed to the Statement without exception.

We performed the following procedures for the indicated revenue category:

- 1) **Direct Institutional Support Procedure:** We agreed the direct Institutional support recorded by the University during the reporting period with budget transfers and other corroborative supporting documentation.

Result: We agreed direct Institutional support recorded to the planning unit spending authorization reports for athletics (regular operating) and athletics (grants-in-aid). We noted no exceptions.

- 2) **Indirect Institutional Support Procedure:** We agreed the indirect Institutional support recorded by the University during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculated totals.

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Result: We recalculated allocations and agreed each sport's total expenditures to the ICA sport allocation report and general ledger. We noted no exceptions.

- 3) **Contributions Procedure:** We obtained supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency or group of individuals that constitute 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods. We disclosed the source and dollar value of these contributions in the report.

Result: We obtained the signed gift agreements and agreed amounts received to the bank deposit and the general ledger. See Note 1 for contributions over 10 percent.

- 4) **NCAA Distributions Procedure:** We agreed the amounts recorded in the statement to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated totals.

Result: We agreed all NCAA distributions to memos and correspondence received from the NCAA with the distributions, including check stubs and electronic payment remittance emails. We also agreed each to the general ledger detail and the total to the Statement and recalculated totals. We noted no exceptions.

- 5) **Conference Distributions Procedure:** We obtained and inspected all agreements related to the University's conference distributions and participation in revenues from tournaments during the reporting period and gained an understanding of relevant terms and conditions. We compared the related revenues to the University's general ledger, and statement.

Result: We agreed all conference distributions to correspondence from the conference and agreed the total to the general ledger and statement. We noted no exceptions.

- 6) **Royalties, Licensing, Advertisements, and Sponsorships Procedure:** We obtained and inspected all agreements related to the University's participation in revenues from royalties, advertisements, and sponsorships during the reporting period and gained an understanding of relevant terms and conditions. We agreed the related revenues to the University's general ledger and/or the statement. We also recalculated totals.

Result: We obtained the royalty summary statement and quarterly royalty summary reports for the reporting period with Learfield Licensing Partners, pouring rights agreement with Pepsi, advertising agreement with IMG, marketing agreement with Pepsi for the Peden Stadium End Zone, sponsorship agreement with Ohio Health, and athletic apparel agreement with Adidas. We agreed related revenue to the general ledger detail and general ledger total to the Statement. We noted no exceptions.

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Expenses

N. **Procedure:** We agreed each expense category reported in the statement during the reporting period to supporting schedules provided by the University.

Result: The supporting schedules provided by the University agreed to the statement without exception.

We performed the following procedures for the indicated expense category:

- 1) **Athletic Student Aid Procedures:** We selected a sample of 60 students from the listing of Institutional student aid recipients during the reporting period (no less than 20% of total student athletes for Institutions who have not used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 60).
 - a. We obtained individual student account detail for each selection and agreed total aid in the Institution's student system to student detail in the University report that ties directly to the NCAA Membership Financial Reporting System.
 - b. We performed a check of each student selected to ensure that their information was reported accurately and 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, need 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.
 - ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
 - iii. Other expenses related to attendance (also known as gap money or cost of attendance) should be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07).
 - iv. Full grant amount should be entered as a full year of tuition, not a semester or quarter.
 - v. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
 - vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women, and bowl subdivision football.
 - vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.

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- viii. Institutions providing grants to student-athletes listed on the CRDE as “Exhausted Eligibility (fifth year)” or “Medical” receive credit in the grants-in-aid component.
 - ix. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
 - x. Athletes should be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.
 - xi. If a sport is discontinued and the athletic grant(s) are still being honored by the University, the grant(s) are included in student-athlete aid for revenue distribution purposes.
 - xii. All equivalency calculations should be rounded to two decimal places.
 - xiii. If a selected student received a Pell Grant, ensure that 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 University.
 - xiv. If a selected student received a Pell Grant, ensure that 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.
- c. We recalculated totals for each sport and overall.

Result: We noted no exceptions. We noted for student 43 below, that the student-athlete quit the team prior to the disbursement of athletic aid.

The students’ accounts tested are summarized below:

Student Tested	Amount Disbursed	Student Tested	Amount Disbursed	Student Tested	Amount Disbursed
1	\$ 13,000	21	\$ 38,505	41	\$ 12,994
2	18,612	22	13,987	42	19,117
3	22,328	23	14,493	43	-
4	16,102	24	27,310	44	19,811
5	24,000	25	13,920	45	18,443
6	38,562	26	37,828	46	30,637
7	37,835	27	11,589	47	38,598
8	34,442	28	15,864	48	9,558
9	38,450	29	12,000	49	12,000
10	29,146	30	20,000	50	6,000
11	38,550	31	8,500	51	16,704
12	18,000	32	14,850	52	21,573
13	9,500	33	15,950	53	30,364
14	11,827	34	38,507	54	17,691
15	27,278	35	29,032	55	29,039
16	36,274	36	23,128	56	39,980
17	36,283	37	21,509	57	36,393
18	27,840	38	34,535	58	37,800
19	37,853	39	35,549	59	16,338
20	38,540	40	24,000	60	25,136

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- 2) **Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities Procedure:** We obtained and inspected a listing of coaches employed by the Institution and related entities during the reporting period. We selected a sample of five coaches' contracts that includes football, and men's and women's basketball from the above listing. We agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the statement during the reporting period. We obtained and inspected payroll summary registers, for each selection. We agreed related payroll summary registers to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the Institution in the statement during the reporting period, and recalculated totals. We compared and agreed the totals recorded to any employment contracts executed for the sample selected.

Result: We attempted to select five coaches' contracts to test, however, the men's basketball head coach was replaced two months prior to the end of his contract. We included the new coach in our sample of coaches' contracts tested as he is the men's basketball head coach. As a result, our testing reflects a sample of six coaches' contracts that included football, men's basketball, baseball, women's basketball, and women's volleyball. We agreed the financial terms and conditions of each to the related coaching salaries, benefits, and bonuses recorded by the University on the payroll detail. We agreed payroll detail totals to the Statement. We noted no other exceptions.

- 3) **Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities Procedure:** We selected a sample of three support staff/administrative personnel employed by the University and related entities during the reporting period. We obtained and inspected payroll summary registers, for each selection. We agreed related payroll summary registers 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. We also recalculated totals.

Result: We selected three support staff/administrative personnel, which included the academic coordinator, associate athletic trainer and associate athletic director – facilities. We noted no exceptions.

- 4) **Team Travel Procedure:** We obtained documentation of the Institution's team travel policies. We agreed to existing Institutional- and NCAA-related policies. We obtained general ledger detail and agreed to the total expenses reported.

Result: We selected one expense transaction related to team travel from the general ledger detail. We agreed the \$554.96 expense, paid on August 30, 2018, to the confirmation from Southwest Airlines. We agreed the general ledger total to the statement. We noted no exceptions.

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- 5) **Athletic Facility Debt Service, Leases, and Rental Fees Procedure:** We obtained a listing of debt service schedules, lease payments and rental fees for athletic facilities for the reporting year. We agreed a sample of three facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). We agreed amounts recorded to amounts listed in the general ledger detail and recalculated totals.

Result: We agreed the debt service payments for the debt described in Note 3 to the related Charge to Departments schedule prepared by the treasury management office. We tested the annual principal and interest payments made for the Sook Academic Center, Peden Scoreboard, Convo Video Board, indoor multipurpose facility, and the track and turf field and agreed to repayment schedules. The payments are paid by the University and are allocated to the intercollegiate athletics department. We noted no exceptions.

- 6) **Indirect Institutional Support Procedure:** We tested this with the revenue section – Indirect Institutional Support.

Related to Affiliated and Outside Organizations not under the Institution's Accounting Control:

O. 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:
 - i. Booster organizations established by or on behalf of an intercollegiate athletics program.
 - ii. 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 moneys, goods or services to be used entirely or in part by the intercollegiate athletics program.
 - iii. Alumni organizations that have as one of its principal purposes the generating of moneys, goods or services for or on behalf of an intercollegiate athletics programs and that contribute moneys, goods or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.

Results: We inquired of management as to whether it had identified any affiliated or outside organizations that meet the above criteria. Management indicated that there were no affiliated or outside organizations; therefore, no further procedures were performed.

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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 accompanying Intercollegiate Athletics Program Statement of Revenues and Expenses. 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 Ohio University's management and the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

December 12, 2019

Intercollegiate Athletics Program Statement of Revenues and Expenses

June 30, 2019

Operating Revenues	Men's		Women's Basketball	Other Sports	Nonprogram Specific	Total
	Football	Basketball				
Ticket Sales	\$ 695,797	\$ 398,781	\$ 16,996	\$ 11,737	\$ -	\$ 1,123,311
Direct Institutional Support	6,136,512	1,606,437	1,113,283	6,324,863	2,218,627	17,399,722
Guarantees	900,000	90,000	15,000	44,200	-	1,049,200
Contributions	40,576	4,100	2,316	100,583	3,575,922	3,723,497
Media Rights	87,500	87,500	-	-	-	175,000
NCAA Distributions	404,533	203,492	68,073	714,897	-	1,390,995
Conference Distributions	2,000	2,000	11,358	-	1,302,000	1,317,358
Conference Distributions of Bowl Generated Revenue	350,000	-	-	-	-	350,000
Program, Novelty, Parking, and Concession Sales	72,792	19,628	10,146	9,469	155,955	267,990
Royalties, Licensing, Advertisements and Sponsorships	-	-	-	-	4,245,359	4,245,359
Sports Camp Revenues	22,682	119,113	12,387	243,989	-	398,171
Athletic Restricted Endowment and Investment Income	9,077	17,944	-	48,192	108,929	184,142
Other Operating Revenue	24,383	-	63,718	27,386	422,668	538,155
Bowl Revenues	7,814	-	-	-	-	7,814
Indirect Institutional Support	835,541	306,419	156,306	741,609	552,831	2,592,706
Total Operating Revenue	9,589,207	2,855,414	1,469,583	8,266,925	12,582,291	34,763,420
Operating Expenditures						
Athletic Student Aid	3,512,713	552,864	541,050	4,089,960	37,520	8,734,107
Guarantees	600,000	320,000	68,000	-	-	988,000
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	2,057,851	1,322,331	599,491	2,139,133	-	6,118,806
Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities	248,134	206,315	70,299	45,289	3,072,627	3,642,664
Recruiting	325,995	91,793	54,513	121,364	-	593,665
Team Travel	661,457	274,692	182,543	1,023,875	-	2,142,567
Sports Equipment, Uniforms, and Supplies	320,722	45,641	20,630	232,025	41,275	660,293
Game Expenses	186,622	117,975	88,907	88,656	-	482,160
Fund Raising, Marketing and Promotion	168,863	64,851	9,588	41,886	835,814	1,121,002
Sports Camp Expenses	21,782	130,593	10,933	135,599	-	298,907
Athletic Facility Debt Service, Leases and Rental Fees	-	-	-	18,713	3,830,707	3,849,420
Direct Overhead and Administrative Expenses	183,772	123,063	15,944	52,299	894,052	1,269,130
Medical Expenses and Medical Insurance	1,549	332	332	2,500	642,257	646,970
Memberships and dues	138,715	35,069	1,131	19,680	150,049	344,644
Student-Athlete Meals (non-travel)	60,165	11,598	2,494	10,175	25,035	109,467
Other Operating Expenses	136,404	40,288	36,577	56,186	337,614	607,069
Bowl Expenses	397,786	-	-	-	-	397,786
Bowl Expenses - Coaching Compensation/Bonuses	77,880	-	-	-	-	77,880
Indirect Institutional Support	835,541	306,419	156,306	741,609	552,831	2,592,706
Total Operating Expenditures	9,935,951	3,643,824	1,858,738	8,818,949	10,419,781	34,677,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (346,744)</u>	<u>\$ (788,410)</u>	<u>\$ (389,155)</u>	<u>\$ (552,024)</u>	<u>\$ 2,162,510</u>	<u>\$ 86,177</u>

See notes to Intercollegiate Athletics Program Statement of Revenues and Expenses

Notes to Intercollegiate Athletics Program

Statement of Revenues and Expenses

June 30, 2019

Note 1 - Contributions

Individual contributions of moneys, goods or services received directly by the University's intercollegiate athletics program from any affiliated or outside organization, agency or individuals (e.g., contributions by corporate sponsors) that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the year ending June 30, 2019 are as follows:

Source of Funds, Goods, and Services	Value
A private foundation	\$ 1,000,000

Note 2 - Intercollegiate Athletics-Related Assets

Property and equipment are recorded at cost or, if donated, the acquisition 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 5-40 year depending on class.

The current year capitalized additions and deletions to facilities during the year ending June 30, 2019 are as follows:

	Additions/ Transfers In	Disposals/ Transfers Out
CIP	\$ 783,385	\$ 5,542,640
Infrastructure	2,463,910	-
Buildings	6,828,269	-
Total Athletics Facilities	\$ 10,075,564	\$ 5,542,640
Other Institutional Facilities	\$ 84,778,966	\$ 24,859,787

Notes to Intercollegiate Athletics Program Statement of Revenues and Expenses

June 30, 2019

Note 2 - Intercollegiate Athletics-Related Assets (Continued)

The total estimated book values of property, plant and equipment, net of depreciation, of the University as of the year ending June 30, 2019, are as follows:

	Estimated Book Value
Athletics Related Property Plant and Equipment Balance	\$ 35,423,665
University's Total Property Plant and Equipment Balance	1,067,021,177

Note 3 - Intercollegiate Athletics-Related Debt

The annual debt service and debt outstanding for the University as of the year ending June 30, 2019 is as follows:

	Annual Debt Service	Debt Outstanding
Athletics Related Facilities	\$ 2,022,285	\$ 9,161,833
University's Total	42,676,773	592,362,398

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the University during the year ending June 30, 2019 is as follows:

Years Ending June 30	Total Intercollegiate Athletics Debt
2020	\$ 2,022,285
2021	2,382,270
2022	1,221,991
2023	541,699
2024	356,869
2025-2044	2,636,719
Total	\$ 9,161,833

Notes to Intercollegiate Athletics Program
Statement of Revenues and Expenses

June 30, 2019

Note 4 - Restricted and Endowment and Plant Funds

At June 30, 2019 the University had \$6,215,997 of endowments and \$1,339,362 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletic department's unrestricted operating fund balance, including reserves for capital replacement, is \$518,624 at June 30, 2019.

June 30, 2019

	Fiscal Year 2019 Total	Fiscal Year 2018 Total	\$ Change	% Change	Explanation of Variance
Operating Revenue:					
Contributions	\$ 3,723,497	\$ 4,870,290	\$ (1,146,793)	(23.5%)	Part of the variance is a result of a fund raising campaign initiated for a new turf infield at Wren Stadium. Funds for this project were strictly donor gifts, with a majority of these monies collected in fiscal year 2018 (\$458K). Additionally, a new multi-year gift agreement of \$800K annually related to the fieldhouse was delayed in fiscal year 2017 and the first & second year pledges were both received in fiscal year 2018 (\$800K).
Royalties, licensing, advertisements, and sponsorships	4,245,359	1,626,955	2,618,404	160.9%	A majority of the variance is a result of upfront monies from new contracts through IMG for exclusive rights on multi-media and product licensing for athletics. The signing bonuses, collected in fiscal year 2019, include \$1.8M for the multi-media rights deal and \$750K for the product licensing agreement.
Operating Expenditures:					
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$ 3,642,664	\$ 3,303,172	\$ 339,492	10.3%	A majority of the variance is a result of additional salaries paid out for a new CFO position along with higher than normal vacation leave pay for employee separations due to a high degree of turnover within athletics. Other items include additional performance incentives earned for the Athletic Director.
Athletic facilities debt service, leases, and rental fees	3,849,420	2,368,136	1,481,284	62.6%	A majority of the variance is a result of a new loan payoff related to the scoreboard in the Convocation Center of \$1.3M. The loan repayment term began in fiscal year 2019, P&I was paid quarterly initially, then the loan paid in full at year-end due to the IMG funds received from the new rights' agreement (referenced in Royalties above). In addition, the Walter Fieldhouse gift advance principal payment was an increase from fiscal year 2018 of \$212K.

OHIO AUDITOR OF STATE KEITH FABER



OHIO UNIVERSITY-NCAA

ATHENS 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
JANUARY 21, 2020**