

Miami University

Independent Accountant's Report on Applying
Agreed-Upon Procedures Performed on the
Intercollegiate Athletics Department as required by
NCAA Constitution 3.2.4.15

June 30, 2017





Dave Yost • Auditor of State

Board of Trustees
Miami University
218 Roudebush Hall
Oxford, Ohio 45056

We have reviewed the *Independent Accountant's Report* of the Miami University NCAA Report, Butler County, prepared by RSM US LLP, for the period July 1, 2016 through June 30, 2017.

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

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

Dave Yost
Auditor of State

December 8, 2017

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Independent Accountant's Report

Dr. Gregory P. Crawford, President
Miami University
Oxford, Ohio

We have performed the procedures enumerated below, which were agreed to by Miami University (the University), solely to assist in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) and related notes to the Statement of the Intercollegiate Athletics Department of the University (the Department) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2017. Miami University's management is responsible for the Statement of Revenues and Expenses, notes to the Statement, and the Statement's compliance with those requirements. The sufficiency of these 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.

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

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

- A. We obtained the Department's Statement of Revenues and Expenses (the Statement) for the year ended June 30, 2017, as prepared by management and included herein as Exhibit A. We computed, without exception, the mathematical accuracy of the Statement. We compared the individual line items in the "Total" column to the respective amounts recorded in the Department general ledger for the year ended June 30, 2017 and found them to be in agreement. If a specific reporting category was less than 4% of the total revenue, no procedures were performed for that specific category.

No exceptions were noted as a result of applying these procedures.

- B. We obtained a variance analysis prepared by the management of the Department. We compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We obtained and documented an understanding of any variances greater than 10% which are as follows:

There were no variances that met the threshold noted above. Therefore, no procedures were performed.

Agreed-Upon Procedures Related to Revenues

Ticket Sales

1. This specific reporting category is less than 4% of the total revenue, therefore no procedures were performed.

Student Fees

- 2-4. We compared student fees reported in the Statement for the year ended June 30, 2017 to student enrollment information and recalculated totals. We obtained the University's methodology for allocating student fees to intercollegiate athletics departments and recalculated the totals based on this methodology. The Department reports an allocation of student fees countable as generated revenue. We recalculated totals for each sport based on their methodology provided and agreed the calculation to student fee reports.

No exceptions were noted as a result of applying these procedures.

Direct State or Other Governmental Support

5. We noted, through inquiry of the Department, the Department did not receive any direct state or other governmental support for the year ended June 30, 2017.

Direct Institutional Support

6. We obtained from the Department the general ledger detail of all direct institutional support recorded by the University during the year ended June 30, 2017. We then haphazardly selected five direct institutional support transactions recorded in the general ledger and agreed the transaction amount to the approved fund transfer request form and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Transfers Back to Institution

7. This specific reporting category is less than 4% of the total revenue, therefore no procedures were performed.

Indirect Institutional Support

8. We obtained from the Department the general ledger detail of all indirect institutional support (facilities, administration and debt service payments received) recorded by the University during the year ended June 30, 2017. We then haphazardly selected one indirect institutional support transaction recorded in the general ledger and agreed the transaction amount to the approved institutional authorization on behalf of the Department and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Guarantees

- 9-10. This specific reporting category is less than 4% of the total revenue, therefore no procedures were performed.

Contributions

11. We inspected the Department contribution general ledger detail of accounts for the year ended June 30, 2017 to identify any individual Department contribution that represented more than 10% of the total contributions revenue of \$2,581,662. We noted one individual contribution that exceeded 10%, or \$258,166, of the contributions revenue included in the Statement for the year ended June 30, 2017. For this item, we agreed the amount recorded to supporting documentation (donor letter and check copy) for the contribution. We compared the total revenues from "contributions" per the Statement to the respective account in the general ledger for the year ended June 30, 2017 and found them to be in agreement.

No exceptions were noted as a result of applying these procedures.

In-Kind

12. This specific reporting category is less than 4% of the total revenue, therefore no procedures were performed.

Compensation and Benefits by a Third-Party

- 13-14. We noted, through inquiry of the Department, the Department did not receive any compensation and benefits provided by a third-party for the year ended June 30, 2017.

Media Rights

- 15-16. We noted, through inquiry of the Department, the Department did not receive any media rights for the year ended June 30, 2017.

NCAA Distributions

17. We obtained from the Department a listing of all NCAA distributions made to the University for the year ended June 30, 2017. We then haphazardly selected two distributions received by the University and agreed the amounts recorded in the University's general ledger to the cash receipts and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Conference Distributions

18. We obtained from the Department a listing of all conference distributions made to the University for the year ended June 30, 2017. We then haphazardly selected the largest distribution received by the University and agreed the amount recorded in the University's general ledger to the cash receipt.

No exceptions were noted as a result of applying these procedures.

19. We compared and agreed the related revenues per the Statement to the University's general ledger and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Program, Novelty, Parking and Concession Sales

20. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Royalties, Licensing, Advertisements and Sponsorships

- 21-22. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Sports Camp Revenues

- 23-24. We obtained a listing of all sports camp held for the year ended June 30, 2017 and haphazardly inspected one sports camp contract between the University and person(s) conducting University sports-camp and obtained an understanding of the University's methodology for recording revenues from the sports-camps. We obtained a schedule of participants from that contract and selected a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agreed each selection to the University's general ledger, and the Statement and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Athletics Restricted Endowment and Investment Income

- 25-26. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Other Operating Revenue

27. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Bowl Revenues

- 28-29. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Agreed-Upon Procedures Related to Expenses

- C. We obtained a variance analysis prepared by the management of the Department. We compared each major expense account over 10% of the total expenses to prior period amounts and budget estimates. We obtained and documented an understanding of any variances greater than 10%.

There were no variances that met the threshold noted above. Therefore, no additional procedures were performed.

Athletic Student Aid

- 30-33. We obtained a listing of student athletes who received financial assistance during the year ended June 30, 2017 from management. Management used the NCAA's Compliance Assistant (CA) software to prepare the athletic aid detail. We haphazardly selected 10% of the total student athletes from the listing. We obtained a detail of each selected student's account and the financial aid award letter. We inspected each student account selected and agreed their student account information per the University to the information reported in the NCAA's CA software. If the student received a Pell Grant, we noted the value of the Pell Grant was excluded in student athletic aid expense and that the student's total number and value of Pell Grants reported for revenue distributions purposes were included in the NCAA Membership Financial Reporting System.

No exceptions were noted as a result of applying these procedures.

Guarantees

- 34-35. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

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

- 36-39. We obtained a listing of University coaches employed at the University during the year ended June 30, 2017. From this list, we haphazardly selected a total of five coaches (that included football, and men's and women's basketball coaches) and agreed the recorded salary, benefit and bonus expense in their respective payroll accounts to their contracts and found them to be in agreement.

We also obtained the general ledger for the total expenses for coaching salaries, benefits and bonuses paid by the University for the year ended June 30, 2017. We then agreed the amount to the Statement and found them to be in agreement. We noted, through inquiry of the Department, for items tested, no payments were made to related entities or third parties.

No exceptions were noted as a result of applying these procedures.

Coaching Other Compensation and Benefits Paid by a Third-Party

- 40-42. We noted, through inquiry of the Department, that the Department did not expend any compensation and benefits provided by a third-party for the year ended June 30, 2017.

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

- 43-44. We obtained a listing of support staff/administrative salaries employed at the University during the year ended June 30, 2017. From this listing, we haphazardly selected a sample of five support staff/administrative salaries and obtained the reporting period summary payroll register. For each selection we agreed the summary payroll registers to the related support staff/administrative salaries, benefits and bonuses paid by the University to the Statement during the reporting period and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party

- 45-46. We noted, through inquiry of the Department, that the Department did not expend any support staff/administrative other compensation and benefits paid by a third-party for the year ended June 30, 2017.

Severance Payments

47. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Recruiting

- 48-50. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Team Travel

- 51-53. We obtained and read the written documentation from the Department outlining the University's athletics team travel expense policies. We also obtained and read a copy of the NCAA travel expense policies.

Based on the procedures performed and discussions with the University's management, we noted that the University's athletics travel expense policies were consistent with the respective NCAA guidelines.

We then obtained the general ledger detail of team travel expenses for the year ended June 30, 2017. From the general ledger detail we haphazardly selected a sample of five expense transactions for testing and agreed to the amounts in the general ledger to invoice and check copies. The amounts reported in the general ledger also agreed to the Statement. Based on the testing performed, and through inquiry of the Department, the Department indicated the expenses were consistent with the NCAA related policies.

No exceptions were noted as a result of applying these procedures.

Sports Equipment, Uniforms, and Supplies

54. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Game Expenses

55. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Fundraising, Marketing and Promotion

56. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Sports Camp Expenses

57. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Spirit Groups

58. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Athletic Facility Debt Service, Leases and Rental Fees

59. We obtained a listing of debt service schedule, lease payments and rental fees for athletics facilities for year ended June 30, 2017. From the listing we selected a sample of the two highest facility payments and agreed the payments to the lease agreements and the general ledger.

No exceptions were noted as a result of applying these procedures.

60. We compared and agreed the recorded amounts listed in the general ledger to the expenses per the Statement and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Direct Overhead and Administrative Expenses

61. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Indirect Institutional Support

62. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Medical Expenses and Insurance

63. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Memberships and Dues

64. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Other Operating Expenses

65. We obtained the general ledger detail of other operating expenses and transfers and compared to the total expenses reported on the Statement. We haphazardly selected a sample of other operating expense and transfer expenses and agreed the selections to copies of invoices and checks and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Student-Athlete Meals (non-travel)

66. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Bowl Expenses

67. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Additional Minimum Agreed-Upon Procedures

- D. Obtain and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Department. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Department. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the explanation in the AUP report.

No exceptions were noted as a result of applying these procedures.

- E. Obtain the Department's Sports Sponsorship and Demographics Forms Report for the reporting year. Compare that the countable sports reported by the Department 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. Once countable sports have been compared, agree that the Department has reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. If any discrepancies are identified they must be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA.

No exceptions were noted as a result of applying these procedures.

- F. For Pell Grants, agree 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, recipients on partial grants-in-aid and recipients with no grants-in-aid) and the total value of these Pell Grants reported in the Departments financial aid records, to the NCAA Membership Financial Reporting System, of all student athlete Pell Grants. We tested the student aid files selected in step 32, to the report of all student athlete who received Pell Grant awards.

No exceptions were noted as a result of applying these procedures.

Minimum Agreed-Upon Procedures Related to Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

- 68. We noted, through inquiry of the Department, that the Department did not expend any excess transfers to institution and conference realignment expenses for the ended June 30, 2017.

Total Athletics Related Debt

- 69-70. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the year ended June 30, 2017. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained. We agreed the total annual maturities and total outstanding athletic related to supporting documentation and the University's general ledger.

No exceptions were noted as a result of applying these procedures.

Total Institutional Debt

- 71. We obtained a listing of the total outstanding University debt and agreed the listing to University's audited financial statements for the year ended June 30, 2017.

No exceptions were noted as a result of applying these procedures.

Value of Athletics Dedicated Endowments

- 72. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations for the year ended June 30, 2017. We agreed the fair market value in the schedules to investment statements, the general ledger and audited financial statements for the year ended June 30, 2017.

No exceptions were noted as a result of applying these procedures.

Value of Institutional Endowments

73. We obtained a schedule of institutional endowments maintained by the University for the year ended June 30, 2017. We agreed the total fair market value of University's endowments to investment statements, the University's general ledger and audited financial statements for the year ended June 30, 2017.

No exceptions were noted as a result of applying these procedures.

Total Athletic Related Capital Expenditures

- 74-75. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations for the year ended June 30, 2017. We obtained the general ledger detail and compared to the total capital expenditures reported in the notes to the Statement. We haphazardly selected a sample of three athletic related capital expenditures and agreed to invoices and check copies for each transaction and recalculated totals.

No exceptions were noted as a result of applying these procedures.

Affiliated and Outside Organizations

- G. In preparation for our procedures related to the University'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, the generating or maintaining of grand-in-aid or scholarship 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 program and that can contribute moneys, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.

We inquired of the Department, the Department identified Miami University Foundation, an affiliated foundation, and the Blue Line Club, a booster organization, as meeting the above criteria. The Department indicated The Blue Line Club reported revenues of \$31,351 and expenses of \$28,710, of which are included the Statement of Revenues and Expenses. The accounting function for the Blue Line Club is performed by the University intercollegiate athletics department. Miami University and Miami University Foundation share the accounting function.

2. Obtain and review the audited financial statements of the organization and any additional reports regarding internal control matters if the organization is audited independent of the agreed-upon procedures by NCAA legislation. The University's independent accountant shall also inquire of institutional and organization management as to corrective action taken in response to comments concerning internal control structure, if applicable.

We obtained and inspected the audited financial statements of Miami University Foundation and noted there were no additional reports regarding internal controls or corrective action. No exceptions were noted as a result of applying these procedures.

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 compliance with specified requirements. 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 members of the audit committee, board of trustees, administration of the University, or an authorized representative of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Cleveland, Ohio
November 29, 2017

**Intercollegiate Athletics Department
Statement of Revenues and Expenses
Year Ended June 30, 2017**

	Men's Basketball	Men's Football	Men's Ice Hockey	Women's Basketball	Other Sports	Non-Program Specific	2017 Total
Revenues:							
Operating revenues:							
Ticket sales	\$ 90,830	\$ 350,857	\$ 607,136	\$ 6,300	\$ 23,828	\$ 64,448	\$ 1,143,399
Student fees	1,796,940	4,919,151	1,405,864	1,446,853	7,571,157	230,835	17,370,800
Direct state or other governmental support	-	-	-	-	-	-	-
Direct institutional support	212,657	1,934,449	394,746	85,652	1,676,587	865,134	5,169,225
Less: transfers back to institution	-	-	-	-	-	(62,836)	(62,836)
Indirect institutional support	-	-	-	-	-	2,216,774	2,216,774
Guarantees	96,500	1,040,000	-	2,000	30,500	-	1,169,000
Contributions	97,063	718,887	318,576	13,061	430,669	1,003,405	2,581,661
In-kind	49	1,876	9,920	-	195	700	12,740
Compensation and benefits provided by a third-party	-	-	-	-	-	-	-
Media rights	-	-	-	-	-	-	-
NCAA distributions	-	-	-	-	-	2,755,926	2,755,926
Conference distributions	137,850	-	-	-	-	1,683,333	1,821,183
Program, novelty, parking and concessions sales	11,982	89,570	9,880	-	-	43,551	154,983
Royalties, licensing, advertisements and sponsorships	-	-	-	-	-	1,008,208	1,008,208
Sports camp revenues	-	-	-	-	-	1,555,068	1,555,068
Athletics restricted endowment and investment income	1,497	9,701	110	198	3,302	178,583	193,391
Other operating revenue	25	2,996	23,008	2,004	53,445	316,424	397,902
Bowl revenue	-	278,925	-	-	-	-	278,925
Operating revenue	2,445,394	9,346,412	2,769,240	1,556,068	9,789,683	11,859,553	37,766,349
Expenses:							
Operating expenses:							
Athletic student aid	624,633	4,109,061	922,673	496,823	5,130,438	15,826	11,299,454
Guarantees	231,398	550,000	3,500	5,500	18,715	-	809,113
Coaching salaries, benefits, and bonuses paid by the University and related entities	943,108	2,323,752	919,819	644,627	2,203,879	30	7,035,215
Coaching other compensation and benefits paid by a third-party	-	-	-	-	-	-	-
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	-	20,159	-	-	8,200	4,771,515	4,799,874
Support staff/administrative other compensation and benefits paid by a third-party	-	-	-	-	-	-	-
Severance payments	200	-	-	11,650	-	-	11,850
Recruiting	102,074	214,716	60,167	69,505	149,681	-	596,143
Team travel	146,495	480,324	308,281	90,559	1,041,541	7,892	2,075,092
Sports equipment, uniforms and supplies	52,371	542,145	160,656	25,784	382,887	174,873	1,338,716
Game expenses	228,061	425,296	215,728	104,770	157,910	-	1,131,765
Fundraising, marketing and promotion	8,216	11,544	11,376	2,014	32,023	555,690	620,863
Sports camp expenses	-	-	-	-	-	1,029,854	1,029,854
Spirit groups	-	-	-	-	-	42,424	42,424
Athletic facilities debt service, leases and rental fees	-	-	-	-	-	2,173,017	2,173,017
Direct overhead and administrative expenses	135	3,829	761	3,302	34,802	91,002	133,831
Indirect institutional support	-	-	-	-	-	43,757	43,757
Medical expenses and insurance	23,081	96,081	22,475	22,876	162,353	231,903	558,769
Memberships and dues	1,125	100	1,744	878	17,217	248,026	269,090
Other operating expenses	58,064	139,554	117,996	66,508	282,534	786,943	1,451,599
Student-athlete meals (non-travel)	26,433	128,537	24,064	11,272	167,502	18,323	376,131
Bowl expenses	-	301,314	-	-	-	-	301,314
Operating expenses	2,445,394	9,346,412	2,769,240	1,556,068	9,789,683	10,191,075	36,097,871
Excess of revenues over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,668,478	\$ 1,668,478

See notes to statement of revenues and expenses.

Miami University

Intercollegiate Athletics Department Notes to Statement of Revenues and Expenses Year Ended June 30, 2017

Note 1. Basis of Presentation

The accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Miami University (the Statement) has been prepared in accordance with accounting principles generally accepted in the United States of America and the NCAA Agreed-Upon Procedures guidelines. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Department of Miami University (the Department) for the year ended June 30, 2017 on the accrual basis. Revenues are recorded when earned. Expenses are recorded in the period in which the related liability is incurred. Because the Statement presents only a selected portion of the activities of Miami University (the University), it is not intended to and does not present the financial position, changes in financial position or revenues and expenses for the year then ended for the University as a whole.

The amounts in the accompanying Statement were obtained from the University's trial balance, which is maintained on an accrual basis. All revenues and expenditures directly related to various sports were disclosed as such, except compensation and benefits paid by third parties, which were not applicable. The University records depreciation on physical plant and equipment; however, depreciation is not part of the statement of revenues and expense.

Note 2. Other Sports

Other sports include men's baseball, men's golf, men's swimming, men's track and cross country, women's field hockey, women's soccer, women's softball, women's swimming, women's tennis, women's track and cross country, women's volleyball, and women's skating.

Note 3. Endowments, Pledges Receivable and Net Position

For the year ended June 30, 2017, the University had \$17,644,079 of endowments and \$626,585 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletic department's net position was \$21,619,363 at June 30, 2017.

Note 4. Contributions

Contribution revenue included in the statement of revenues and expenditures represent contributions given to the University's Intercollegiate Athletics Department based on donors' instructions.

There was one individual contribution made that comprised more than 10 percent of the total contributions revenue related to Intercollegiate Athletics for the year ended June 30, 2017.

Note 5. Other Forms of Compensation

The value of volunteer assistant coaching services, according to NCAA financial audit guidelines, should be reported as contributions and as salary expenditures. The University estimates that the value of volunteer assistant coaching services is not material to the statement of revenues and expenditures and, therefore, is not reflected in the Statement.

Miami University

Intercollegiate Athletics Department Notes to Statement of Revenues and Expenses Year Ended June 30, 2017

Note 6. Capital Assets

Land, buildings, and equipment are recorded at cost at date of acquisition or market value at date of donation in the case of gifts. Land and collections of works of art and historical treasures are capitalized but not depreciated. Any collection that is not capitalized is charged to operations at the time of purchase. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are 50 years for buildings; 25 years for infrastructure, library books, and land improvements; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. The University's capitalization threshold is the lower of 5 percent of the original building cost or \$100,000 for building renovations and \$5,000 for all other capitalized items. The University does not segregate athletics-related assets from other assets held by the University and therefore depreciation expense is not reflected in the Statement.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2017 are as follows:

	<u>Additions</u>	<u>Deletions</u>
Athletic related capital asset balance	\$ 26,171,130	\$ 146,032
University's total capital asset balance	161,525,900	8,812,906

The total estimated book values of capital assets, net of depreciation, of the University as of the year ended June 30, 2017 are as follows:

	<u>Estimated Book Value</u>
Athletic related capital asset balance	\$ 98,980,747
University's total capital asset balance	1,256,968,116

Note 7. Intercollegiate Athletics-Related Debt

The annual debt service and debt outstanding (including principal and interest) for the University for the year ended June 30, 2017 are as follows:

	<u>Annual Debt Service</u>	<u>Debt Outstanding</u>
Athletic related facilities	\$ 2,173,017	\$ 15,797,026
University's total	60,623,223	726,772,926

Miami University

**Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2017**

Note 7. Intercollegiate Athletics-Related Debt (Continued)

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the University during the year ended June 30, 2017 is as follows:

	Series 2011 Bonds		Series 2015		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 132,184	\$ 44,880	\$ 1,706,413	\$ 252,274	\$ 1,838,597	\$ 297,154
2019	139,176	37,993	1,739,760	217,766	1,878,936	255,759
2020	146,168	30,756	1,791,348	183,925	1,937,516	214,681
2021	152,927	23,180	1,827,556	149,679	1,980,483	172,859
2022	161,317	15,198	1,859,907	114,814	2,021,224	130,012
Thereafter	343,144	9,310	5,797,126	128,606	6,140,270	137,916
Total	\$ 1,074,916	\$ 161,317	\$ 14,722,110	\$ 1,047,064	\$ 15,797,026	\$ 1,208,381



Dave Yost • Auditor of State

MIAMI UNIVERSITY- NCAA

BUTLER 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
DECEMBER 21, 2017