

# **The Ohio State University**

**Report of Independent Accountants on  
Agreed-Upon Procedures Performed on the  
Intercollegiate Athletic Department as  
Required by NCAA Bylaw 3.2.4.15 for the  
Year Ended June 30, 2018**





# Dave Yost • Auditor of State

The Ohio State University  
2040 Blankenship Hall  
901 Woody Hayes Drive  
Columbus, Ohio 43210

We have reviewed the *Report of Independent Accountants* of The Ohio State University NCAA Report, Franklin County, prepared by Pricewaterhouse Coopers LLP, for the period July 1, 2017 through June 30, 2018. 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 State 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 24, 2018

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# The Ohio State University Intercollegiate Athletics Department

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June 30, 2018

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## **Report of Independent Accountants**

To Dr. Michael V. Drake, President  
The Ohio State University

We have performed the procedures enumerated below, which were agreed to by the Interim Chief Financial Officer and Senior Vice President for Business and Finance of The Ohio State University (the "University"), related to whether the accompanying Statement of Revenues and Expenditures and related Notes of the University for the year ended June 30, 2018 (the "Statement") is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the year ended June 30, 2018. Management of The Ohio State University is responsible for the Statement and the compliance with the NCAA 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

As discussed in Appendix D to the "2018 Agreed-Upon Procedures" NCAA guidelines, if a specific reporting category is less than 4.0% of the total revenues or expenses, no procedures are required to be performed for that specific category, and no procedures were performed.

The procedures performed and results thereof are as follows. For purposes of performing these agreed-upon procedures, no exceptions were reported for differences of \$1,000 or less.

1. We obtained from University management the accompanying Statement of Revenues and Expenditures for the year ended June 30, 2018. We obtained University prepared worksheets for each operating revenue and expense category on the Statement, which management stated are generated from its general ledger.
  - a. We mathematically checked the totals and subtotals included on the Statement.
  - b. We mathematically checked the totals and subtotals included in the University prepared worksheets.
  - c. We agreed the amounts for each operating revenue and expense category included on the Statement to those amounts in the University prepared worksheets.
  - d. We agreed the unadjusted amounts for each operating revenue and expense category included in the University prepared worksheets to the Intercollegiate Athletics of The Ohio State University's ("ICA") general ledger (Fund Groups 020 and 050 – accounts that begin with a "4" for revenues and accounts that begin with a "6" for expenses).
  - e. We inquired of University management as to the nature of the reconciling adjustments reflected in the University prepared worksheets; however no additional procedures were performed in relation to the reconciling adjustments, nor did we comment as to the completeness or accuracy of the reconciling adjustments identified by management.
  - f. We mathematically checked the adjusted amounts (as the sum of the unadjusted amounts and University identified adjustments) for each operating revenue and expenditure category included in the University prepared worksheet.



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

2. We obtained from University management a list of all University booster group activities, for both independent, affiliated, and supporting organizations (including alumni organizations), that have a principal purpose of generating funds, goods, or services for the University's athletics department, during the year ended June 30, 2018. Refer to the schedule, contained within the Report of Independent Accountants on Agreed-Upon Procedures Performed on the Statements and Records of Booster Organizations, for a listing of organizations and the results of the procedures performed.
  - a. We obtained the financial statements for affiliated and supporting organizations as of June 30, 2018 and agreed each of the revenue and expense amounts appearing in the financial statements of the affiliated and supporting organizations to the corresponding amounts included in the Statement.
  - b. For each organization on the listing, we mailed confirmations directly to the officials of each organization requesting they confirm the revenue and expense amounts included in the Statement.
  - c. We obtained a representation letter signed by the Director of Athletics and each of the 30 head coaches of the men's and women's varsity sports programs that the booster organizations listed are the only booster organizations that support the Department of Athletics as defined in the National Collegiate Athletic Association Financial Audit Guidelines.

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

3. We obtained from University management a detailed listing of the transactions reflected within the other operating revenue category included in the Statement for the year ended June 30, 2018.
  - a. We mathematically checked the total of the other operating revenue category in the detailed listing.
  - b. We agreed the total of the other operating revenue category in the detailed listing to the Statement.
  - c. We haphazardly selected a sample of 15 other operating revenue transactions from the detailed listing and obtained supporting invoices, schedules or underlying agreements from University management. We compared the dollar amount, name, transaction date, and description of the revenue transaction from the detailed listing to the supporting documentation maintained by the University.

Refer to the schedule in Exhibit A for a listing of selections made and the results of the procedures performed.

4. We obtained from University management a detailed listing of the transactions reflected within the other operating expenses category included in the Statement for the year ended June 30, 2018.





- a. We mathematically checked the total of the other operating expenses category in the detailed listing.
- b. We agreed the total of the other operating expenses category in the detailed listing to the Statement.
- c. We haphazardly selected a sample of 15 other operating expense transactions from the detailed listing and obtained the related invoice or other supporting documentation from University management. We compared the dollar amount, name, transaction date, and description of payment of the expense transaction from the detailed listing to the supporting documentation maintained by the University.

Refer to the schedule in Exhibit C for a listing of selections made and the results of the procedures performed.

5. We obtained from University management the fiscal June 30, 2018 Budget and the Statement of Revenue and Expenses as for the year ended June 30, 2017.
  - a. We agreed the 2018 amounts of each operating revenue and expense category included in the Statement to the 2018 budgeted amounts included in the Budget obtained from University management.
  - b. We agreed the 2017 amounts included in the Statement to the prior year Statement of Revenue and Expenses.
  - c. For each major revenue account (greater than 10% of total revenues) with variances for either procedure a) or b) of greater than 10%, we obtained written explanations from management. We make no comment as to the completeness or accuracy of those explanations.
  - d. For each major expense account (greater than 10% of total expenses) with variances for either procedure a) or b) of greater than 10%, we obtained written explanations from management. We make no comment as to the completeness or accuracy of those explanations.

Refer to Exhibit B for a listing of variances and the corresponding explanations obtained from University management.

6. We obtained from University management a detailed listing of ticket office sales reports comprising ticket sales revenue for football, men's basketball, and women's basketball including tickets sold, complimentary tickets provided during the reporting period, and unsold tickets included in the Statement for the year ended June 30, 2018.
  - a. We mathematically checked the total dollar value and the total attendance figures of the detailed listing.
  - b. We agreed the total dollar amount of the detailed listing to the amount of ticket sales included in the Statement.

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

7. As the "Student Fees" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.



8. As the "Guarantees" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
9. We obtained from University management a detailed listing of all contributions received by the University's Department of Athletics during the year ended June 30, 2018.
  - a. We mathematically checked the total dollar amount of the detailed listing.
  - b. We agreed the total dollar amount from the detailed listing to the total dollar amount in the "Contributions" line item of the Statement.
  - c. As there were no contributions greater than ten percent of the total of all contributions received by the University's Department of Athletics during the year ended June 30, 2018, no further procedures over contributions were performed.

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

10. As the "In-Kind" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
11. As "Direct State or Other Government Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
12. As the "Direct Institutional Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
13. As the "Transfers to Institution" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
14. As the "Indirect Institutional Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
15. As the "Conference Distributions (Non Media and Non Bowl)" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
16. As the "NCAA Distributions" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.



17. We obtained from University management a detailed listing of media rights (including broadcast, radio, and television) revenue included in the Statement for the year ended June 30, 2018.
  - a. We mathematically checked the total dollar amount of the detailed listing.
  - b. We agreed the total dollar value of the media rights in the detailed listing to the corresponding amount in the line item "Media Rights" included in the Statement.
  - c. We haphazardly selected a sample of 10 transactions from the detailed listing. For each such revenue transaction selected, we obtained the supporting contracts from University management and agreed the dollar amounts in the supporting contracts to the amount per the detailed listing.

Refer to the schedule Exhibit D for a listing of selections made and the results of the procedures performed.

18. We obtained from University management a detailed listing of revenue from the University's royalties, licensing, advertisements and sponsorship agreements for the year ended June 30, 2018.
  - a. We mathematically checked the total of the detailed listing.
  - b. We agreed total revenue in the detailed listing to the corresponding amount in the line item "Royalties, Licensing, Advertisements, and Sponsorships" included in the Statement.
  - c. We haphazardly selected a sample of 10 items from the detailed listing and obtain the supporting agreements from University management. We agreed the dollar amount of each selection to the applicable royalty, licensing, advertisement, and sponsorship agreements.

Refer to the schedule Exhibit E for a listing of selections made and the results of the procedures performed.

19. As the "Program, Novelty, Parking and Concessions Sales" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
20. As the "Sports Camps Revenues" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
21. As the "Athletics Restricted Endowment and Investments Income" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
22. As the "Bowl Revenues" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.



23. We obtained from University management a detailed listing of all student athletes who received Institutional Financial Aid and the related dollar amount of the financial aid received for the year ended June 30, 2018 for each sport.
  - a. We mathematically checked the total dollar amount for each sport and the grand total of the detailed listing.
  - b. We agreed the grand total dollar amount to the line item "Athletic Student Aid" included in the Statement.
  - c. We obtained representations from University management stating the University does not use NCAA's Compliance Assistant Software to prepare athletic aid detail.
  - d. As the University does not use the NCAA's Compliance Assistant Software, we haphazardly selected 60 student athletes from the detailed listing and obtained the related student's account detail and award letter (the grant-in-aid agreement referred to as the "tender") for each selected student from University management. We agreed the award dollar amount per the student's account detail to the dollar amount of the award in the related award letter and the amount recorded in the University's student information system.
  - e. If a selected student received a Pell Grant, we agreed the amount to the report of all student athlete Pell Grants included within the information reported in the NCAA Membership Financial Reporting System.
  - f. We agreed the student's information to the information reported in the NCAA Membership Financial Reporting System including recalculating the conversion of the equivalency value to a full-time equivalency value.

Refer to the schedule Exhibit F for a listing of selections made and the results of the procedures performed.

24. As the "Guarantees" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
25. We obtained from University management a detailed listing of all sports coaches employed by the University and their related salaries, benefits, and bonuses paid by the University and related entities for the year ended June 30, 2018.
  - a. We mathematically checked the total dollar amount of the detailed listing.
  - b. We agreed the total dollar amount of expense for coaches' salaries, benefits, and bonuses in the detailed listing to the corresponding amount in the line item "Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities" included in the Statement.
  - c. From the listing of sports coaches employed by the University, we selected the head coaches for football, men's basketball, and women's basketball, and haphazardly selected seven of the remaining coaches. We obtained the payroll summary registers for the reporting year for each of the coaches selected from University management and agreed the dollar amounts for each of the coaches selected to the related expenses in the detailed listing.
  - d. We obtained from University management the related employment contracts for each of the coaches selected. We agreed the coaches' salaries per the contracts to the amounts included in the detailed schedule. For any salaries that did not agree, we obtained explanations from



management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

- e. We agreed the coaches' bonuses per the contracts to the amounts included in the detailed schedule. For any bonuses that did not agree, we obtained explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

Refer to the schedule Exhibit G for a listing of selections made and the results of the procedures performed.

- 26. We obtained from University management a detailed listing of all support staff for athletics and their salaries, benefits, and bonuses paid by the University and related entities for the year ended June 30, 2018.

- a. We mathematically checked the total of the detailed listing.
- b. We agreed the total expense for support staff salaries, benefits, and bonuses in the detailed listing to the amount in the line item "Support Staff / Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities" included in the Statement.
- c. We haphazardly selected 25 support staff paid by the University and related entities from the detailed listing. We obtained the payroll summary registers for the reporting year for each of the coaches selected from University management and agreed the dollar amounts for each of the support staff selected to the related expenses in the detailed listing.
- d. We agreed the bonuses of the support staff per the support provided by management to the amounts included in the detailed schedule. For any bonuses that did not agree, we obtained explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

Refer to the schedule Exhibit H for a listing of selections made and the results of the procedures performed.

- 27. As the "Severance Payments" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
- 28. As the "Recruiting" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
- 29. We obtained from University management a detailed listing of team travel expenses for the year ended June 30, 2018.
  - a. We mathematically checked the total of the detailed listing.
  - b. We agreed the total dollar amount of travel expense to the corresponding amount in the line item "Team Travel" included in the Statement.
  - c. We obtained the University's team travel policies from University management. We compared the index of the University's travel policies to the NCAA policies to observe that the University policies included each of the following topics included in the NCAA policies:



mode of transportation, vehicle rentals, meal types/team meals, and lodging. We make no comment as to the appropriateness of the detailed policy.

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

30. As the "Sports Equipment, Uniforms and Supplies" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
31. As the "Game Expenses" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
32. As the "Fund Raising, Marketing, and Promotion" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
33. As the "Sports Camp Expenses" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
34. As the "Spirit Groups" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
35. We obtained from University management a detailed listing of direct overhead and administrative expense for the year ended June 30, 2018.
  - a. We mathematically checked the total of the detailed listing.
  - b. We agreed the total dollar amount of the expense to the corresponding amount in the line item "Direct Overhead and Administrative Expense" included in the Statement.
  - c. We haphazardly selected 10 payments from the detailed listing, and for each item selected, we obtained the related invoices from University management. We compared the dollar amount, name, transaction date, and description of payment of the expense transaction from the detailed listing to the supporting documentation maintained by the University.

Refer to the schedule Exhibit I for a listing of selections made and the results of the procedures performed.

36. We obtained from University management repayment schedules for all athletic facility debt service, leases, and rental fees attributable to the University's Department of Athletics as of June 30, 2018.
  - a. We mathematically checked the repayment schedules.
  - b. We compared the annual maturities of debt to the Memorandums of Understanding provided by management.
  - c. We agreed the total debt outstanding as of June 30, 2018 appearing in the Notes to the Statement to the ICA's general ledger as of June 30, 2018.



- d. We selected the top two highest facility payments and haphazardly selected eight additional facility payments from the repayment schedules we obtained from management. We compared the dollar amount, name, and transaction date from the schedule to the supporting Memorandums of Understanding or Lease Agreements maintained by the University.

Refer to the schedule Exhibit J for a listing of selections made and the results of the procedures performed.

37. As the "Medical Expenses and Insurance" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
38. As the "Membership and Dues" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
39. As the "Student-Athlete Meals (non-travel)" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
40. We obtained from University management a detailed listing of other operating expenses and transfers to institution for the year ended June 30, 2018. No procedures were performed as there were no additional expense categories included within the detailed listing beyond what was required to be tested as outlined within the NCAA procedures.
41. As the "Bowl Expenses" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
42. We obtained the listing of the 'sports sponsored' as reported in the NCAA Membership Financial Reporting System and agreed the listing to the Calculation of Revenue Distribution Equivalencies Report (CRDE) obtained from University management. No variances were identified between the NCAA Membership Financial Reporting System and the CRDE provided by University management.
43. We obtained (i) the institution's Sports Sponsorship and Demographics Forms report for the reporting year, and (ii) the 'sports reported as countable for revenue distribution' within the NCAA Membership Financial Reporting System from University management. For each of the sports listed on the Sports Sponsorship and Demographics Form, we identified the minimum number of contests and the minimum number of participants per contest required by Bylaw 20.9.6.3.
  - a. For each sport, we observed the 'number of contests' and the 'minimum number of participants per contest' per the Sports Sponsorship and Demographics form were equal to or greater than the minimum number set forth in Bylaw 20.9.6.3.



b. We agreed the 'countable sports' per the Sports Sponsorship and Demographics Forms report to the 'sports reported as countable for revenue distribution' within the NCAA Membership Financial Reporting System. No differences were identified.

44. We obtained from University Management (i) the total number of Division I student-athletes who received a Pell Grant award, (ii) the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System during the year ended June 30, 2018, and (iii) a schedule including the information in (i) and (ii), which University management stated was from the financial aid records. We agreed the number of student-athletes in (i) and the value in (ii) to the schedule in (iii).

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

45. As the "Excess Transfers to Institution" and "Conference Realignment" expense categories in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.

46. We obtained from University management the repayment schedules for all outstanding intercollegiate athletics debt as of June 30, 2018.

- a. We mathematically checked the totals of the repayment schedules.
- b. We recalculated the annual maturities, including principal and interest per the repayment schedule and agreed the annual maturities to the corresponding amounts in notes to the Statement.
- c. We agreed the total annual maturities and total outstanding athletic debt to Memorandums of Understanding provided by management and ICA's general ledger as of June 30, 2018.

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

47. We obtained from University management a detailed listing of total outstanding institutional debt as of June 30, 2018 and agreed the total value per the detailed listing to the ICA's general ledger and corresponding footnote of the ICA's FY 2018 audited financial statements.

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

48. We obtained from University management a detailed listing of the fair value of athletics dedicated (i.e., restricted) endowments maintained by athletics, the institution, and affiliated organizations as of June 30, 2018.

- a. We mathematically checked the total of the detailed listing.
- b. We agreed the total fair value to supporting documentation provided by University management, the ICA's general ledger and the corresponding footnote of the ICA's FY 2018 audited financial statements.

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





49. We obtained from University management the total fair value of institutional endowments as of June 30, 2018 and agreed the total fair value to the ICA's general ledger and the corresponding footnote of the ICA's FY 2018 audited financial statements.

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

50. We obtained from University management a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations for the year ended June 30, 2018.
  - a. We mathematically checked the total of the schedule.
  - b. We haphazardly selected three payments from the schedule, and for each item selected, we obtained the related invoice or other supporting documentation from University management. We compared the dollar amount, name, transaction date, and description of payment of the expense transaction per the detailed listing to the supporting documentation maintained by the University.

Refer to the schedule Exhibit K for a listing of selections made and the results of the procedures performed.

51. We obtained written representations from University management that to the best of their knowledge and belief, all revenues and expenditures related to the Department of Athletics had been properly included in the Statement.
52. As the "Compensation and Benefits provided by a third party" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines
53. As the "Indirect Institutional Support - Athletic Facilities Debt Service, Lease and Rental Fees" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
54. As the "Indirect Institutional Support" expense category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA.
55. As the "Coaching Salaries, Benefits and Bonuses paid by a Third Party" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.
56. As the "Support Staff / Administrative Compensation, Benefits and Bonuses paid by a Third Party" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2018 Agreed upon Procedures" NCAA guidelines.



57. As the “Bowl Expenses - Coaching Compensation/Bonuses” expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the “2018 Agreed upon Procedures” NCAA guidelines.

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 Statement of Revenues and Expenditures of The Ohio State University as of June 30, 2018 or on the University’s compliance with the NCAA 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 The Ohio State University and is not intended to be and should not be used by anyone other than this specified party.

*PricewaterhouseCoopers LLP*

December 14, 2018

# The Ohio State University Intercollegiate Athletics Department

## Statement of Revenues and Expenditures

### For the Year Ended June 30, 2018 (unaudited)

The Ohio State University  
 Intercollegiate Athletics Department  
 Statement of Revenues and Expenditures  
 For the Year Ended June 30, 2018

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
<b>Revenues</b>						
Ticket Sales	59,353,054	6,037,055	574,063	1,199,133	1,997,356	69,160,661
Direct State or Other Government Support	-	-	-	-	-	-
Student Fees	-	-	-	-	-	-
Direct Institutional Support	-	-	-	2,855	84,349	87,204
Less-Transfers to Institution	-	-	-	(2,855)	(84,349)	(87,204)
Indirect Institutional Support	-	-	-	-	-	-
Indirect Institutional Support-Athletic Facilities Debt Service, Lease and Rental Fees	-	-	-	-	-	-
Guarantees	-	225,000	-	17,500	-	242,500
Contributions	202,948	1,364,871	196,303	2,954,196	28,812,079	33,530,397
In-Kind	-	-	-	-	-	-
Compensation and Benefits provided by a third party	-	-	-	-	-	-
Media Rights	31,904,267	10,877,356	-	-	(203,108)	42,578,515
NCAA Distributions	-	4,378,074	228,290	383,663	1,005,934	5,995,961
Conference Distributions (Non Media and Non Bowl)	8,125,767	(55,809)	-	-	38,225	8,108,183
Program, Novelty, Parking and Concession Sales	4,862,875	809,909	137,905	338,769	704,457	6,853,915
Royalties, Licensing, Advertisements and Sponsorships	691,620	119,302	95,685	1,179,919	18,092,047	20,178,573
Sports Camps Revenues	430,741	66,243	35,640	1,760,966	70,299	2,363,889
Athletics Restricted Endowment and Investments Income	659,150	159,683	40,723	787,733	2,317,227	3,964,516
Other Operating Revenue	227,617	18	40,674	163,465	7,913,109	8,344,883
Bowl Revenues	4,234,670	-	-	-	-	4,234,670
<b>Total Operating Revenues</b>	<b>110,692,709</b>	<b>23,981,702</b>	<b>1,349,283</b>	<b>8,785,344</b>	<b>60,747,625</b>	<b>205,556,663</b>
<b>Expenses</b>						
Athletic Student Aid	4,136,172	616,195	601,107	15,612,582	339,422	21,305,478
Guarantees	3,150,000	747,856	105,250	100,001	-	4,103,107
Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	15,586,326	8,836,403	1,960,352	12,528,132	-	38,911,213
Coaching Salaries, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
Support Staff/Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	3,779,608	756,617	429,702	1,968,970	28,413,945	35,348,842
Support Staff/Administrative Compensation, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
Severance Payments	-	6,397,241	-	-	-	6,397,241
Recruiting	944,354	519,527	341,645	1,013,713	-	2,819,239
Team Travel	2,897,770	1,403,066	1,098,301	6,618,135	(14,124)	12,003,148
Sports Equipment, Uniforms and Supplies	1,737,942	174,078	110,977	2,324,335	623,792	4,971,124
Game Expenses	2,964,681	593,492	600,865	937,281	620,262	5,716,581
Fund Raising, Marketing and Promotion	-	-	-	-	1,333,662	1,333,662
Sports Camp Expenses	353,351	40,217	27,419	939,188	65,841	1,426,016
Spirit Groups	-	-	-	-	468,841	468,841
Athletic Facilities Debt Service, Leases and Rental Fees	-	1,430,210	-	2,040,307	17,449,264	20,919,781
Direct Overhead and Administrative Expenses	616,848	127,992	48,918	427,503	24,640,070	25,861,331
Indirect Institutional Support	-	-	-	-	-	-
Medical Expenses and Insurance	-	-	-	60	1,468,179	1,468,239
Memberships and Dues	5,765	-	4,211	28,955	294,576	333,507
Student-Athlete Meals (non-travel)	2,519,243	95,420	24,152	319,698	784,178	3,742,691
Other Operating Expenses	1,870,823	270,346	132,064	910,849	7,982,195	11,166,277
Bowl Expenses	4,181,828	-	-	-	-	4,181,828
Bowl Expenses - Coaching Compensation/Bonuses	1,331,569	-	-	-	-	1,331,569
<b>Total Operating Expenses</b>	<b>46,076,280</b>	<b>22,008,660</b>	<b>5,484,963</b>	<b>45,769,709</b>	<b>84,470,103</b>	<b>203,809,715</b>
Excess Transfers to Institution	-	-	1,000	-	2,836,344	2,837,344
Conference Realignment Expense	-	-	-	-	-	-
Total Athletics Related Debt	-	-	-	-	-	204,645,198
Total Institutional Debt	-	-	-	-	-	3,244,970,000
Value of Athletics Dedicated Endowments	-	-	-	-	-	100,889,181
Value of Institutional Endowments	-	-	-	-	-	5,211,434,000
Total Athletics Related Capital Expenditures	199,926	206,268	-	28,350	54,458,125	54,892,669

**The Ohio State University Intercollegiate Athletics Department**  
**Notes to Financial Statement**  
**For the Year Ended June 30, 2018 (unaudited)**

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**1. Summary of Presentation Policies**

All revenues and expenditures directly related to various sports are disclosed. All remaining revenues and expenditures are non-program specific. The Ohio State University (the "University") records depreciation on physical plant and equipment; however, depreciation is not part of the Statement of Revenues and Expenditures.

**2. Contributions**

Contribution revenue included in the statement of revenues and expenditures represents monetary gifts given to the Intercollegiate Athletic Department by individuals, corporations, associations, foundations or other organizations during the current reporting year. The amount recorded includes unrestricted gifts and gifts whose donor-imposed restrictions have been met.

**3. Athletics Restricted Endowment and Investments Income**

The value of endowment distributions and restricted investment income is the total portion allocated to the Department of Athletics by the University in the reporting year.

**4. Other Sports**

Other sports include baseball, men's and women's cross country, men's and women's fencing, field hockey, pistol, rifle, softball, synchronized swimming, wrestling, men's and women's track and field, men's and women's golf, men's and women's gymnastics, men's and women's ice hockey, men's and women's lacrosse, women's rowing, men's and women's soccer, men's and women's swimming and diving, men's and women's tennis, and men's and women's volleyball.

**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 within the Statement.

**6. Property, Plant and Equipment**

Intercollegiate athletics-related assets are accounted for consistent with the University's policies for property, plant and equipment. Property, plant and equipment valued at \$5,000 or more are recorded at cost at date of acquisition or, if acquired by gift, at estimated fair value at date of gift. Additions to plant assets are capitalized, while maintenance and minor renovations are charged to operations. Property, plant and equipment assets are reflected net of accumulated depreciation calculated on a straight-line basis over the estimated useful lives ranging from 5 to 100 years.

**The Ohio State University Intercollegiate Athletics Department**  
**Notes to Financial Statement**  
**For the Year Ended June 30, 2017 (unaudited)**

Capital Asset activity for the year ended June 30, 2018, as summarized as follows:

	Balance 6/30/2017	Additions	Transfers In (Out)	Disposals	Ending 6/30/2018
<b>Capital assets not being depreciated</b>					
Construction in progress	\$ 15,580,211	\$ 65,409,468	\$ (1,021,588)	\$ -	\$ 79,968,091
Total capital assets not being depreciated	15,580,211	65,409,468	(1,021,588)	-	79,968,091
<b>Capital assets being depreciated</b>					
Buildings	378,451,431	948,222	-	-	379,399,653
Capital Improvements	45,522,969	1,275	-	-	45,524,244
Machinery and equipment	10,164,377	920,140	-	(547,195)	10,537,322
Total capital assets being depreciated	434,138,777	1,869,637	-	(547,195)	435,461,219
Total capital assets	449,718,988	67,279,105	(1,021,588)	(547,195)	515,429,310
<b>Less: Accumulated Depreciation</b>					
Buildings	181,221,143	12,642,542	-	-	193,863,685
Capital Improvements	23,615,899	2,329,806	-	-	25,945,705
Machinery and equipment	5,275,273	880,295	-	(547,195)	5,608,373
Total accumulated depreciation	210,112,315	15,852,643	-	(547,195)	225,417,763
Total capital assets being depreciated, net	224,026,462	(13,983,006)	-	-	210,043,456
Capital assets, net	\$ 239,606,673	\$ 51,426,462	\$ (1,021,588)	\$ -	\$ 290,011,547

**7. University Notes Payable**

The University has issued notes payable to the Department of Athletics through Memorandums of Understanding ("MOUs") which document the principal, interest charges and repayment terms as well as any other conditions or covenants. The current notes have been issued at fixed interest rates with no premium or discount on the debt. Principal maturities and interest on long-term debt for the next five years and in subsequent five-year periods are as follows:

	Principal	Interest	Total
<b>2019</b>	\$ 8,725,252	\$ 8,659,146	\$ 17,384,398
<b>2020</b>	8,687,700	8,289,018	16,976,718
<b>2021</b>	8,859,539	7,909,036	16,768,575
<b>2022</b>	8,840,482	7,530,548	16,371,030
<b>2023</b>	9,229,926	7,141,103	16,371,029
<b>FY 2024-FY 2028</b>	34,958,927	30,787,985	65,746,912
<b>FY 2029-FY 2033</b>	32,261,373	23,589,850	55,851,223
<b>FY 2034-FY 2038</b>	27,309,944	17,459,655	44,769,599
<b>FY 2039-FY 2043</b>	33,847,440	10,922,159	44,769,599
<b>FY 2043 and Thereafter</b>	31,924,615	2,932,099	34,856,714
	\$ 204,645,198	\$ 125,220,599	\$ 329,865,797

# Exhibits

# The Ohio State University Intercollegiate Athletics Department

## Exhibit A

### Other Operating Revenues

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<b>Description</b>	<b>Procedure 3.c. Exception (Y/N)</b>
1. Cheer Competition	N
2. Cheer Competition	N
3. MIH Golf Outing	N
4. Seat Cushion Sales	N
5. February Camp Registration	N
6. ProShop February 2018 Membership dues	N
7. BC 2017 Cotton Bowl Settlement	N
8. Used Helmets Sales	N
9. Contribution for Countdown to Columbus	N
10. Sports Imports-Volleyball Tournament Sponsorship	N
11. Golf Tournament Food Sales	N
12. 2018 Midwest Fencing Championship	N
13. Brutus Appearance	N
14. Rifle Entry Fees	N
15. Fundraising event hosted at the golf course event room	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit B**  
**Fluctuation Analysis**  
**2018 revenues and expenditures as compared to 2017 revenues and expenditures**

**Procedure 5.c. and 5.d.**

<u>Statement lines</u>	<u>Change</u>	<u>Change, %</u>	<u>Management Explanation</u>
<b>Revenues</b>			
Ticket Sales	7,600,309	12.3%	Increase is due to premium pricing on two home football games in 2018 as opposed to one in 2017
Contributions	(4,082,538)	-11%	Total gifts decreased in FY18 due to the end of the "But for Ohio State" fundraising campaign in FY17.
Media Rights	16,975,651	66%	Increase is due to the new television/media rights agreement. There was a new Big Ten TV contract that increased the distribution to Big Ten schools received in FY18.
<b>Expenses</b>			
Coaching Salaries, Benefits and Bonuses Paid by the University	7,074,087	22%	Increase is due to contractual obligations and coaching changes made in the Men's Basketball program.
Athletic Facilities Debt Service, Leases and Rental Fees	4,128,061	25%	Debt service increased \$4M over prior year due to financing new projects.



**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit B**  
**Fluctuation Analysis (continued)**  
**2018 revenues and expenditures, as compared to 2018 unrestricted budget**

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**Procedure 5.c. and 5.d.**

<u>Statement lines</u>	<u>Change</u>	<u>Change, %</u>	<u>Management Explanation</u>
<b>Revenues</b>			
Contributions	8,661,503	35%	Contributions increased due to an increase in pledges and conservative budgeting for gifts.
<b>Expenses</b>			
Coaching Salaries, Benefits and Bonuses Paid by the University	38,911,213	100%	Salaries and benefits are budgeted differently than the NCAA report. The budget includes all coaching and support staff salaries and benefits.
Support Staff Administrative Salaries Benefits and Bonus Paid by the University	(31,371,900)	-47%	Increase is due to contractual obligations and coaching changes made in the Men's Basketball program.
Athletic Facilities Debt Service, Leases and Rental Fees	(3,015,430)	-13%	Debt service expenses were under budget due to timing differences between planned debt financing and actual draw down on certain projects.

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit C**  
**Other Operating Expenses**

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<b>Description</b>	<b>Procedure 4.c. Exception (Y/N)</b>
1. Loss of Value Insurance Premium	N
2. Account manager transaction fees	N
3. Ticket Printing Services	N
4. Football Tickets expenses	N
5. Other Capitalized Equipment	N
6. Frames	N
7. Graphics for athlete dorms	N
8. International Specialty Individual Insurance	N
9. Office suite furniture	N
10. Professional Fees	N
11. Non-Capitalizable Computer Equipment	N
12. Athletic Award Rings	N
13. Camper Gifts	N
14. Special Events - Camp Director Fee	N
15. Event staff, trainers, and parking expense	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit D**  
**Media Rights**

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<b>Description</b>	<b>Procedure 17.c. Exception (Y/N)</b>
1. Big Ten TV Rights Fees ~ Mar	N
2. Big Ten TV Rights Fees ~ Feb	N
3. Big Ten TV Rights Fees ~ Dec	N
4. Big Ten TV Rights Fees ~ Nov	N
5. Big Ten TV Rights Fees ~ Oct	N
6. Big Ten TV Rights Fees ~ Sept	N
7. Big Ten TV Rights Fees ~ Jun	N
8. Big Ten TV Rights Fees ~ Jan	N
9. IMG Broadcasting FY18 3rd Quarter Distribution – part 1	N
10. IMG Broadcasting FY18 3rd Quarter Distribution – part 2	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit E**  
**Royalties, Licensing, Advertisements and Sponsorships**

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<b>Description</b>	<b>Procedure 18.c. Exception (Y/N)</b>
1. IMG 3 <sup>rd</sup> Quarter Payment	N
2. Nike Equipment and Supply	N
3. IMG 2 <sup>nd</sup> Quarter Payment	N
4. 2017/2018 IMG Payment – Medical Center	N
5. Deferred Revenue – IMG Ribbon	N
6. Gatorade Payment	N
7. IMG 1 <sup>st</sup> Quarter Payment	N
8. Coke Hold Harmless FY18 – part 1	N
9. Coke Hold Harmless FY18 – part 2	N
10. FY18 Nationwide Affinity Agreement	N

# The Ohio State University Intercollegiate Athletics Department

## Exhibit F

### Athletic Student Aid

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<b>Description</b>	<b>Procedure 23. d, e, and f. Exception (Y/N)</b>
1. Swimming	N
2. Football	N
3. Pistol	N
4. Swimming	N
5. Swimming	N
6. Lacrosse	N
7. Basketball	N
8. Rifle	N
9. Fencing	N
10. Field Hockey	N
11. Football	N
12. Lacrosse	N
13. Basketball	N
14. Softball	N
15. Lacrosse	N
16. Lacrosse	N
17. Track	N
18. Lacrosse	N
19. Football	N
20. Lacrosse	N
21. Rowing	N
22. Synchronized Swimming	N
23. Lacrosse	N
24. Synchronized Swimming	N
25. Rowing	N
26. Ice Hockey	N
27. Soccer	N
28. Rowing	N
29. Volleyball	N
30. Gymnastics	N
31. Ice Hockey	N
32. Rowing	N
33. Diving	N
34. Ice Hockey	N
35. Rowing	N
36. Football	N
37. Fencing	N
38. Lacrosse	N
39. Rowing	N
40. Tennis	N

# The Ohio State University Intercollegiate Athletics Department

## Exhibit F

### Athletic Student Aid

---

<b>Description</b>	<b>Procedure 23. d, e, and f. Exception (Y/N)</b>
41. Field Hockey	N
42. Lacrosse	N
43. Ice Hockey	N
44. Ice Hockey	N
45. Golf	N
46. Ice Hockey	N
47. Lacrosse	N
48. Soccer	N
49. Ice Hockey	N
50. Softball	N
51. Volleyball	N
52. Basketball	N
53. Synchronized Swimming	N
54. Synchronized Swimming	N
55. Soccer	N
56. Ice Hockey	N
57. Volleyball	N
58. Rifle	N
59. Football	N
60. Swimming	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit G**  
**Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

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<b>Description</b>	<b>Procedure 25. c, d, and e. Exception (Y/N)</b>
1. Athletic Football	N
2. Athletics Basketball - Men	N
3. Athletics Basketball - Women	N
4. Athletics Football assistant coach	N
5. Athletics Volleyball	N
6. Athletics Soccer - Women	N
7. Athletics Tennis - Men	N
8. Athletics Golf - Men	N
9. Athletic Ice Hockey - Men	N
10. Athletics Rowing	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit H**  
**Support Staff / Administrative Salaries, Benefits, and Bonuses Paid by the**  
**University and Related Entities**

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<b>Description</b>	<b>Procedure 26. c. and d. Exception (Y/N)</b>
1. Athletics – Support Staff	N
2. Athletics Plant Maintenance	N
3. Athletics Golf Course Operation	N
4. Athletics Support Staff	N
5. Athletics Football	N
6. Athletics Sports Camps	N
7. Athletics Events	N
8. Athletics Games & Sports	N
9. Athletics Games & Sports	N
10. Athletics Football	N
11. Athletics Football	N
12. Athletics Football	N
13. Athletics Gymnastics – Men	N
14. Athletics Strength / Conditioning	N
15. Athletics Basketball - Women	N
16. Athletics Equipment Care	N
17. Athletics Administration and General	N
18. Athletics Administration and General	N
19. Athletics Fan Experience	N
20. Athletics Ticket Office	N
21. Athletics Plant Maintenance	N
22. Athletics Soccer - Men	N
23. Associate Ticket Director	N
24. Athletics Development	N
25. Athletics Plant Maintenance	N



**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit I**  
**Direct Overhead and Administrative Expenses**

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<b>Description</b>	<b>Procedure 35. c. Exception (Y/N)</b>
1. Other Supplies	N
2. Building & Ground Repair & Maintenance	N
3. Electricity	N
4. Steam	N
5. Equipment Repair & Maintenance	N
6. Physical Plant Assessments	N
7. Moving & Freight	N
8. University Overhead	N
9. Printing	N
10. Copy Services	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit J**  
**Athletic Facilities Debt Service, Leases and Rental Fees**

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<b>Description</b>	<b>Procedure 36.d. Exception (Y/N)</b>
1. Ohio Stadium Renovation July 2017 Payment	N
2. Ohio Stadium Renovation August 2017 Payment	N
3. Athletics District Road and Storm Water January 2018 Payment	N
4. Golf Course Irrigation March 2018 Payment	N
5. Stadium Lighting and Seats November 2017 Payment	N
6. Indoor Golf Facility February 2018 Payment	N
7. Ohio Stadium (Restructured) May 2018 Payment	N
8. Stadium Lighting and Seats March 2018 Payment	N
9. Schottenstein Center suite rental September 2017 Payment	N
10. Resolute Lacrosse space rental January 2018 Payment	N

**The Ohio State University Intercollegiate Athletics Department**  
**Exhibit K**  
**Athletic Capital Expenditures**

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<b>Description</b>	<b>Procedure 50.b. Exception (Y/N)</b>
1. Improvements to Basketball Dorms Payment	N
2. Student Athlete Development Center (Schumaker) Payment	N
3. Schottenstein Basketball Graphics Payment	N

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# Dave Yost • Auditor of State

THE OHIO STATE UNIVERSITY- NCAA  
FRANKLIN 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 3, 2019