

**The University of Akron
National Collegiate Athletics Association**

**Agreed-upon Procedures Report
Related to NCAA Constitution 3.2.4.15
June 30, 2017**



Dave Yost • Auditor of State

Board of Trustees
The University of Akron
302 Butchel Common
Akron, Ohio 44325

We have reviewed the *Independent Accountant's Report* of The University of Akron – NCAA Report, Summit County, prepared by Plante & Moran, PLLC, for the audit 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 University of Akron 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 13, 2017

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The University of Akron National Collegiate Athletics Association

Contents

Report Letter	1-16
Intercollegiate Athletics Program Statement of Revenue and Expenses	17
Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses	18-20

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Independent Accountant's Report on The Application of Agreed-upon Procedures

To Mr. Matthew Wilson, President and
Mr. Nathan Mortimer, VP Finance and
Administration/Chief Financial Officer
The University of Akron
Akron, Ohio 44325

We have performed the procedures enumerated below, which were agreed to by the president of The University of Akron (the "University"), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program statement of revenue and expenses (the "Statement") of The University of Akron is in compliance with the National Collegiate Athletics Association (NCAA), Constitution 3.2.4.15 for the year ended June 30, 2017. The University of Akron's management is responsible for the Statement and the Statement's compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures 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 Revenue and Expenses

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

Internal Control Structure

- A. In preparation for our procedures related to the University's internal control structure:
- 1) We met with the associate 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, 2017 and any additional reports regarding internal controls 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.

To Mr. Matthew Wilson, President and
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 The University of Akron

4) We then performed the following procedure:

Procedure: Cash disbursements, cash receipts, and athletic employee payroll are addressed in connection with the audit of the Institution’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:

- i. We selected one game and traced ticket collections per the receipting process for the game to the reconciliation and documentation of the related cash deposit amount with the bank.

Result: We selected the following ticket receipt transaction for testing purposes, noting no exceptions:

Event Date	Sporting Event	Ticket Sales Amount	Deposit Amount	Deposit Date
10/15/2016	Football vs. Western Michigan University	\$ 6,720	\$ 6,720	10/19/2016

NCAA Reporting

B. **Procedure:** The Financial Report Submission to the NCAA is now due on January 16, 2018. We obtained the financial data detailing operating revenue, expenses, and capital related to the University’s intercollegiate athletics program that will be submitted to the NCAA and agreed the amounts to the Intercollegiate Athletics Program statement of revenue and expenses included in the agreed-upon procedures for the reporting period.

Results: We noted no discrepancies.

C. **Procedure:** We agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the University.

Results: We noted no discrepancies in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists.

D. **Procedure:** We obtained the University’s Sports Sponsorship and Demographics Forms Report for the reporting year. We agreed the number of contests and number of participants for each sport to supporting documents. We agreed the sports reported as countable for revenue distribution purposes to the NCAA Membership Financial Reporting System.

To Mr. Matthew Wilson, President and
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Results: We noted no discrepancies in the countable sports for funding purposes between the NCAA Membership Financial Reporting System and the supporting documentation.

- 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 and agreed the amounts to the Intercollegiate Athletics Program statement of revenue and expenses included in the agreed-upon procedures for the reporting period to a report, generated out of the University's financial aid records, of all student-athlete Pell Grants.

Results: We noted no exceptions.

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 (see 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.

Result: Management represented there were no additions to intercollegiate athletics-related assets added; therefore, no testing was performed to validate existence of the transactions and accuracy of recording.

- 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 schedules are disclosed in Note 3.

Result: We noted no exceptions.

- H. **Procedure:** We requested the general ledger detail and compared the total expenses reported for excess transfers to the University and conference realignment expenses. We will select a sample of one transaction to validate existence of the transaction and accuracy of recording a recalculating total.

Result: Management represented that this step is not applicable to the University because there were no expenses reported for excess transfers to the University for NCAA in the reporting period; therefore, no testing was performed to validate the existence of the transaction and accuracy of recording.

To Mr. Matthew Wilson, President and
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- I. **Procedure:** We noted that changes in loan, endowment, or plant funds related to intercollegiate athletics were not 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 total revenue or expense in the Statement.
 - 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 schedule to supporting documentation, the general ledger, and the audited financial statements, if available. We agreed the total fair market value of institutional endowments to supporting documentation, the University's general ledger, and/or audited financial statements, if available.
 - 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 all items in Note 4.

Statement of Revenue and Expenses

- J. **Procedure:** We obtained the Intercollegiate Athletics Program statement of revenue 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 major revenue and expense account over 10 percent of the total revenue or expenses to prior period amounts and budget estimates. We obtained and documented an understanding of any variations greater than 10 percent of the total revenue or expenses.

Result: We noted no variances requiring disclosure. The budget to actual statement comparison was not performed on the same level of detail as the actual to actual comparison due to the University's internal reporting structure for budgeting purposes.

- 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 revenue or expenses.

To Mr. Matthew Wilson, President and
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The University of Akron

Results: See procedures below.

Revenue

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.

1) Ticket Sales

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

2) Student Fees

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

3) Direct State or Other Governmental Support

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

4) Direct Institutional Support

Procedure: We agreed the direct institutional support recorded by the University during the reporting period with state appropriations, institutional authorizations, and other corroborative supporting documentation and recalculated totals.

Result: We obtained and reviewed the calculation for direct institutional support, recalculated it, and tied out components of the calculation to the general ledger. We noted no exceptions.

5) Transfers Back to Institution

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

6) Indirect Institutional Support

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

To Mr. Matthew Wilson, President and
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 The University of Akron

7) Guarantees

Procedure: We agreed to test a sample of three settlement reports for away games during the reporting period. Management represented that two guarantee revenue transactions totaled 76.3 percent of guarantee revenue and changed the sample to test only those two transactions. We selected a sample of two settlement reports for away games during the reporting period and agreed each selection to the University's general ledger. We selected a sample of two contractual agreements pertaining to revenue derived from guaranteed contests during the reporting period and agreed each selection to the University's general ledger. We also recalculated totals. The guarantee agreements we selected for testing were as follows:

Event Date	Sporting Event	Contract Amount	Date of Check/Transfer
9/10/2016	Football v. University Wisconsin-Madison	\$ 1,100,000	9/20/2016
9/17/2016	Football v. Marshall University	100,000	11/16/2016

Result: We obtained the related contracts, which were signed by both parties, for the agreements listed above. We agreed the amounts outlined in the contract to the amount recorded on the general ledger. As agreed-upon amounts were stated in each contract, no recalculation was necessary. We noted no exceptions.

8) 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. The contributions selected for testing were as follows:

Source of Funds, Goods, and Services	Value
An individual donor	\$ 437,500
An individual donor	427,500

Result: We completed the procedure steps without exception, including agreeing the contribution listed above to a copy of the funds transfer request from The University of Akron Foundation to the University. See Note I for contributions over 10 percent.

9) In-kind

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

To Mr. Matthew Wilson, President and
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10) Media Rights

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

11) NCAA Distributions

Procedure: We agreed the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated totals. The transactions selected for testing were as follows:

<u>Journal Date</u>	<u>Journal Description</u>	<u>Revenue Recorded</u>	<u>Support Amount</u>
5/30/2017	NCAA Grants-in-Aid 2016-17	\$ 600,000	\$ 600,000
4/20/2017	NCAA 04/20	743,645	743,645

Result: We traced the amount of the revenue recorded to the related ACH bank deposit, as noted above. We noted no exceptions. There were no expenses recorded on the Statement related to NCAA distributions.

12) Conference Distributions

Procedure: We obtained and inspected all agreements related to the University's conference distributions and participation in revenue from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. We selected a sample of revenue receipts to agree corroborative supporting documents to the University's general ledger. The transaction selected for testing is as follows:

<u>Journal Date</u>	<u>Journal Description</u>	<u>Revenue Recorded</u>	<u>Support Amount</u>
6/22/2017	Mac 2016-2017 Year-end distribution	\$ 1,275,000	\$ 1,275,000

Result: We traced the amount of the revenue recorded to the related ACH bank deposit, as noted above. We noted no exceptions.

13) Program Sales, Concessions, Novelty Sales, and Parking

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

To Mr. Matthew Wilson, President and
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14) Royalties, Licensing, Advertisements, and Sponsorships

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

15) Sports Camp Revenue

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

16) Athletics Restricted Endowment and Investment Income

Procedure: This revenue category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

17) Bowl Revenue

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

18) Other

Procedure: No amounts were reported for this revenue category, so additional procedures were not performed.

Expenses

N. **Procedure:** We agreed each expense 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

Procedure: We selected a sample of 60 students from the listing of institutional student aid recipients during the reporting period (no less than 20 percent of total student athletes for institutions who have not used the NCAA's Compliance Assistance (CA) software, with a maximum sample size of 60). We obtained individual student account detail for each selection and agreed total aid from the student's account detail to the student detail from the squad lists generated by the CA and recalculated totals.

To Mr. Matthew Wilson, President and
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The University of Akron

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

To Mr. Matthew Wilson, President and
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Result: We tested a sample of 60 students and agreed each student's account detail to the squad lists. Management represented that the identified differences, included in the table below, were due to approved changes made to aid received by the student that were not updated in the NCAA CA software. The students' accounts tested are summarized below:

Student Tested	Amount per Student Account	Amount per Squad List	Difference	Student Tested	Amount per Student Account	Amount per Squad List	Difference
1	\$ 18,846	\$ 20,146	\$ (1,300)	31	\$ 24,712	\$ 26,609	\$ (1,897)
2	34,971	35,139	(168)	32	23,399	26,609	(3,210)
3	27,004	28,640	(1,636)	33	33,588	35,140	(1,552)
4	13,089	16,271	(3,182)	34	13,987	16,429	(2,442)
5	26,501	27,411	(910)	35	35,371	35,140	231
6	10,445	11,245	(800)	36	34,536	35,139	(603)
7	13,249	14,049	(800)	37	16,715	13,304	3,411
8	17,775	19,682	(1,907)	38	32,563	34,140	(1,577)
9	32,069	33,736	(1,667)	39*	16,190	17,109	(919)
10	3,990	3,990	-	40	25,193	26,609	(1,416)
11	30,040	30,741	(701)	41	12,249	12,005	244
12	18,666	19,332	(666)	42	19,236	19,583	(347)
13	16,277	16,868	(591)	43	21,631	22,109	(478)
14	12,689	13,307	(618)	44	25,427	35,140	(9,713)
15	6,500	7,300	(800)	45	26,509	29,240	(2,731)
16	19,011	20,003	(992)	46	25,509	26,036	(527)
17	23,845	23,609	236	47	33,453	35,139	(1,686)
18	17,383	18,800	(1,417)	48	12,314	13,069	(755)
19	12,191	12,105	86	49	10,227	10,627	(400)
20	16,964	17,764	(800)	50	15,899	16,292	(393)
21	14,711	15,805	(1,094)	51	31,576	32,542	(966)
22	30,594	31,874	(1,280)	52	13,622	14,115	(493)
23	25,135	26,375	(1,240)	53	23,122	25,146	(2,024)
24	34,085	35,140	(1,055)	54	19,655	20,149	(494)
25	25,409	26,609	(1,200)	55	25,981	26,650	(669)
26	12,890	13,054	(164)	56	15,914	16,510	(596)
27	26,472	27,639	(1,167)	57	31,275	33,736	(2,461)
28	20,024	21,432	(1,408)	58	31,759	35,140	(3,381)
29	36,433	35,139	1,294	59	8,000	8,800	(800)
30	25,663	26,609	(946)	60	17,097	15,803	1,294

2) Guarantees

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

To Mr. Matthew Wilson, President and
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3) Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

Procedure: We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of 10 coaches' contracts that includes football and men's and women's basketball, from the listing obtained. 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 University in the Statement during the reporting period and recalculated totals. We will compare and agree the totals recorded to any employment contracts executed for the sample selected. The coaching positions selected for testing are as follows:

<u>Coach</u>	<u>Sport Selected</u>
1	Football (head coach)
2	Basketball (head coach)
3	Women's basketball (head coach)
4	Men's soccer (head coach)
5	Volleyball (head coach)
6	Women's soccer (head coach)
7	Softball (head coach)
8	Women's golf (head coach)
9	Track and field (head coach)
10	Men's golf (head coach)

Result: We noted no exceptions.

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

Procedure: We selected a sample of five 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 University, and related entities expense recorded by the University in the statement during the reporting period. We also recalculated totals. The staff selected for testing are as follows:

To Mr. Matthew Wilson, President and
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Staff	Position Selected
1	Men's basketball administrative assistant
2	Director of strength and conditioning
3	Director of operations and events
4	Director of athletics
5	Senior associate athletics director

Result: We noted one exception of \$24 between the amounts paid on the payroll summary register for the men's basketball administrative assistant and the related support staff/administrative salaries, benefits and bonuses paid by the University, and related entities expense recorded by the University in the Statement during the reporting period.

5) Severance Payments

Procedure: No amounts were reported for this expense category, so additional procedures were not performed.

6) Recruiting

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

7) Team Travel

Procedure: We obtained the University'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 noted no exceptions.

8) Equipment, Uniforms, and Supplies

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

9) Game Expenses

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

To Mr. Matthew Wilson, President and
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10) Fundraising, Marketing, and Promotion

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

11) Sports Camp Expenses

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

12) Spirit Groups

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

13) 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 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. The two payments selected for testing were in the amount of \$340,844 on February 12, 2017 and May 4, 2017. These were the two highest payments made, per review of the general ledger detail.

Result: Management represents that all “payment” amounts due from the athletics department for debt service are transferred from the athletics fund to the general fund. They are not paid directly to the lender. The transfer amounts listed above were agreed to the applicable debt service schedule. We noted no exceptions.

14) Direct Overhead and Administrative Support

Procedure: We obtained general ledger detail and agreed to the total expenses reported. We agreed a sample of one transaction and agreed to supporting documentation. We recalculated totals.

Result: We obtained a detail listing of direct overhead and administrative support expenses and agreed to the total expenses reported. We selected one sample, a charge for \$45,000 on September 7, 2016 (check date), and agreed it to the related journal entry and invoice. We noted no exceptions.

To Mr. Matthew Wilson, President and
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15) Indirect Institutional Support

Procedure: No amounts were reported for this expense category, so additional procedures were not performed.

16) Medical Expenses and Medical Insurance

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

17) Memberships and Dues

Procedure: This expense category was less than 4 percent of total revenue or expense, so no additional procedures were performed.

18) Student Athletic Meals (nontravel)

Procedure: No amounts were reported for this expense category, so additional procedures were not performed.

19) Bowl Expenses

Procedure: No amounts were reported for this expense category, so additional procedures were not performed.

20) Other Operating Expenses

Procedure: We agreed other expenses to the University's general ledger and recalculated totals.

Result: We noted no exceptions.

Affiliated and Outside Organizations

O. 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.

To Mr. Matthew Wilson, President and
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- 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 monies, goods, or services to be used entirely or in part by the intercollegiate athletics program.
 - iii. Alumni organizations that have as one of their principal purposes the generating of monies, goods, or services for or on behalf of an intercollegiate athletics program and that contribute monies, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.
- 2) We also obtained documentation on the University's practices and procedures for monitoring the internal controls in place and financial activities of these organizations. We inquired of management on the procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the University's intercollegiate athletic program.
 - 3) We obtained and inspected audited financial statements of the organization and any additional reports regarding internal controls and any corrective action taken in response to comments concerning the control environment that were provided to us by management.
- P. **Procedure:** For expenses on or on behalf of intercollegiate athletic programs by affiliated and outside organizations not under the University's accounting control, we obtained those organizations' financial statements for the reporting period.

Result: Management represented that there were no affiliated or outside organizations not under the University's accounting control; therefore, no additional procedures were performed.

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 revenue 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.

To Mr. Matthew Wilson, President and
Mr. Nathan Mortimer, VP of Finance and
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This report is intended solely for the information and use of The University of Akron management and the National Collegiate Athletics Association and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

November 17, 2017

The University of Akron National Collegiate Athletics Association

Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Operating Revenue	Men's Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket sales	\$ 367,687	\$ 417,665	\$ 12,743	\$ 124,169	\$ 45,818	\$ 968,082
Direct institutional support	-	-	-	-	24,641,163	24,641,163
Guarantees	1,200,000	220,000	17,000	4,000	-	1,441,000
Contributions	117,540	204,308	37,367	156,207	1,453,916	1,969,338
In-kind	52,700	6,975	6,975	43,865	14,648	125,163
NCAA distributions	-	-	-	-	1,629,311	1,629,311
Conference distributions (nonmedia or bowl)	-	-	-	-	2,249,286	2,249,286
Program sales, concessions, novelty sales, and parking	-	-	-	-	1,573	1,573
Royalties, licensing, advertisements, and sponsorships	-	-	-	-	922,752	922,752
Sports camp revenue	21,465	40,124	21,071	509,469	18,828	610,957
Athletics restricted endowment and investment income	26,913	522	1,120	30,136	24,784	83,475
Other operating revenue	8,160	24	360	128,091	550,313	686,948
Total operating revenue	1,794,465	889,618	96,636	995,937	31,552,392	35,329,048
Operating Expenses						
Athletic student aid	2,698,611	439,963	465,270	3,453,131	193,675	7,250,650
Guarantees	415,000	336,500	5,500	20,000	-	777,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	2,028,433	1,223,395	581,341	2,304,103	-	6,137,272
Support staff/Administrative salaries, benefits, and bonuses paid by the University and related entities	183,972	147,411	59,543	219,768	3,817,707	4,428,401
Recruiting	180,889	133,505	59,486	121,919	11,439	507,238
Team travel	615,700	555,141	174,610	754,879	232,350	2,332,680
Equipment, uniforms, and supplies	352,813	135,989	59,895	426,385	256,028	1,231,110
Game expenses	-	-	-	778,211	-	778,211
Fundraising, marketing, and promotion	3,892	3,837	3,621	7,774	784,199	803,323
Sports camp expenses	12,346	12,286	13,339	262,522	28,986	329,479
Spirit groups	-	-	-	-	65,011	65,011
Athletic facilities debt service, leases, and rental fees	3,770,013	-	-	-	1,209,110	4,979,123
Direct overhead and administrative support	45,566	14,461	6,508	97,688	1,742,573	1,906,796
Medical expenses and medical insurance	1,255	1,379	1,854	1,362	387,452	393,302
Memberships and dues	18,042	4,974	2,389	19,864	249,561	294,830
Other operating expenses	227,658	280,287	73,761	264,031	833,475	1,679,212
Total operating expenses	10,554,190	3,289,128	1,507,117	8,731,637	9,811,566	33,893,638
Excess of revenue (under) over expenses	\$ (8,759,725)	\$ (2,399,510)	\$ (1,410,481)	\$ (7,735,700)	\$ 21,740,826	\$ 1,435,410

The University of Akron National Collegiate Athletics Association

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 1 - Contributions

Individual contributions of monies, 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 constitute 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2017 are as follows:

Source of Funds, Goods, and Services	Value
An individual donor	\$ 437,500
An individual donor	427,500

Note 2 - Intercollegiate Athletics-related Assets

Property and equipment greater than \$5,000 are recorded at cost or, if donated, the fair value at the time of donation. Expense for maintenance and repairs is 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 to 40 years depending on class.

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

	Current Year Additions	Current Year Reductions
Total athletics facilities	\$ -	\$ -
Other institutional facilities	9,932,810	2,023,204

The total estimated book values of property, plant, and equipment, net of depreciation, of the University as of June 30, 2017, are as follows:

	Book Value
Athletically related property, plant, and equipment balance	\$ 116,453,097
University's total property, plant, and equipment balances	734,229,131

The University of Akron National Collegiate Athletics Association

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 3 - Intercollegiate Athletics-related Debt

The annual debt service and debt outstanding for the University as of June 30, 2017 are as follows:

	Annual Debt Service	Debt Outstanding
Athletically related facilities	\$ 5,677,161	\$ 64,637,414
University's total	32,536,412	448,697,767

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

Years Ending June 30	Principal	Interest
2018	\$ 1,887,361	\$ 3,081,228
2019	1,974,501	2,989,866
2020	2,072,185	2,889,488
2021	2,176,981	2,781,696
2022	2,286,478	2,668,477
Thereafter	<u>54,239,907</u>	<u>22,287,562</u>
Total	<u>\$ 64,637,414</u>	<u>\$ 36,698,316</u>

The University of Akron National Collegiate Athletics Association

Notes to Intercollegiate Athletics Program Statement of Revenue and Expenses Year Ended June 30, 2017

Note 4 - Restricted and Endowment and Plant Funds

During the year, the University had the following significant changes in loan, endowment, or plant funds related to intercollegiate athletics that were not reported in the Statement:

Restricted/Endowment/Plant Funds	Value
Individual Scholarship Endowment	\$ 10,000
Individual Family Scholarship Endowment	8,000
Individual Scholarship Endowment	5,000
Individual Family Scholarship Endowment	25,000

In addition, at June 30, 2017, the University had \$701,532 of endowments. At June 30, 2017, The University of Akron Foundation held \$2,899,121 of endowments and \$7,850,000 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletics department's fund balance is \$643,679 at June 30, 2017.



Dave Yost • Auditor of State

UNIVERSITY OF AKRON- NCAA

SUMMIT 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 26, 2017