

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, 2017**



Dave Yost • Auditor of State

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, 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 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

January 11, 2018

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The Ohio State University Intercollegiate Athletics Department

Index

June 30, 2017

	Page(s)
Report of Independent Accountants	1–12
Statement of Revenues and Expenditures (Unaudited)	13
Notes to Financial Statement (Unaudited)	14–15
Exhibits A-L	17–30

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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 Sr. Vice President for Business and Finance & Chief Financial Officer 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, 2017 (the "Statement") is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the year ended June 30, 2017. Management of the 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 "2017 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.

For purposes of performing these agreed-upon procedures, no exceptions will be reported for differences of \$1,000 as discussed with management. The procedures performed and results thereof are as follows.

1. We obtained from University management the accompanying statement of revenue and expenditures for the year ended June 30, 2017. 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 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).

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 and affiliated organizations (including alumni organizations), that have a principal purpose of generating funds for the University's athletics department, during the year ended June 30, 2017.
 - a. We obtained the financial statements for affiliated organizations as of June 30, 2017 and agreed each of the revenue and expense amounts appearing in the financial statements of the affiliated 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. Of the four confirmation requests, no exceptions were identified in any of the confirmations received. 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 the organizations and the results of the procedures performed.
 - c. We obtained a representation letter signed by the Director of Athletics and all of the head coaches 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 other operating revenue category included in the Statement for the year ended June 30, 2017.
 - a. We mathematically checked the totals 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 management's supporting invoices, schedules or underlying agreements from University management. We compared the dollar amount, name, transaction date, and description of payment 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 other operating expenses and transfers to institution for the year ended June 30, 2017. No procedures were performed as there were no additional expense categories included within the report beyond what was required to test as outlined within the NCAA procedures.



5. We obtained from University management the June 30, 2017 budget for unrestricted funds and the Statement of Revenue and Expenditures as of June 30, 2016.
 - a. We agreed the current year 2017 amounts of each operating revenue and expenses category included in the Statement to the current year budgeted amounts included in the budget obtained from University management.
 - b. We agreed the prior year amounts included in the Statement to the prior year Statement of Revenue and Expenditures.
 - 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, 2017.
 - 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 "2017 Agreed upon Procedures" NCAA guidelines.
8. As Guarantees (Away Game 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 "2017 Agreed upon Procedures" NCAA guidelines.



9. We obtained from University management a detailed listing of all contributions received by the University's athletics department during the year ended June 30, 2017.
 - 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 athletics department during the year ended June 30, 2017, no further procedures over contributions were performed.

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

10. As the in-kind contributions 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 "2017 Agreed upon Procedures" NCAA.
11. As direct state and other governmental 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 "2017 Agreed upon Procedures" NCAA.
12. As the direct institutional authorizations issued by the University 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 "2017 Agreed upon Procedures" NCAA.
13. As the transfers back to the 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 "2017 Agreed upon Procedures" NCAA.
14. As the indirect institutional authorizations issued by the University 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 "2017 Agreed upon Procedures" NCAA.
15. We obtained from University management a detailed listing of revenue from the University's participation in conference and other tournaments (including conference distributions of revenue generated by a post-season bowl to conference members) as of June 30, 2017.
 - a. We mathematically checked the total dollar value of the detailed listing.
 - b. We agreed the total revenue for the University's participation in conference and other tournaments in the detailed listing to the corresponding amount in the line item "Conference Distributions" included in the Statement.



- c. We haphazardly selected 5 agreements from the detailed listing and obtained the agreements from University management. We agreed the revenue per the agreement to the detailed listing.

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

- 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 "2017 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, 2017.

- 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 (where applicable) or other supporting documentation from University management and agreed the dollar amounts in the supporting contracts to the amount per the detailed listing.

Refer to the schedule Exhibit E 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, 2017.

- 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 obtained the supporting agreements from University management. We agreed the dollar amount of each selection to the applicable royalty, licensing, advertisement, and sponsorship agreements or other supporting documentation.

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



19. As the Program, Novelty, Parking and Concession 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 “2017 Agreed upon Procedures” NCAA guidelines.
20. As the Sports Camps 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 “2017 Agreed upon Procedures” NCAA guidelines.
21. As the Athletics Restricted Endowment 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 “2017 Agreed upon Procedures” NCAA guidelines.
22. As the Post-Season Bowl Games 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 “2017 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, 2017 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 doesn't use NCAA’s Compliance Assistant Software to populate the NCAA Revenue and Expense report, we haphazardly selected 60 student-athletes, from the detailed listing. From University management, we obtained the related student’s account detail and award letter (the grant-in-aid agreement referred to as the “tender”) for each selected student. 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 being reported within 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 G for a listing of selections made and the results of the procedures performed.



24. As the Home Game Guarantee expenditure 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 “2017 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 for the year ended June 30, 2017.
 - a. We mathematically checked the total dollar amount of the detailed listing.
 - b. We agreed the total dollar amount of expenses for coaches’ salaries 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 7 of the remaining coaches. We obtained from University management the payroll summary registers for the reporting year for each of the coaches selected and agree 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.

Refer to the schedule Exhibit H 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 for the year ended June 30, 2017.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total expenses for support staff salaries 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 from the detailed listing and obtained the respective contracts from University management. We agreed the dollar amount of the recorded salary and bonus expenses per the detailed listing to the respective contracts.
 - d. We obtained and agreed the payroll summary registers for the reporting year for each of the support staff selections to the related expenses in the detailed listing.

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



27. As the Severance Payments expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
28. As the Recruiting expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
29. We obtained from University management a detailed listing of team travel expenses for the year ended June 30, 2017.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total dollar amount of travel expenses 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 such as: 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 Equipment, Uniforms, and Supplies expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
31. As the Game Expenses expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
32. As the Fund Raising, Marketing, and Promotion expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
33. As the Sports Camp Expenses expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.
34. As Spirit Groups expenditure 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 “2017 Agreed upon Procedures” NCAA guidelines.



35. We obtained from University management a detailed listing of direct overhead and administrative expenses for the year ended June 30, 2017.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total dollar amount of the expenses 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 or other supporting documentation from the 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 J 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 athletics department as of June 30, 2017.
 - 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, 2017 appearing in the Notes to the Statement to the ICA's general ledger as of June 30, 2017.
 - d. We selected the top two highest facility payments and haphazardly selected 8 additional facility payments from the schedule obtained from management. We compared the dollar amount, name, and transaction date from the listing to the supporting Memorandums of Understanding or Lease Agreements maintained by the University.

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

37. As the Medical Expenses and Medical Insurance expenditure 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 "2017 Agreed upon Procedures" NCAA guidelines.
38. As the Membership and Dues expenditure 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 "2017 Agreed upon Procedures" NCAA guidelines.
39. As the Student Athlete Meals expenditure 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 "2017 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, 2017.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total dollar amount of the expenses to the corresponding amount in the line item "Other Operating Expenses and Transfers to Institution" included in the Statement.
 - c. We haphazardly selected 15 payments from the detailed listing, and for each item selected, we obtained the related invoice or other supporting documentation from the 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 invoice or other supporting documentation maintained by the University.

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

41. As the Bowl Expenses expenditure 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 "2017 Agreed upon Procedures" NCAA guidelines.
42. We obtained the listing of the sports sponsored reported in the NCAA Membership Financial Reporting System and agree the listing to the squad lists obtained from University management. No variances were identified between the NCAA Membership Financial Reporting System and the squad list 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 and confirmed that they are 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, a detailed listing of all student-athlete Pell Grants within the institution's financial aid records.
 - a. We obtained a listing of Division 1 student-athletes, who during the academic year, received a Pell Grant award, and the total value of those Pell Grants reported in the NCAA Membership Financial Reporting System.



- b. We agreed the total number of student-athletes who, during the academic year, received a Pell Grant award, to the detailed listing.
- c. We agreed the total value of the Pell Grants reported to the detailed listing.

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

45. As the Transfers to Institution expenditure 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 "2017 Agreed upon Procedures" NCAA guidelines.

46. We obtained from University management repayment schedules for all outstanding intercollegiate athletics debt for the year ended June 30, 2017.

- a. We mathematically checked the total of the detailed listing.
- b. We recalculated the annual maturities, including principal and interest, and agreed the annual maturities to the corresponding amount in the 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, 2017.

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

47. We obtained from University management the total outstanding institutional debt as of June 30, 2017, and agreed the total value to ICA's general ledger and corresponding footnote of the ICA's FY 2017 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, 2017.

- a. We mathematically checked the total of the detailed listing
- b. We agreed the total fair market value to supporting documentation, the ICA's general ledger and the corresponding footnote of the ICA's FY 2017 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, 2017 and agreed the total value to the ICA's general ledger and the corresponding footnote of the ICA's FY 2017 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, 2017.
 - a. We mathematically checked the schedule
 - b. We haphazardly selected a sample of 3 payments from the detailed listing, 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 from the detailed listing to the supporting documentation maintained by the University.

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

51. We obtained representations from University management that to the best of their knowledge and belief, all revenues and expenses related to the Department of Athletics had been properly included in the Statement.
52. As the Compensation and Benefits provided by Third Party revenue 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 "2017 Agreed upon Procedures" NCAA guidelines
53. As the Coaching Other Compensation and Benefits Paid by a Third Party expenditure 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 "2017 Agreed upon Procedures" NCAA guidelines.
54. As the Support Staff Administrative Salaries Benefits and Bonus Paid by a Third Party expenditure 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 "2017 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, 2017 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

January 2, 2018

The Ohio State University Intercollegiate Athletics Department

Statement of Revenues and Expenditures

For the Year Ended June 30, 2017 (unaudited)

The Ohio State University
Intercollegiate Athletics Department
Statement of Revenues and Expenditures
For the Year Ended June 30, 2017

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Revenues						
1 Ticket Sales	51,848,231	6,177,447	462,135	957,742	2,114,797	61,560,351
2 Direct State or Other Support	-	-	-	-	-	-
3 Student Fees	-	-	-	-	-	-
4 Direct Institutional Support	-	-	-	2,214	63,142	65,356
5 Less-transfers to Institution	-	-	-	(2,214)	(63,142)	(65,356)
6 Indirect Institutional Support	-	-	-	-	-	-
6A Indirect Institutional Support-Athletic Facilities Debt Service, Lease and Rental Fees	-	-	-	-	-	-
7 Guarantees	400,000	225,000	-	-	-	625,000
8 Contributions	745,825	983,880	118,072	3,308,208	32,456,951	37,612,936
9 In-Kind	-	-	-	-	-	-
10 Compensation and Benefits provided by a third party	-	-	-	-	-	-
11 Media Rights	19,920,916	5,431,715	-	-	250,234	25,602,864
12 NCAA Distributions	-	4,191,588	80,565	538,782	2,319,502	7,130,437
13 Conference Distributions	7,513,056	(7,328)	-	-	52,707	7,558,435
14 Program, Novelty, Parking and Concession Sales	4,965,891	824,325	139,430	271,549	767,785	6,968,980
15 Royalties, Licensing, Advertisements and Sponsorships	810,623	106,870	88,443	1,085,190	17,869,982	19,961,108
16 Sports Camps Revenues	546,838	64,473	43,455	2,040,077	68,193	2,763,036
17 Athletics Restricted Endowment and Investments Income	629,393	146,194	38,614	823,027	1,963,168	3,600,396
18 Other Operating Revenue	104,469	(45)	5	21,6415	9,287,994	9,608,839
19 Bowl Revenues	2,417,220	-	-	-	-	2,417,220
Total Operating Revenues	89,902,461	18,144,120	970,719	9,240,989	67,151,313	185,409,602
Expenses						
20 Athletic Student Aid	3,956,334	600,233	642,396	14,540,692	331,721	20,071,375
21 Guarantees	2,010,375	695,000	188,840	71,268	-	2,965,483
22 Coaching Salaries, Benefits and Bonuses Paid by the University	13,432,199	4,906,173	1,832,791	11,529,956	136,007	31,837,126
23 Coaching Other Compensation and Benefits Paid by a Third Party	-	-	-	-	-	-
24 Support Staff Administrative Salaries Benefits and Bonus Paid by the University	2,971,514	554,807	312,347	1,411,019	27,322,744	32,572,430
25 Support Staff Administrative Salaries Benefits and Bonus Paid by a Third Party	-	-	-	-	-	-
26 Severance Payments	-	-	-	241,200	-	241,200
27 Recruiting	773,163	264,849	282,430	876,090	-	2,196,531
28 Team Travel	2,512,928	1,132,147	816,843	6,073,003	133,251	10,668,172
29 Sports Equipment, Uniforms and Supplies	1,730,296	128,573	119,826	2,215,089	446,231	4,640,015
30 Game Expenses	27,49,795	57,4737	217,476	754,512	774,256	5,070,776
31 Fund Raising, Marketing and Promotion	-	-	-	-	1,186,809	1,186,809
32 Sports Camp Expenses	524,830	27,959	41,717	1,059,776	42,451	1,696,733
33 Spirit Groups	-	-	-	-	243,674	243,674
34 Athletic Facilities Debt Service, Leases and Rental Fees	-	1,431,144	150	1,984,167	13,376,259	16,791,720
35 Direct Overhead and Administrative Expenses	509,137	63,665	33,208	386,072	23,850,852	24,842,935
36 Indirect Institutional Support	-	-	-	-	-	-
37 Medical Expenses and Insurance	-	-	-	-	1,478,316	1,478,316
38 Memberships and Dues	4,125	2,120	800	30,434	276,406	313,885
39 Student-Athlete Meals	2,561,280	58,421	29,239	266,165	667,656	3,582,760
40 Other Operating Expenses	299,443	174,885	126,811	576,593	7,519,267	8,696,999
41 Bowl Expense	4,410,495	-	-	-	-	4,410,495
	38,445,915	10,614,712	4,644,873	42,016,035	77,785,900	173,507,435
50 Transfer to Institution	11,253	11,329	-	63,051	2,281,325	2,366,958
51 Conference Realignment Expense	-	-	-	-	-	-
52 Total Athletics Related Debt	-	-	-	-	-	177,771,859
53 Total Institutional Debt	-	-	-	-	-	3,808,810,000
54 Value of Athletics Dedicated Endowments	-	-	-	-	-	91,952,219
55 Value of Institutional Endowments	-	-	-	-	-	4,253,459
56 Total Athletics Related Capital Expenditures	582,288	-	-	-	665,254	1,247,542

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

1. Summary of Presentation Policies

All revenues and expenditures directly related to various sports were 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 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 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.

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.

Capital Asset activity for the year ended June 30, 2017 as summarized as follows:

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

	Balance 6/30/2016	Additions	Transfers In (Out)	Disposals	Ending 6/30/2017
Capital assets not being depreciated					
Construction in progress	\$ 1,147,844	\$ 15,883,677	\$ (1,451,310)	\$ -	\$ 15,580,211
Total capital assets not being depreciated	1,147,844	15,883,677	(1,451,310)	-	15,580,211
Capital assets being depreciated					
Buildings	377,875,729	1,425,702	-	(850,000)	378,451,431
Capital Improvements	45,497,361	25,608	-	-	45,522,969
Machinery and equipment	9,887,969	1,082,349	-	(805,941)	10,164,377
Total capital assets being depreciated	433,261,059	2,533,659	-	(1,655,941)	434,138,777
Total capital assets	434,408,903	18,417,336	(1,451,310)	(1,655,941)	449,718,988
Less: Accumulated Depreciation					
Buildings	168,771,054	12,662,589	-	(212,500)	181,221,143
Capital Improvements	21,276,206	2,339,693	-	-	23,615,899
Machinery and equipment	5,109,049	991,028	-	(824,804)	5,275,273
Total accumulated depreciation	195,156,309	15,993,310	-	(1,037,304)	210,112,315
Total capital assets being depreciated, net	238,104,750	(13,459,651)	-	(618,637)	224,026,462
Capital assets, net	\$ 239,252,594	\$ 2,424,026	\$ (1,451,310)	\$ (618,637)	\$ 239,606,673

7. Long-Term Debt

University Notes Payable

The university has issued notes payable to 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
2018	\$ 6,817,178	\$ 8,167,291	\$ 14,984,469
2019	6,944,930	7,855,374	14,800,304
2020	6,989,375	7,545,252	14,534,627
2021	7,098,199	7,228,284	14,326,483
2022	7,012,967	6,915,971	13,928,938
2023-2027	27,400,363	30,386,653	57,787,016
2028-2032	24,388,916	24,832,718	49,221,634
2033-2037	24,019,402	19,466,779	43,486,180
2038-2042	30,254,211	13,231,969	43,486,180
2043 and Thereafter	36,846,318	5,363,883	42,210,201
	\$ 177,771,859	\$ 130,994,173	\$ 308,766,032

Exhibits

The Ohio State University Intercollegiate Athletics Department
Exhibit A
Other Operating Revenues

Description	Exception (Y/N)
1. Golf Restaurant Beverage Sales	N
2. Golf Restaurant Sales	N
3. Golf Restaurant Beverage Sales	N
4. Golf Restaurant Food sales	N
5. Internet Camp	N
6. Stadium Suite Sales	N
7. Stadium Suite Lease	N
8. Renovations	N
9. Golf Fees	N
10. Golf Course Membership	N
11. Golf Course Membership	N
12. Golf Course Membership	N
13. Golf Course Membership	N
14. Seat Cushion Sales	N
15. High School Track Entries	N

The Ohio State University Intercollegiate Athletics Department
Exhibit B
Fluctuation Analysis
2017 revenues and expenditures as compared to 2016 revenues and expenditures

FY 17 AUP lines	Change	Change %	Management Explanation
<u>Revenues</u>			
Contributions	4,474,833	14%	Contributions increased in FY17 due to an increase in pledges and current use gifts.
Royalties, Licensing, Advertisements and Sponsorships	2,778,598	16%	In 2016, Athletics received a \$10M upfront payment upon amending an existing licensing agreement. At the time, the plan was to start recognizing the revenue when the extended contract period began (Aug 2018). Upon further review during the audit of 2017, it was determined that the revenue recognition should have begun at the time of the contract amendment. A adjustment of \$3 million was recorded in FY 2017 to bring the revenue recognition up to date.

The Ohio State University Intercollegiate Athletics Department
Exhibit B
Fluctuation Analysis (continued)
2017 revenues and expenditures, as compared to 2017 unrestricted budget

FY17 AUP Lines	Change	Change %	Management Explanation
<u>Revenues</u>			
Contributions	(6,877,004)	-15%	\$7M in capital contributions were included in the budget but not in actual Contributions per NCAA reporting guidelines since they are for capital expenditures.
Royalties, Licensing, Advertisements and Sponsorships	6,415,915	47%	In 2016, Athletics received a \$10M upfront payment upon amending an existing licensing agreement. At the time, the plan was to start recognizing the revenue when the extended contract period began (Aug 2018). Upon further review during the audit of 2017, it was determined that the revenue recognition should have begun at the time of the contract amendment. A adjustment of \$3 million was recorded in FY 2017 to bring the revenue recognition up to date. The budget is based on the prior assumption. Additionally, Athletics recognizes revenue for the receipt of various supplies and equipment received on an n kind basis. The amount included in this line for which there is no matching budget is 3.2 Million.
<u>Expenses</u>			
Coaching Salaries, Benefits and Bonuses Paid by the University	31,837,126	100%	Salaries and benefits increased in FY17 based upon some contractual obligations and championships. Note the budget for coaches is combined with support staff.
Support Staff Administrative Salaries Benefits and Bonus Paid by the University	(29,700,939)	-48%	Salaries and benefits increased in FY17 based upon annual pay increases and other contractual increases and obligations.

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

Description	Exception (Y/N)
1. Cost of Sales-Food	N
2. Cost of Sales-Merchandise for Resale	N
3. Cost of Sales-Beverage Other	N
4. Travel	N
5. Travel	N
6. Travel	N
7. Student Activity Travel	N
8. Purchased Services - General	N
9. Purchased Services - General	N
10. Purchased Services - General	N
11. Purchased Services - General	N
12. Business Meals	N
13. Athletic Awards	N
14. Capitalized Equipment - Other	N
15. General Administration Costs	N

The Ohio State University Intercollegiate Athletics Department
Exhibit D
Conference Distributions

Description	Exception (Y/N)
1. Big Ten Bowl Distribution	N
2. Big Ten Football Revenue Sharing	N
3. Big Ten Men's Basketball Revenue Sharing	N
4. Big Ten Football Championship Distribution	N
5. Campus Intern Program	N

The Ohio State University Intercollegiate Athletics Department
Exhibit E
Media Rights

Description	Exception (Y/N)
1. Big Ten 3 rd Quarter Distribution	N
2. Big Ten 4 th Quarter Distribution	N
3. Big Ten 2 nd Quarter Distribution	N
4. Big Ten 1 st Quarter Distribution	N
5. Big Ten-December ABC/ESPN Distribution	N
6. Big Ten - November ABC/ESPN Distribution	N
7. Big Ten-October ABC/ESPN Distribution	N
8. Big Ten- September ABC/ESPN Distribution	N
9. Big Ten Football Championship Game TV - Fox	N
10. IMG Broadcasting FY17 3rd Quarter Distribution	N

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

Description	Exception (Y/N)
1. FY17 Coke Hold Harmless – Ice Rink	N
2. FY17 Coke Hold Harmless	N
3. FY17 Nationwide Affinity Agreement	N
4. Football Tickets & Parking - Coke	N
5. IMG 4 th Quarter Distribution	N
6. Transferred Deferred ~ IMG Ribbon	N
7. IMG 1ST Quarter FY17 Payment	N
8. Ticketmaster LLC	N
9. FY17 Trademark & Licensing Royalty Retail Distribution	N
10. IMG FY17 3rd Quarter Payment	N

The Ohio State University Intercollegiate Athletics Department

Exhibit G

Athletic Student Aid

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

The Ohio State University Intercollegiate Athletics Department

Exhibit G

Athletic Student Aid

Description	Exception (Y/N)
41. Soccer	N
42. Swimming	N
43. Lacrosse	N
44. Lacrosse	N
45. Rowing	N
46. Baseball	N
47. Football	N
48. Diving	N
49. Ice Hockey	N
50. Ice Hockey	N
51. Football	N
52. Lacrosse	N
53. Soccer	N
54. Soccer	N
55. Lacrosse	N
56. Softball	N
57. Football	N
58. Tennis	N
59. Football	N
60. Swimming	N

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

Description	Exception (Y/N)
1. Athletic Football	N
2. Athletics Basketball - Men	N
3. Athletics Basketball - Women	N
4. Athletics Assistant Basketball - Men	N
5. Athletics Assistant Basketball - Men	N
6. Athletics Ice Hockey - Men	N
7. Athletics Baseball	N
8. Athletics Assistant Football	N
9. Athletic Synchronized Swimming - Women	N
10. Athletics Field Hockey - Women	N

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

Description	Exception (Y/N)
1. Athletics – Support Staff	N
2. Athletics Golf Course Pro Shop	N
3. Athletics Administrative and General	N
4. Athletics Golf Course Restaurant	N
5. Athletics Stadium Maintenance	N
6. Athletics Arena Maintenance	N
7. Athletics Equipment Care	N
8. Athletics Equipment Care	N
9. Athletics Football	N
10. Athletics Football	N
11. Publications	N
12. Athletics Training	N
13. Athletics Golf Course Operations	N
14. Athletics Strength / Conditioning	N
15. Athletics Ticket Office	N
16. Sports Camp Administration	N
17. Athletics Technology Services	N
18. Athletics Administration and General	N
19. Athletics Ticket Office	N
20. Athletics Basketball – Men	N
21. Athletics Ice Hockey – Men	N
22. Athletics Training	N
23. Athletics Golf Course Restaurant	N
24. Athletics Communication	N
25. Athletics Football	N

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

Description	Exception (Y/N)
1. Wall Graphics	N
2. Broadcast Support	N
3. University Overhead	N
4. Flooring Installation	N
5. Monthly Water Bill – Ohio Stadium	N
6. Monthly Steam Bill – St. John’s Arena	N
7. Additional Wireless	N
8. Janitorial Supplies	N
9. Women’s Volleyball Championship Equipment Rental	N
10. Women’s Volleyball Championship Electronic Equipment	N

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

Description	Exception (Y/N)
1. Ohio Stadium Renovation January 2017 Payment	N
2. Ohio Stadium Renovation April 2017 Payment	N
3. Athletics WHAC Renovation October 2016 Payment	N
4. Schottenstein Basketball Practice Facility October 2016 Payment	N
5. Indoor Golf Facility October 2016 Payment	N
6. Stadium Lighting and Seats August 2016 Payment	N
7. Jesse Owens Track June 2017 Payment	N
8. Stadium Lighting and Seats April 2017 Payment	N
9. Space Rentals – McCorkle Aquatics May 2017 Payment	N
10. Space Rentals – Griggs Reservoir Boathouse June 2017 Payment	N

The Ohio State University Intercollegiate Athletics Department
Exhibit L
Athletic Capital Expenditures

Description	Exception (Y/N)
1. WHAC – Video Staff Relocation Payment	N
2. Davis Stadium Netting System Payment	N
3. Stadium & Schottenstein Wifi Study Payment	N



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 23, 2018