

**Kent State University
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
Kent State University
224 Michael Schwartz Center
PO Box 5190
Kent, Ohio 44242

We have reviewed the *Independent Accountant's Report on the Application of Agreed-upon Procedures* of the Kent State University NCAA Report, Portage 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. Kent 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

November 21, 2017

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Kent State University National Collegiate Athletics Association

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

Dr. Beverly J. Warren, President
Dr. Mark Polatajko, Senior Vice President,
Finance and Administration
Kent State University

We have performed the procedures enumerated below, which were agreed to by the Kent State University (the "University"), solely to assist you in evaluating whether the accompanying Intercollegiate Athletics Program statement of revenue and expenses (the "Statement") of Kent State University is in compliance with the National Collegiate Athletics Association (NCAA), Constitution 3.2.4.15 for the year ended June 30, 2017. Kent State University'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 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 (Athletics) that were not addressed in connection with the audit of the University's financial statements.

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4) Cash disbursements and athletic employee payroll are addressed in connection with the audit of the University's financial statements. The following control environment and accounting systems are (a) unique to the intercollegiate athletics and (b) have not been addressed in connection with the audit of the University's financial statements. We performed the following procedures:

- i. We selected three athletic department cash receipts and agreed the following to those receipts:
 - Remittance advices or copies of checks
 - Deposits made to the business office
- ii. We selected three games and traced ticket collections per the receipting process for such games to the reconciliation and documentation of the related cash deposit amount with the bank.

Result: We concluded that the intercollegiate athletics department's internal control structure was the same as the University's internal control for the cash disbursement, general cash receipt, and employee pay processes. Therefore, the only procedure listed that is unique to intercollegiate athletics is the ticket collection receipt process. We selected two football games and one men's basketball game during the year and agreed the gate sales for such events, as documented by the University's ticket reconciliation procedures, to deposit slips of the related cash deposit amount with the bank. The games selected for testing were football versus Ohio University on October 22 2016, football versus Northern Illinois University on November 25, 2016, and men's basketball versus Niagara University on December 7, 2016. We noted a \$4 difference between the Veritix report and the University's records for the Niagara University Game.

NCAA Reporting

B. **Procedure:** The Financial Report Submission to the NCAA is now due on January 15, 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.

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D. **Procedure:** We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the University meet the minimum requirements set forth in NCAA Bylaw 20.9.6.3. We agreed the sports reported as countable for revenue distribution purposes to the NCAA Membership Financial Reporting System.

Results: Procedures were performed without exception.

E. **Procedure:** We requested the total number of Division I student athletes who, during the academic year, received a Pell Grant award (e.g., Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to agree to a report, generated out of the University's financial aid records, of all student athlete Pell Grants.

Results: We obtained a report of all student athlete Pell Grants generated from the University's financial aid records but were unable to agree the totals to the NCAA Membership Financial Reporting Software as the submission was not completed at the time of procedures being performed.

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 in Note 2. We agreed the data provided for athletics and institutional debt service and debt balance fields in the miscellaneous information screen for the submission to the NCAA to the University's general ledger, including additions, deletions, and book values as disclosed in Notes 2 and 3.

Result: We noted no exceptions.

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. We agreed total outstanding institutional debt to supporting documentation and the University's audited financial statements or the University's general ledger.

Results: Management represented that there was no outstanding intercollegiate athletics debt maintained by the University during the reporting period. As there is no intercollegiate athletics debt, there is no repayment schedule to be disclosed in the notes. We noted no exceptions.

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H. **Procedure:** We requested general ledger detail and were asked to compare it to the total expenses reported for excess transfers to the University and conference realignment expenses and select a sample of one transaction, if applicable.

Results: 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.

I. **Procedure:** We noted that changes in loan, endowment or plant funds related to intercollegiate athletics were not be included in the Statement.

1) We obtained and disclosed significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds. Significant is defined as exceeding 10 percent of 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 the senior fiscal manager of intercollegiate athletics (management), and agreed all amounts back to the University's general ledger.

Result: We noted no other 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: See Appendix A. 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 the budgeting process.

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- 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.

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 additional procedures were not performed.

2) Student Fees

Procedure: We agreed student fees reported by the University in the Statement for the reporting period to student enrollments during the same reporting period. We obtained the University's methodology for allocating student fees to intercollegiate athletics programs, and recalculated totals.

Result: We noted no exceptions.

3) Direct State or Other Governmental Support

Procedure: This revenue category was less than 4 percent of total revenue or expense, 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, and tied out components of the calculation to the general ledger. We noted no exceptions.

5) Transfers Back to Institution

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

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6) Indirect Institutional Support

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

7) Guarantees

Procedure: We selected a sample of three contractual agreements pertaining to revenue derived from guaranteed contests during the reporting period and agreed each to the University's general ledger. We also recalculated totals. We agreed a sample of three settlement reports obtained from the above revenue supporting schedules to the supporting revenue receipts. For the three aforementioned samples, we selected the following games: women's basketball versus the University of Iowa on January 9, 2017, baseball versus the Florida International University on February 26, 2017, and soccer versus The Ohio State University on September 13, 2016.

Result: We completed the above procedure steps, noting 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.

Result: We completed the procedure steps without exception. 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 additional procedures were not performed.

10) Media Rights

Procedure: This revenue category was less than 4 percent of total revenue or expense, 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 related ACH bank deposits and recalculated totals.

Result: We noted no exceptions.

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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 compared the related revenue to the University's general ledger and the Statement.

Result: 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 additional procedures were not performed.

14) Royalties, Licensing, Advertisements, and Sponsorships

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

15) Sports Camp Revenue

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

16) Athletics Restricted Endowment and Investment Income

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

17) Bowl Revenue

Procedure: This revenue category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

18) Other

Procedure: This revenue category was less than 4 percent of total revenue or expense, 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.

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We performed the following procedures for the indicated expense category:

I) 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 Compliance Assistant (CA) software, with a maximum sample size of 60). We obtained individual student account detail for each selection and agreed total aid allocated from the related aid award letter to the student's account and recalculated totals.

- a. We performed a check of each student selected to ensure that his or her information was entered directly into the NCAA Membership Financial Reporting System using the following criteria:
 - i. The equivalency value for each student athlete in all sports, including head-count sports, need to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room, and board for an academic year as the denominator.
 - ii. 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 institution, 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 institution.

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- 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.

Result: For the sample of 60 students selected, each student’s account detail agreed to the amount reported in the NCAA Management Financial Reporting System and was recalculated except for the book award amount, which is offered but not disbursed through the student’s account. No exceptions were noted.

The students’ accounts tested are summarized below:

Student Tested	Amount Disbursed						
1	\$ 14,907	16	\$ 4,800	31	\$ 19,405	46	\$ 28,827
2	4,250	17	14,800	32	33,296	47	6,500
3	2,678	18	14,100	33	29,219	48	6,000
4	36,156	19	10,800	34	35,803	49	34,732
5	27,314	20	20,500	35	23,514	50	14,000
6	11,477	21	12,000	36	28,386	51	1,800
7	29,896	22	14,140	37	13,762	52	800
8	27,164	23	5,000	38	34,732	53	1,000
9	27,164	24	9,000	39	8,852	54	11,800
10	22,014	25	16,546	40	23,524	55	32,532
11	31,346	26	4,750	41	5,761	56	15,250
12	11,866	27	19,040	42	800	57	29,206
13	32,096	28	17,500	43	28,265	58	37,520
14	28,905	29	23,524	44	2,000	59	23,524
15	800	30	33,406	45	17,000	60	19,524

2) Guarantees

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

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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 five coaches' contracts that includes football and men's and women's basketball from the above listing. We agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period. We obtained and inspected payroll summary registers for each selection. We agreed related payroll summary registers to the related coaching salaries, benefits, and bonuses paid by the University and related entities' expense recorded by the University in the Statement during the reporting period and recalculated totals. We compared and agreed the totals recorded to any employment contracts executed for the sample selected.

Result: We noted no exceptions. We agreed the sample of five to the coaches' contract, payroll summary register, and payroll personnel action form.

The coaches tested are summarized below:

<u>Coach</u>	<u>Team</u>
1	Football
2	Men's Basketball
3	Women's Basketball
4	Wrestling
5	Field hockey

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

Procedure: We selected a sample of one 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.

Result: We performed the procedures above for the associate athletic director and reviewed the total payroll listed in the individual's labor distribution report. We noted no exceptions.

5) Recruiting

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

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6) Severance Payments

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not 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 obtained and reviewed the University's team travel policies. We agreed total expenses reported to a detail list of travel expenses by sport. We noted no exceptions.

8) Equipment, Uniforms, and Supplies

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 agreed total expenses reported to a detail list of equipment, uniform, and supplies expenses by sport. We selected one sample, a purchase of a banquet facility for \$594 on January 5, 2017, and agreed to the supporting receipt of purchase. We noted no exceptions.

9) Game Expenses

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

10) Fundraising, Marketing, and Promotion

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

11) Sports Camp Expenses

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

12) Spirit Groups

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

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13) Athletic Facility Debt Service, Leases, and Rental Fees

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

14) Direct Overhead and Administrative Support

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

15) Indirect Institutional Support

Procedure: This expense category was less than 4 percent of total revenue or expense, 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 additional procedures were not performed.

17) Memberships and Dues

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

18) Student Athletic Meals (nontravel)

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

19) Bowl Expenses

Procedure: This expense category was less than 4 percent of total revenue or expense, so additional procedures were not performed.

20) Other Operating Expenses

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

Result: We noted no exceptions.

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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
 - 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 its principal purposes the generating of monies, goods, or services for or on behalf of an intercollegiate athletics programs and that contribute monies, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.
- 2) 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) Obtained and inspected audited financial statements of the University 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.

Result: Per discussion with management as well as review of documentation, we did not note any affiliated organizations that would be considered not under the University's accounting control. No procedures were performed related to affiliated or outside organizations. No other exception were noted.

P. **Procedure:** For expenses for or on behalf of intercollegiate athletic programs by affiliated and outside organizations not under the University's accounting control, we requested those organizations' financial statements for the reporting period.

Result: Per discussion with management as well as review of documentation, we did not note any affiliated organizations that would be considered not under the University's accounting control. We noted that there were no audited financial statements available for affiliated or outside organizations. No additional procedures were performed.

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Intercollegiate Athletics Program statement of 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.

This report is intended solely for the information and use of Kent State University 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

October 30, 2017

Kent State University National Collegiate Athletics Association

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

	Men's Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Operating Revenue						
Ticket sales	\$ 673,715	\$ 161,009	\$ 11,344	\$ 49,543	\$ 19,590	\$ 915,201
Student fees	-	-	-	-	14,668,174	14,668,174
Guarantees	2,141,318	115,000	27,000	17,500	-	2,300,818
Contributions	158,905	109,370	39,972	467,362	614,009	1,389,618
Direct institutional support	-	-	-	-	3,989,665	3,989,665
NCAA distributions	-	-	-	-	1,825,989	1,825,989
Conference distributions	-	-	-	-	1,844,836	1,844,836
Royalties, licensing, advertisements, and sponsorships	6,000	-	-	-	715,697	721,697
Sports camp revenue	-	26,172	6,451	441,021	-	473,644
Other	-	-	-	-	708,068	708,068
Total operating revenue	2,979,938	411,551	84,767	975,426	24,386,028	28,837,710
Operating Expenditures						
Athletic student aid	2,172,626	484,617	442,436	3,414,085	8,617	6,522,381
Guarantees	670,000	259,743	12,500	2,542	-	944,785
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,600,747	917,247	584,996	1,541,357	1,595,890	6,240,237
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	-	-	-	-	4,897,363	4,897,363
Recruiting	169,432	82,269	88,221	131,921	-	471,843
Team travel	737,586	293,494	137,387	1,088,493	829,213	3,086,173
Equipment, uniforms, and supplies	507,563	114,670	76,651	576,918	552,695	1,828,497
Game expenses	325,151	152,740	85,237	97,911	-	661,039
Fundraising, marketing and promotion	-	-	-	-	787,315	787,315
Sports camp expenses	5,264	26,071	6,936	468,633	-	506,904
Spirit groups	-	-	-	-	72,833	72,833
Athletic facilities debt service, leases, and rental fees	-	-	-	-	358,401	358,401
Direct overhead and administrative support	-	-	-	-	667,752	667,752
Medical expenses and medical insurance	-	-	-	-	274,362	274,362
Memberships and dues	2,195	2,395	1,762	9,430	293,491	309,273
Other operating expenses	-	-	-	-	1,574,832	1,574,832
Total operating expenses	6,190,564	2,333,246	1,436,126	7,331,290	11,912,764	29,203,990
Excess of revenue (under) over expenses	\$ (3,210,626)	\$ (1,921,695)	\$ (1,351,359)	\$ (6,355,864)	\$ 12,473,264	\$ (366,280)

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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 constitutes 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2017. During year ended June 30, 2017, there were no individual contributions that were 10 percent or more of all contributions.

Note 2 - Intercollegiate Athletics-related Assets

Property and equipment 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 3-40 year 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 Deletions
Athletics facilities	\$ 532,694	\$ -
Other university facilities	\$ 105,884,655	\$ 6,278,844

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

	Estimated Book Value
Athletically related property, plant, and equipment balance	\$ 23,983,330
University's total property, plant, and equipment balance	\$ 935,668,123

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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	\$ -	\$ -
University's total	\$ 46,504,146	\$ 504,416,000

Note 4 - Restricted and Endowment and Plant Funds

During the year, the University did not have any significant changes in loan, endowment, or plant funds related to intercollegiate athletics.

In addition, at June 30, 2017, the University had \$5,979,834 of endowments and \$1,812,787 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletics department's fund balance is \$-3,280,081 at June 30, 2017.

Kent State University National Collegiate Athletics Association Report

Appendix A Statement of Revenue and Expenses Year Ended June 30, 2017

	2016-17		\$ Change	% Change	Explanation of Variance per Vice President of Finance and Operations
	Actual Total	Budget Total			
REVENUE					
Memberships	\$ 1,967,690	\$ 1,002,000	\$ 965,690	49%	Membership revenue increased primarily due to MAC Conference distributions



Dave Yost • Auditor of State

KENT STATE UNIVERSITY - NCAA

PORTAGE 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 5, 2017**