

Kent State University Portage County

Independent Accountant's Report on Applying
Agreed-Upon Procedures Performed on the
Intercollegiate Athletics Department as required by
NCAA Constitution 3.2.4.17

For the Year Ended June 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER



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We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures Performed on the Intercollegiate Athletic Department as required by NCAA Constitution 3.2.4.17* of Kent State University- NCAA, Portage County, prepared by RSM US LLP, for the period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Kent State University- NCAA is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2022

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RSM US LLP

Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Todd Diacon, President
Kent State University

We have performed the procedures enumerated below related to Kent State University's (the University) compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 (the specified requirements) during the period July 1, 2021 to June 30, 2022. We have performed the procedures included in the NCAA Bylaw 3.2.4.17 and enumerated below. Kent State University's management is responsible for its compliance with those requirements.

Kent State University's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the University complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

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

- A. We obtained the Department's Statement of Revenues and Expenses (Statement) for the year ended June 30, 2022, as prepared by management and included herein as Exhibit A. We computed, without exception, the mathematical accuracy of the Statement. We compared the individual line items in the "Total" column to the respective amounts recorded in the Intercollegiate Athletic Department of Kent State University's (the Department) general ledger for the year ended June 30, 2022 and found them to be in agreement. If a specific reporting category was less than 4% of the total revenue and expense, no procedures were performed for that specific category.

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

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

Student Fees – We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, student fees increased due to a return a reallocation of the general fee percentage distributed to athletics.

Guarantees – We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, guarantees increased in the current year as there were no guaranteed contracts as a result of the COVID-19 pandemic in the prior period.

There were no additional variances greater than 10% compared to prior period and budget estimates.

For additional information, reference the supplement to the Agreed-Upon Procedures report.

Agreed-Upon Procedures Related to Revenues

Ticket Sales

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

Student Fees

- 2-4. We compared student fees reported in the Statement for the year ended June 30, 2022 to the University general fee and allocation percentage of the general fee to intercollegiate athletics and recalculated totals. We obtained the University's methodology for allocating student fees to the intercollegiate athletics department and recalculated the totals based on this methodology. The Department reports an allocation of student fees countable as generated revenue. We recalculated totals for each sport based on their methodology provided and agreed the calculation to student fee reports.

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

Direct State or Other Governmental Support

5. We noted, through inquiry of the Department, the Department did not receive any direct state or other governmental support for the year ended June 30, 2022. Therefore, no procedures were performed.

Direct Institutional Support

6. We compared direct institutional support reported in the Statement for the year ended June 30, 2022 to the University direct institutional support and allocation to intercollegiate athletics and recalculated totals. We obtained the University's methodology for allocating direct institutional support to the intercollegiate athletics department and recalculated the totals based on this methodology. The Department reports an allocation of direct institutional support countable as generated revenue. We recalculated totals for each sport based on their methodology provided and agreed the calculation to University reports.

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

Transfers Back to Institution

7. We noted, through inquiry of the Department, there were no transfers back to the institution for the year ended June 30, 2022. Therefore, no procedures were performed.

Indirect Institutional Support

8. We noted, through inquiry of the Department, the Department did not receive indirect institutional support for the year ended June 30, 2022. Therefore, no procedures were performed.

Guarantees

- 9-10. We obtained from the Department the general ledger detail of all guarantees recorded by the University during the year ended June 30, 2022. We then haphazardly selected three guarantee transactions recorded in the general ledger and agreed the transaction amount to the approved contract on behalf of the Department and recalculated totals.

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

Contributions

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

In-Kind

12. We noted, through inquiry of the Department, the Department did not receive any in-kind contributions for the year ended June 30, 2022. Therefore, no procedures were performed.

Compensation and Benefits by a Third-Party

13. We noted, through inquiry of the Department, the Department did not receive any compensation and benefits provided by a third-party for the year ended June 30, 2022. Therefore, no procedures were performed.

Media Rights

- 14-15. We noted, through inquiry of the Department, the Department did not receive any media rights for the year ended June 30, 2022. Therefore, no procedures were performed.

NCAA Distributions

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

Conference Distributions

- 17-18. We obtained from the Department a listing of all conference distributions made to the University for the year ended June 30, 2022. We then selected the largest distribution recorded in the general ledger. For this item, we agreed the amount recorded to the supporting documentation (cash receipt) for the distribution. We compared the total revenues from "Conference Distributions" per the Statement to the respective account in the general ledger for the year ended June 30, 2022 and found it to be in agreement.

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

Program, Novelty, Parking and Concession Sales

19. We noted, through inquiry of the Department, the Department did not receive any program, novelty, parking and concession sales for the year ended June 30, 2022. Therefore, no procedures were performed.

Royalties, Licensing, Advertisements and Sponsorships

- 20-21. We obtained from the Department a listing of all royalty, licensing, advertisement and sponsorship revenue received for the year ended June 30, 2022. We then haphazardly selected six transactions in the general ledger. For these items, we agreed the amount recorded to the supporting documentation (cash receipt) for the income. We compared the total revenues from "Royalties, Licensing, Advertisements and Sponsorships" per the Statement to the respective account in the general ledger for the year ended June 30, 2022 and found it to be in agreement.

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

Sports Camp Revenues

- 22-23. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Athletics Restricted Endowment and Investment Income

- 24-25. We noted, through inquiry of the Department, the Department did not receive any athletics restricted endowment and investment income for the year ended June 30, 2022. Therefore, no procedures were performed.

Other

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

Football Bowl Revenues

- 27-28. This specific reporting category is less than 4% of the total revenue, therefore, no procedures were performed.

Agreed-Upon Procedures Related to Expenses

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

Athletic Student Aid – We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, athletic student aid increased due to return to pre-pandemic levels and additional years of eligibility for student athletes due to the COVID-19 pandemic.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities – We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, support staff/administrative salaries, benefits, and bonuses paid by the University and related entities increased due to a return of pre-pandemic staffing levels as positions were not filled in the prior year due to the limited operations during the pandemic.

Team Travel – We noted a variance greater than 10% compared to the prior period and budget. We noted, through inquiry of the Department, team travel increased to pre-pandemic levels which were limited in the prior year as a result of the COVID-19 pandemic.

There were no additional variances greater than 10% compared to prior period and budget estimates.

For additional information, reference the supplement to the Agreed-Upon Procedures report.

Athletic Student Aid

29-32. We obtained a listing of student athletes who received financial assistance during the year ended June 30, 2022 from management. Management used the NCAA's Compliance Assistant (CA) software to prepare the athletic aid detail. We haphazardly selected 10% of the total student athletes from the listing. We obtained a detail of each selected student's account and the financial aid award letter. We inspected each student account selected and agreed their student account information per the University to the information reported in the NCAA's CA software. If the student received a Pell Grant, we noted the value of the Pell Grant was excluded in student athletic aid expense and that the student's total number and value of Pell Grants reported for revenue distributions purposes were included in the NCAA Membership Financial Reporting System.

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

Guarantees

33-34. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

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

35-38. We obtained a listing of University coaches employed at the University during the year ended June 30, 2022. From this list, we selected a total of five coaches (that included men's football, and men's and women's basketball coaches) and obtained the reporting period summary payroll register and agreed the recorded salary, benefit and bonus expense in their respective payroll accounts to their contracts and found them to be in agreement.

We also obtained the general ledger for the total expenses for coaching salaries, benefits and bonuses paid by the University for the year ended June 30, 2022. We then agreed the amount to the Statement and found them to be in agreement. We noted, through inquiry of the Department, for items tested, no payments were made to related entities or third parties.

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

Coaching Other Compensation and Benefits Paid by a Third-Party

39-41. We noted, through inquiry of the Department, that the Department did not expend any coaching other compensation and benefits provided by a third-party for the year ended June 30, 2022. Therefore, no procedures were performed.

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

42-43. We obtained a listing of support staff/administrative salaries employed at the University during the year ended June 30, 2022. From this listing, we haphazardly selected a sample of five support staff/administrative salaries and obtained the reporting period summary payroll register for the year ended June 30, 2022. For each selection we agreed the summary payroll registers to the related support staff/administrative salaries, benefits and bonuses paid by the University to the Statement during the reporting period and recalculated totals.

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

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

44-45. We noted, through inquiry of the Department, that the Department did not expend any support staff/administrative other compensation and benefits paid by a third-party for the year ended June 30, 2022. Therefore, no procedures were performed.

Severance Payments

46. We noted, through inquiry of the Department, that there were no employees receiving severance payments for the year ended June 30, 2022. Therefore, no procedures were performed.

Recruiting

- 47-49. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Team Travel

- 50-52. We obtained and read the written documentation from the Department outlining the University's athletics team travel expense policies. We also obtained and read a copy of the NCAA travel expense policies.

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

We then obtained the general ledger detail of team travel expenses for the year ended June 30, 2022. From the general ledger detail we haphazardly selected a sample of four expense transactions for testing and agreed to the amounts in the general ledger to invoice and check copies. The amounts reported in the general ledger also agreed to the Statement.

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

Equipment, Uniforms, and Supplies

53. We obtained a listing of equipment, uniform and supplies for athletics facilities for the year ended June 30, 2022. From the listing we selected a sample of five expense transactions for testing and agreed the transactions selected to invoices and check copies.

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

Game Expenses

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

Fundraising, Marketing and Promotion

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

Sports Camp Expenses

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

Spirit Groups

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

Athletic Facilities Debt Service, Leases and Rental Fees

58-59. This specific reporting category is less than 4% of the total expenses, therefore, no procedures were performed.

Direct Overhead and Administrative Expenses

60. We noted through inquiry of the Department, that the Department did not expend any direct overhead and administrative expenses for the year ended June 30, 2022. Therefore, no procedures were performed.

Indirect Institutional Support

61. We noted, through inquiry of the Department, that the Department did not make any indirect institutional support payments for the year ended June 30, 2022. Therefore, no procedures were performed.

Medical Expenses and Insurance

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

Memberships and Dues

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

Other Operating Expenses and Transfers to Institution

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

Student-Athlete Meals (non-travel)

65. We noted, through inquiry of the Department, that the Department did not expend any student-athlete meal payments for the current year ended June 30, 2022. Therefore, no procedures were performed.

Football Bowl Expenses

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

Additional Minimum Agreed-Upon Procedures

D. Obtain and agree the sports sponsored and demographics form reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) of the Department. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the Department. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE, inquire about the discrepancy and report the explanation in the Agreed-Upon Procedures (AUP) report.

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

- E. Obtain and compare the current year grants-in-aid revenue distribution equivalencies to the prior year reported equivalences in the Membership Financial report submission. Inquire and document any variances +/- 4%.

We obtained and compared the current year grants-in-aid revenue distribution equivalencies to the prior year reported equivalencies reported in the Membership Financial report submission and noted variances greater than +/- 4% for the following sports: men's baseball, football, wrestling and outdoor track, women's basketball, field hockey, lacrosse, softball, soccer, outdoor track and volleyball. We noted, through inquiry of the Department, the variances are due to changes in in-state and out-of-state student athlete grants-in-aid year over year.

- F. Obtain the Department's Sports Sponsorship and Demographics Forms Report for the reporting year. Compare that the countable sports reported by the Department meet the minimum requirements, set forth in Bylaw 20.9.6.3, for the number of contests and the number of participants. Once countable sports have been compared, agree that the Department has reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. If any discrepancies are identified they must be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA. Obtain and agree the current year number of sports sponsored to the prior year reported total to the NCAA Membership Financial Reporting System, inquire about any discrepancies and report the explanation in the AUP report.

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

- G. For Pell Grants, agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on full grant-in-aid, recipients on partial grants-in-aid and recipients with no grants-in-aid) and the total value of these Pell Grants reported in the Departments financial aid records, to the NCAA Membership Financial Reporting System, of all student athlete Pell Grants. Test the student aid files selected in step 31, to the report of all student athletes who received Pell Grant awards. Obtain and agreed the current year Pell Grants total to prior year reported total to the Membership Financial Report submission, inquire and document any variance that is +/- 20 grants.

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

Minimum Agreed-Upon Procedures Related to Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

67. We noted, through inquiry of the Department, that the Department did not expend any excess transfers to institution and conference realignment expenses for the year ended June 30, 2022. Therefore, no procedures were performed.

Total Athletics Related Debt

- 68-69. We noted, through inquiry of the Department, that there is no athletics-related debt for the year ended June 30, 2022. Therefore, no procedures were performed.

Total Institutional Debt

70. We obtained a listing of the total institutional debt outstanding and agreed the listing to University's audited financial statements for the year ended June 30, 2022.

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

Value of Athletics Dedicated Endowments

71. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations for the year ended June 30, 2022. We agreed the fair market value in the schedules to investment statements, the general ledger and audited financial statements for the year ended June 30, 2022.

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

Value of Institutional Endowments

72. We obtained a schedule of institutional endowments maintained by the University for the year ended June 30, 2022. We agreed the total fair market value of University's endowments to investment statements, the University's general ledger and audited financial statements for the year ended June 30, 2022.

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

Total Athletics Related Capital Expenditures

- 73-74. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations for the year ended June 30, 2022. We obtained the general ledger detail and compared to the total capital expenditures reported in the notes to the Statement. We haphazardly selected a sample of three athletic related capital expenditures and agreed to invoices and check copies for each transaction and recalculated totals.

No exceptions were noted as a result of applying these procedures. Additionally, we noted, through inquiry of the Department, there were no capital expenditures related to affiliated organizations for the year ended June 30, 2022.

Affiliated and Outside Organizations

- H. In preparation for our procedures related to the University's affiliated and outside organizations we:

1. Inquired of management as to whether they have identified any affiliated and outside organizations that meet any of the following criteria:
 - i. Booster organizations established by or on behalf of an intercollegiate athletics program.
 - ii. Independent or affiliated foundations or other organizations that have, as a principal purpose, the generating or maintaining of grant-in-aid or scholarship funds, gifts, endowments, or other moneys, goods, or services to be used entirely or in part by the intercollegiate athletics program.
 - iii. Alumni organizations that have, as one of its principal purposes, the generating of moneys, goods, or services for or on behalf of an intercollegiate athletics program and that can contribute moneys, goods, or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.

We inquired of the Department and the Department identified Kent State University Foundation, an affiliated foundation, as meeting the above criteria. There are no additional affiliated or outside organizations that meet the above stated criteria.

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

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

We were engaged by Kent State University's management to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Kent State University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of members of the Audit and Compliance Committee, Board of Trustees, administration of the University, or an authorized representative of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Cleveland, Ohio
December 15, 2022

**Intercollegiate Athletics Department
Statement of Revenues and Expenses
Year Ended June 30, 2022**

	Men's Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	2022 Total
Revenues:						
Operating revenues:						
Ticket sales	\$ 146,620	\$ 80,321	\$ 11,231	\$ 41,365	\$ 33,680	\$ 313,217
Student fees	-	-	-	-	11,562,384	11,562,384
Direct institutional support	-	-	-	-	5,295,751	5,295,751
Guarantees	5,250,000	175,000	-	-	-	5,425,000
Contributions	53,572	23,866	27,359	556,734	-	661,531
NCAA distributions	-	-	-	-	1,093,849	1,093,849
Conference distributions (non media and non bowl)	-	-	-	-	1,801,910	1,801,910
Royalties, licensing, advertisements and sponsorships	-	-	-	-	1,294,113	1,294,113
Sports camp revenues	145,251	15,242	12,228	285,378	-	458,099
Other operating revenue	-	-	-	-	349,765	349,765
Football bowl revenue	350,000	-	-	-	-	350,000
Operating revenue	5,945,443	294,429	50,818	883,477	21,431,452	28,605,619
Expenses:						
Operating expenses:						
Athletic student aid	2,765,692	464,010	520,135	3,891,025	5,566	7,646,428
Guarantees	415,000	29,000	6,500	2,348	-	452,848
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,910,507	818,566	556,098	3,169,982	-	6,455,153
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	203,539	49,778	49,788	-	4,900,578	5,203,683
Recruiting	286,304	74,655	50,140	175,349	-	586,448
Team travel	1,047,164	294,282	138,153	975,222	937,772	3,392,593
Equipment, uniforms and supplies	496,497	36,757	34,284	341,121	530,416	1,439,075
Game expenses	311,905	188,610	113,894	-	-	614,409
Fundraising, marketing and promotion	-	-	-	-	640,217	640,217
Sports camp expenses	33,196	9,670	6,917	274,687	-	324,470
Spirit groups	-	-	-	-	40,456	40,456
Direct overhead and administrative expenses	-	-	-	-	724,668	724,668
Medical expenses and insurance	-	-	-	-	456,370	456,370
Memberships and dues	42,188	35,311	20,923	40,491	361,315	500,228
Other operating expenses and transfers to institution	-	-	-	-	647,814	647,814
Student-athlete meals (non-travel)	-	-	-	-	144,907	144,907
Football bowl expenses	344,123	-	-	-	-	344,123
Operating expenses	7,856,115	2,000,639	1,496,832	8,870,225	9,390,079	29,613,890
(Deficit) excess of revenues over expenses	\$ (1,910,672)	\$ (1,706,210)	\$ (1,446,014)	\$ (7,986,748)	\$ 12,041,373	\$ (1,008,271)

See notes to statement of revenues and expenses.

Kent State University

Intercollegiate Athletics Department Notes to Statement of Revenues and Expenses Year Ended June 30, 2022

Note 1. Basis of Presentation

The accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Department of Kent State University (the Statement) has been prepared in accordance with accounting principles generally accepted in the United States of America and the NCAA Agreed-Upon Procedures guidelines. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Department of Kent State University (the Department) for the year ended June 30, 2022 on an accrual basis. Revenues are recorded when earned. Expenses are recorded in the period in which the related liability is incurred. Because the Statement presents only a selected portion of the activities of Kent State University (the University), it is not intended to and does not present the financial position, changes in financial position or revenues and expenses for the year then ended for the University as a whole.

The amounts in the accompanying Statement were obtained from the University's trial balance, which is maintained on an accrual basis. The University records depreciation on physical plant and equipment; however, depreciation is not part of the Statement.

Note 2. Other Sports

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

Note 3. Endowments, Pledges Receivable and Net Position (Deficit)

For the year ended June 30, 2022, the University had \$7,376,554 of endowments and \$1,488,417 in pledges receivable dedicated to the sole support of athletics not reported in the Statement.

The athletic department's net deficit was (\$1,008,271) at June 30, 2022.

Note 4. Contributions

Contribution revenue included in the Statement represent contributions given to the University's Intercollegiate Athletics Department based on donors' instructions.

Note 5. Other Forms of Compensation

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

Kent State University

**Intercollegiate Athletics Department
Notes to Statement of Revenues and Expenses
Year Ended June 30, 2022**

Note 6. Capital Assets

Capital assets are stated at cost at the time of purchase or acquisition value at date of gift. Depreciation of plant physical properties is provided on a straight-line basis over the estimated useful lives (3 to 40 years) of the respective assets. The University does not segregate athletics-related assets from other assets held by the University and therefore depreciation expense is not reflected in the Statement.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2022 are as follows:

	Additions	Deletions
Athletic related capital asset balance	\$ 316,035	\$ 2,046
University's total capital asset balance	21,575,448	10,610,332

The total estimated book values of capital assets, net of depreciation, of the University as of the year ended June 30, 2022 are as follows:

	Estimated Book Value
Athletic related capital asset balance	\$ 18,956,059
University's total capital asset balance	857,413,487

Note 7. Intercollegiate Athletics-Related Debt

There was no intercollegiate athletics-related debt for the year ended June 30, 2022. Annual debt service and debt outstanding (including principal and interest) for the University for the year ended June 30, 2022 are as follows:

	Annual Debt Service	Debt Outstanding
University's total	\$ 41,447,000	\$ 408,557,717

Kent State University

**Intercollegiate Athletics Department
 Supplement to the Agreed Upon-Procedures
 Year Ended June 30, 2022**

	Actual 2022	Actual 2021	\$ Change	% Change	Management Explanation
Revenues:					
Student fees	\$ 11,562,384	\$ 10,247,334	\$ 1,315,050	13%	We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, student fees increased due to a return a reallocation of the general fee percentage distributed to athletics.
Guarantees	\$ 5,425,000	\$ 45,000	\$ 5,380,000	11956%	We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, guarantees increased in the current year as there were no guaranteed contracts as a result of the COVID-19 pandemic in the prior period.
Expenses:					
Athletic student aid	\$ 7,646,428	\$ 6,252,387	\$ 1,394,041	22%	We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, athletic student aid increased due to return to pre-pandemic levels and additional years of eligibility for student athletes due to the COVID-19 pandemic.
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	\$ 5,203,683	\$ 4,240,803	\$ 962,880	23%	We noted a variance greater than 10% compared to the prior period. We noted, through inquiry of the Department, support staff/administrative salaries, benefits, and bonuses paid by the University and related entities increased due to a return of pre-pandemic staffing levels as positions were not filled in the prior year due to the limited operations during the pandemic.
Team travel	\$ 3,392,593	\$ 1,212,850	\$ 2,179,743	180%	We noted a variance greater than 10% compared to the prior period and budget. We noted, through inquiry of the Department, team travel increased to pre-pandemic levels which were limited in the prior year as a result of the COVID-19 pandemic.

OHIO AUDITOR OF STATE KEITH FABER



KENT STATE UNIVERSITY - NATIONAL COLLEGIATE ATHLETICS ASSOCIATION AGREED-UPON PROCEDURES REPORT

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/10/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov