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Kent State University  
National Collegiate Athletic Association

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**Agreed-upon Procedures Report**  
**Related to NCAA Constitution 3.2.4.15**  
**June 30, 2019**



OHIO AUDITOR OF STATE  
KEITH FABER



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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 period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports 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 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 18, 2019

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

Dr. Todd Diacon, 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 Kent State University (the "Institution"), 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 Athletic Association (NCAA), Constitution 3.2.4.15 for the year ended June 30, 2019. Kent State University's management is responsible for the statement of revenue and expenses 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. Related to the Institution's internal control structure, we performed the following:

- 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 Institution, the competence of personnel, and the protection of records and equipment.
- 2) We obtained the audited financial statements for the year ended June 30, 2019 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 that were not addressed in connection with the audit of the Institution's financial statements.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- 4) Cash disbursements, athletic employee payroll, and athletic department cash receipts, are addressed in connection with the audit of the Institution's financial statements. The ticket sale 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 Institution's financial statements. We performed the following procedure:

**Procedure:** We selected three games and tested the ticket collection receipting process by comparing the total receipts for such games to the reconciliation and documentation of the related cash deposit amount with the bank.

**Result:** We selected two football games and one women's basketball game during the year and agreed the gate sales for such events, as documented by the Institution's ticket reconciliation procedures, to deposit slips of the related cash deposit amount with the bank. The games selected for testing were women's basketball vs. Buffalo on March 9, 2019; football vs. Howard on September 8, 2018; and football vs. Akron on October 20, 2018. We noted no difference between the Veritix reports and the Institution's records for any games.

### NCAA Reporting

- B. **Procedure:** We obtained the financial report submission to the NCAA, including the financial data detailing operating revenue, expenses, and capital related to the Institution's Intercollegiate Athletics Program that was 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.

**Result:** We noted no discrepancies.

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

**Result:** We noted no discrepancies.

- D. **Procedure for Sports Sponsorship:** We obtained the Institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the Institution meet the minimum requirements set forth in NCAA Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement.

**Result:** We noted no discrepancies.



## Agreed-upon Procedures Report

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Year Ended June 30, 2019

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

**Result:** We noted no exceptions.

### Notes, Disclosures, and Other Procedures

- F. **Athletics-related Capital Assets and Expenditures Procedure:** We obtained and described the Institution's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets, as described in Note 2. We obtained a schedule of athletics-related capital expenditures made by athletics, the Institution, and affiliated organizations during the period. We agreed the schedule to the Institution's general ledger. We selected a sample of one transaction to validate existence of the transactions and accuracy of recording and recalculated totals.

**Result:** We reviewed the invoice dated November 28, 2018 for the purchase of equipment for \$41,385.20. We noted no exceptions.

- G. **Athletics-related and Total Institutional Debt Procedure:** We requested repayment schedules for all outstanding intercollegiate athletics debt maintained by the Institution during the reporting period; to recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained and agreed the total annual maturities to supporting documentation and the Institution's general ledger, as applicable; and agreed the total outstanding athletics-related debt and total institutional debt to supporting documentation and the Institution's audited financial statements, if available, or the Institution's general ledger.

**Result:** Management represented that there was no outstanding intercollegiate athletics debt maintained by the Institution during the reporting period. As there is no intercollegiate athletics debt, there is no repayment schedule to be disclosed in the notes.

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

**Result:** Management represented that this step is not applicable to the Institution because there were no expenses reported for excess transfers to the Institution for NCAA in the reporting period.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- I. **Procedure:** 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 contributions. 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 schedules to the general ledger. We obtained and disclosed the athletics department fiscal year-end fund balance. We obtained and disclosed the value of all pledges at the fiscal year end that support athletics. We agreed the fair market value of athletics-dedicated endowments and institutional endowments to subledger detail schedules and general ledger reports.

**Result:** We disclosed all items in Note 4.

### **Statement of Revenues and Expenses**

- J. **Procedure:** We obtained the Intercollegiate Athletics Program statement of revenue and expenses for the reporting period, prepared by the business manager of intercollegiate athletics (management), and agreed all amounts back to the Institution's general ledger.

**Result:** We noted no exceptions.

- K. **Procedure:** We agreed each revenue and expense amount from the Statement to prior year amounts and budget estimates. We compared each revenue and expense account over 10 percent of total revenue and expenses, respectively, to prior period amounts and budget estimates. We were requested to obtain and document any variations exceeding 10 percent of total revenue or expenses.

**Result:** We noted no variances over the 10 percent threshold to report.

- 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.

**Result:** See procedures below.

### **Revenue**

- M. **Procedure:** We agreed each revenue reported in the Statement during the reporting period to supporting schedules provided by the Institution.

**Result:** The supporting schedules provided by the Institution agreed to the Statement without exception.

- 1) **Ticket Sales Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- 2) **Student Fees Procedure:** We compared and agreed student fees reported by the Institution in the Statement for the reporting period to student enrollments during the same reporting period. We obtained documentation of the Institution'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, so additional procedures were not performed.
- 4) **Direct Institutional Support Procedure:** We agreed the direct institutional support recorded by the Institution 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 and 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, so additional procedures were not performed.
- 6) **Indirect Institutional Support Procedure:** This revenue category was less than 4 percent of total revenue, 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 selection to the Institution'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: men's basketball versus the University of Louisville on March 31, 2019; football versus the University of Mississippi on September 22, 2018; and football versus the University of Illinois on September 1, 2018.

**Result:** We noted no exceptions.

- 8) **Contributions Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.
- 9) **In-kind Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.
- 10) **Media Rights Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- 11) **NCAA Distributions Procedure:** We agreed the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and related ACH bank deposits and recalculated totals.

**Result:** We noted no exceptions.

- 12) **Conference Distributions Procedure:** We obtained and inspected agreements related to the Institution's conference distributions and participation in revenue from tournaments during the reporting period for the relevant terms and conditions. We compared the related revenue to the Institution's general ledger and the Statement. We selected one sample and traced to the general ledger and compared to supporting documentation to confirm existence.

**Result:** We reviewed the October 29, 2018 conference distribution for \$75,000. We noted no exceptions.

- 13) **Program Sales, Concessions, Novelty Sales, and Parking Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.

- 14) **Royalties, Licensing, Advertisements, and Sponsorships Procedure:** We obtained and inspected all agreements related to the Institution's participation in revenue from royalties, advertisements, and sponsorships during the reporting period for the relevant terms and conditions. We agreed the related revenue to the Institution's general ledger and/or the Statement. We also recalculated totals.

**Result:** We obtained the royalty agreement with Affinity Licensing and International Sports Properties, Inc. and the sponsorship agreement with Pepsi. We agreed related revenue to the general ledger detail and general ledger to the Statement. We noted no exceptions.

- 15) **Sports Camp Revenue Procedure:** This revenue category was less than 4 percent of total revenue, 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, so additional procedures were not performed.

- 17) **Bowl Revenue Procedure:** This revenue category was less than 4 percent of total revenue, so additional procedures were not performed.

- 18) **Other Procedure:** This revenue category was less than 4 percent of the total revenue, so additional procedures were not performed.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

### Expenses

N. **Procedure:** We agreed each expense reported in the Statement during the reporting period to supporting schedules provided by the Institution.

**Result:** The supporting schedules provided by the Institution agreed to the Statement without exception.

We performed the following procedures for the indicated expense category:

- 1) **Athletic Student Aid Procedures:** We selected a sample of 60 students from the listing of institutional student aid recipients during the reporting period (no less than 10 percent of the total student-athletes for institutions that have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and no less than 20 percent of total student-athletes for institutions that have not, 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 the student's 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, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA 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. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate (athletic grant amount divided by the full grant amount).
    - iii. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
    - iv. Full grant amount should be entered as a full year of tuition, not a semester or quarter.
    - v. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
    - vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women, and bowl subdivision football.
    - vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of NCAA Bylaw 20.9.6.3.
    - viii. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- ix. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference NCAA Bylaw 15.5.3.1).
  - x. If a sport is discontinued and the athletic grant(s) are still being honored by the Institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
  - xi. All equivalency calculations should be rounded to two decimal places.
  - xii. 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.
  - xiii. 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. Differences were noted during the recalculation of revenue distribution per student due to Merit Aid that was used in Kent State University's calculation but not included in Plante & Moran, PLLC's. The Institution has corrected these differences.

## Agreed-upon Procedures Report

Year Ended June 30, 2019

The student accounts tested are summarized below:

Student Tested	Amount Disbursed	Revenue Distribution Recalculation	Revenue Distribution Reported	Student Tested	Amount Disbursed	Revenue Distribution Recalculation	Revenue Distribution Reported
1	\$ 21,972	0.63	0.71	31	\$ 8,976	0.37	0.37
2	12,624	0.38	0.42	32	6,500	0.32	0.37
3	9,648	0.27	0.30	33	12,328	0.56	0.56
4	18,212	0.51	0.57	34	14,500	0.45	0.45
5	5,648	0.16	0.17	35	12,878	0.42	0.45
6	7,500	0.27	0.32	36	37,129	0.82	0.87
7	31,732	1.00	1.00	37	27,090	0.82	0.99
8	28,417	0.93	1.00	38	23,029	0.85	0.87
9	32,750	0.85	0.87	39	18,848	0.61	0.61
10	32,572	0.81	0.81	40	29,238	0.85	0.85
11	32,672	0.81	0.81	41	10,270	0.47	0.47
12	25,674	0.91	0.91	42	29,308	0.92	0.92
13	21,062	0.81	0.81	43	32,756	0.98	0.98
14	15,338	0.52	0.52	44	26,532	0.82	0.86
15	23,596	0.92	0.92	45	14,362	0.82	0.86
16	30,914	0.81	0.81	46	10,012	0.59	0.66
17	33,030	0.93	0.93	47	4,500	0.14	0.14
18	24,422	0.91	0.91	48	3,500	0.15	0.15
19	15,338	0.52	0.52	49	34,038	0.98	0.98
20	22,698	0.81	0.81	50	37,827	0.99	0.99
21	12,851	0.34	0.34	51	12,626	0.57	0.57
22	23,596	0.93	0.93	52	15,195	0.60	0.60
23	21,062	0.72	0.72	53	14,194	0.62	0.62
24	10,987	0.53	0.53	54	22,418	0.65	0.65
25	16,916	0.81	0.81	55	32,592	0.88	0.88
26	22,852	0.69	0.69	56	10,000	0.47	0.47
27	18,606	0.46	0.46	57	12,000	0.56	0.56
28	33,322	0.82	0.82	58	33,635	0.85	0.86
29	36,380	0.93	0.93	59	24,374	0.71	0.71
30	19,500	0.63	0.63	60	31,353	0.80	0.84

- 2) **Guarantees Procedure:** This expense category was less than 4 percent of total expense, so additional procedures were not performed.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- 3) **Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities Procedure:** We obtained and inspected a listing of coaches employed by the Institution and related entities during the reporting period. We selected a sample of five coaches' contracts, which include 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 Institution 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 Institution and related entities expense recorded by the Institution 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 selected five coaches' contracts, including football, men's basketball, women's basketball, women's lacrosse, and women's golf. We agreed the sample of five to the coaches' contracts, payroll summary register, and payroll personnel action form.

- 4) **Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities Procedure:** We selected a sample of one support staff/administrative personnel employed by the Institution 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 Institution and related entities expense recorded by the institution in the Statement during the reporting period. We also recalculated totals.

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

- 5) **Severance Payments Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 6) **Recruiting Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 7) **Team Travel Procedure:** We obtained documentation of the Institution's team travel policies. We agreed to existing institutional- and NCAA-related policies. We obtained general ledger detail and agreed to the total expenses reported.

**Result:** We noted no exceptions.



## Agreed-upon Procedures Report

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Year Ended June 30, 2019

- 8) **Equipment, Uniforms, and Supplies Procedure:** We obtained the 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 selected one sample, a purchase of apparel for \$2,079.47 on October 30, 2018, 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 expense, so no further testing was performed.
- 10) **Fundraising, Marketing, and Promotion Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 11) **Sports Camp Expenses Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 12) **Spirit Groups Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 13) **Athletic Facility Debt Service, Leases, and Rental Fees Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 14) **Direct Overhead and Administrative Support Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 15) **Indirect Institutional Support Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 16) **Medical Expenses and Medical Insurance Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 17) **Memberships and Dues Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 18) **Student-Athlete Meals (Nontravel) Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.
- 19) **Bowl Expenses Procedure:** This expense category was less than 4 percent of total expense, so no further testing was performed.

## Agreed-upon Procedures Report

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Year Ended June 30, 2019

20) **Other Operating Expenses and Transfers to Institution Procedure:** We agreed other expenses to the Institution's general ledger and/or the Statement and recalculated totals. We selected a sample of one operating expense to test. We obtained and inspected a work order for work performed and a screenshot of the associated journal entry. We concluded that the transaction exists and was recorded accurately.

**Result:** We reviewed the invoices dated August 14, 2018 and August 22, 2018 for video camera rentals for \$6,872.85. We noted no exceptions.

### **Related to Affiliated and Outside Organizations not Under the Institution's Accounting Control:**

O. In preparation for our procedures related to the Institution'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 generation or maintenance of grants-in-aid or scholarship funds; gifts; endowments; or other monies, goods, or services to be used entirely or in part by an intercollegiate athletics program
- iii. Alumni organizations that have as one of their principal purposes the generation 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

**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 Institution's accounting control. No procedures were performed related to affiliated or outside organizations. No other exceptions were noted.

P. **Procedure:** For expenses on or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the Institution's accounting control, we obtained 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 Institution's accounting control. We noted that there were no audited financial statements available for affiliated or outside organizations. No additional procedures were performed.

**Agreed-upon Procedures Report**

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**Year Ended June 30, 2019**

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 expense. 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's management and the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moran, PLLC*

Toledo, Ohio  
November 21, 2019

**Kent State University**  
**National Collegiate Athletics Association**

**Intercollegiate Athletics Program Statement of Revenue  
and Expenses**

**Year Ended June 30, 2019**

	Men's Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
<b>Operating Revenue</b>						
Ticket sales	\$ 570,709	\$ 147,133	\$ 13,579	\$ 43,372	\$ 15,932	\$ 790,725
Student fees	-	-	-	-	14,016,822	14,016,822
Guarantees	3,650,000	122,000	36,000	43,000	-	3,851,000
Contributions	178,503	81,957	44,224	509,738	75,189	889,611
Direct institutional support	-	-	-	-	4,857,465	4,857,465
NCAA distributions	-	-	-	-	1,093,793	1,093,793
Conference distributions	-	-	-	-	1,671,856	1,671,856
Royalties, licensing, advertisements, and sponsorships	-	-	-	-	1,257,086	1,257,086
Sports camp revenue	27,728	22,207	13,424	413,684	-	477,043
Other	-	-	-	-	554,719	554,719
<b>Total operating revenue</b>	<b>4,426,940</b>	<b>373,297</b>	<b>107,227</b>	<b>1,009,794</b>	<b>23,542,862</b>	<b>29,460,120</b>
<b>Operating Expenditures</b>						
Athletic student aid	2,246,227	408,390	405,261	3,332,701	67,568	6,460,147
Guarantees	290,000	170,000	8,000	5,112	-	473,112
Coaching salaries, benefits, and bonuses paid by the University and related entities	2,142,408	947,033	629,748	2,876,977	-	6,596,166
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	-	-	-	-	4,716,839	4,716,839
Recruiting	357,568	92,261	56,078	176,772	-	682,679
Team travel	823,167	293,538	198,071	1,118,928	798,073	3,231,777
Equipment, uniforms, and supplies	601,088	100,511	62,279	572,583	757,788	2,094,249
Game expenses	301,695	221,626	135,635	117,186	-	776,142
Fundraising, marketing, and promotion	-	-	-	-	1,032,660	1,032,660
Sports camp expenses	12,713	22,193	11,674	451,866	-	498,446
Spirit groups	-	-	-	-	193,539	193,539
Direct overhead and administrative support	-	-	-	-	704,928	704,928
Medical expenses and medical insurance	-	-	-	-	249,922	249,922
Memberships and dues	450	2,475	3,992	11,893	31,372	50,182
Other operating expenses	-	-	-	-	1,812,499	1,812,499
<b>Total operating expenses</b>	<b>6,775,316</b>	<b>2,258,027</b>	<b>1,510,738</b>	<b>8,664,018</b>	<b>10,365,188</b>	<b>29,573,287</b>
<b>Excess of revenue (under) over expenses</b>	<b>\$ (2,348,376)</b>	<b>\$ (1,884,730)</b>	<b>\$ (1,403,511)</b>	<b>\$ (7,654,224)</b>	<b>\$ 13,177,674</b>	<b>\$ (113,167)</b>

**Notes to Intercollegiate Athletics Program**  
**Statement of Revenue and Expenses**

**Year Ended June 30, 2019**

**Note 1 - Contributions**

Individual contributions of monies, goods, or services received directly by the Institution's Intercollegiate Athletics Program from any affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constitute 10 percent or more of all contributions received for intercollegiate athletics during the year ended June 30, 2019 are as follows:

Source of Funds, Goods, and Services	Value
Golden Flashes Club Event Fund	\$ 330,582.46
Schiller Endowed Athletic Scholarship	\$ 196,537.60

**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 are 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 years depending on class.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2019 are as follows:

	Current Year Additions	Current Year Deletions
Total athletics facilities	\$ 3,743,754	\$ 2,084,711
Other institutional facilities	\$ 46,030,000	\$ 11,408,000

The total estimated book values of property, plant, and equipment, net of depreciation, of the Institution as of June 30, 2019 are as follows:

	Estimated Book Value
Athletically related property plant and equipment balance	\$ 23,666,214
Institution's total property plant and equipment balances	\$ 921,355,457

**Notes to Intercollegiate Athletics Program**  
**Statement of Revenue and Expenses**

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**Year Ended June 30, 2019**

**Note 3 - Intercollegiate Athletics-related Debt**

The annual debt service and debt outstanding for the Institution as of June 30, 2019 is as follows:

	Annual Debt Service	Debt Outstanding
Athletically related facilities	\$ -	\$ -
Institution's total	\$ 42,657,774	\$ 453,923,267

**Note 4 - Restricted and Endowment and Plant Funds**

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

In addition, at June 30, 2019, the Institution had \$6,442,993 of endowments and \$1,856,614 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletics department's fund balance is \$(4,560,377) at June 30, 2019.

# OHIO AUDITOR OF STATE KEITH FABER



**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 31, 2019**