

The Ohio State University

**Report of Independent Accountants on
Agreed-Upon Procedures Performed on the
Intercollegiate Athletic Department as
Required by NCAA Bylaw 3.2.4.15 for the
Year Ended June 30, 2019**

OHIO AUDITOR OF STATE
KEITH FABER



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We have reviewed the *Report of Independent Accountants* of The Ohio State University - NCAA Report, Franklin County, prepared by PricewaterhouseCoopers LLP, for the period July 1, 2018 through June 30, 2019. 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. The Ohio 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 16, 2019

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Report of Independent Accountants

To Dr. Michael V. Drake, President
The Ohio State University

We have performed the procedures enumerated below, which were agreed to by the Chief Financial Officer and Senior Vice President for Business and Finance of The Ohio State University (the "University"), related to whether the accompanying Statement of Revenues and Expenditures and related Notes of the University for the year ended June 30, 2019 (the "Statement") is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the year ended June 30, 2019. Management of The Ohio State University is responsible for the Statement and the compliance with the NCAA requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

As discussed in Appendix D to the "2019 Agreed-Upon Procedures" NCAA guidelines, if a specific reporting category is less than 4.0% of the total revenues or expenses, no procedures are required to be performed for that specific category, and no procedures were performed.

The procedures performed and results thereof are as follows. For purposes of performing these agreed-upon procedures, no exceptions were reported for differences of \$1,000 or less.

1. We obtained from University management the accompanying Statement of Revenues and Expenditures for the year ended June 30, 2019. We obtained University-prepared worksheets for each operating revenue and expense category on the Statement, which management stated are generated from its general ledger.
 - a. We mathematically checked the totals and subtotals included on the Statement.
 - b. We mathematically checked the totals and subtotals included in the University-prepared worksheets.
 - c. We agreed the amounts for each operating revenue and expense category included on the Statement to those in the University-prepared worksheets.
 - d. We agreed the amounts for each operating revenue and expense category included in the University-prepared worksheets to the Intercollegiate Athletics' (ICA) general ledger (Fund Groups 020 and 050 – accounts that begin with a four for revenues and accounts that begin with a six for expenses).
 - e. We inquired of University management as to the nature of the reconciling adjustments reflected in the University prepared worksheets; however no additional procedures were performed in relation to the reconciling adjustments, nor did we comment as to the completeness or accuracy of the reconciling adjustments reflected by management.
 - f. We mathematically checked the adjusted amounts (as the sum of the unadjusted amounts and University identified adjustments) for each operating revenue and expenditure category included in the University prepared worksheet.

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

2. We obtained from University management a list of all University booster group activities for independent, affiliated, and supporting organizations (including alumni organizations) that have



a principal purpose of generating funds, goods, or services for the University's athletics department, during the year ended June 30, 2019.

- a. We obtained the financial statements for affiliated and supporting organizations as of June 30, 2019 and agreed each of the revenue and expense amounts appearing in the financial statements of the affiliated and supporting organizations to the corresponding amounts included in the Statement.
- b. For each organization on the listing, we mailed confirmations directly to the officials of each organization requesting they confirm the revenue and expense amounts included in the Statement.
- c. We obtained a representation letter signed by the Director of Athletics and all of the head coaches that the booster organizations listed are the only booster organizations that support the Department of Athletics as defined in the National Collegiate Athletic Association Financial Audit Guidelines.

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

3. We obtained from University management a detailed listing of other operating revenue transactions included in the Statement for the year ended June 30, 2019.
 - a. We mathematically checked the totals of each other operating revenue category in the detailed listing.
 - b. We agreed the total of each other operating revenue category in the detailed listing to the Statement.
 - c. We haphazardly selected a sample of 15 operating revenue transactions from the detailed listing and obtained managements supporting invoices, schedules, or underlying agreements from University management. We compared the dollar amount, name, transaction date, and description of expense of the revenue transaction from the detailed listing to the supporting documentation maintained by the University.

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

4. We obtained from University management a detailed listing of other operating expense transactions included in the Statement for the year ended June 30, 2019.
 - a. We mathematically checked the totals of each other operating expense category in the detailed listing.
 - b. We agreed the total of each other operating expense category in the detailed listing to the Statement.
 - c. We haphazardly selected a sample of 15 other operating expense transactions from the detailed listing and obtained the related invoice or other supporting documentation from University management. We compared the dollar amount, name, transaction date, and description of expense of the expense transaction from the detailed listing to the supporting documentation maintained by the University.

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

5. We obtained from University management the June 30, 2019 Budget and the Statement of Revenues and Expenditures and for the year ended June 30, 2018.



- a. We compared the current year 2019 amounts of each operating revenue and expense category included in the Statement to the current year budgeted amounts included in the Budget obtained from University management.
- b. We compared the current year 2019 amounts of each operating revenue and expense category included in the Statement to the prior year amount reported in the prior year Statement of Revenues and Expenditures.
- c. For each major revenue account (greater than 10% of total revenues) with variances for either procedure a) or b) of greater than 10%, we obtained written explanations from management. We make no comment as to the completeness or accuracy of those explanations.
- d. For each major expense account (greater than 10% of total expenses) with variances for either procedure a) or b) of greater than 10%, we obtained written explanations from management. We make no comment as to the completeness or accuracy of those explanations.

Refer to Exhibit B for a listing of variances and, if applicable, the corresponding explanations obtained from University management.

6. We obtained from University management a detailed listing of ticket office sales reports comprising ticket sales revenue for football, men's basketball, and women's basketball including tickets sold, complimentary tickets provided during the reporting period, and unsold tickets included in the Statement for the year ended June 30, 2019.
 - a. We mathematically checked the total dollar value and the total attendance figures of the detailed listing.
 - b. We agreed the total dollar amount of the detailed listing to the amount of ticket sales included in the "Ticket Sales" line item of the Statement.

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

7. As the "Student Fees" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
8. As the "Direct State or Other Governmental Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
9. As the "Direct Institutional Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
10. As the "Transfers to Institution" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
11. As the "Indirect Institutional Support" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.



12. As the "Guarantee Revenues" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
13. We obtained from University management a detailed listing of all contributions received by the University's athletics department during the year ended June 30, 2019.
 - a. We mathematically checked the total dollar amount of the detailed listing.
 - b. We agreed the total dollar amount from the detailed listing to the total dollar amount in the "Contributions" line item of the Statement.
 - c. We obtained agreements for any contribution greater than ten percent of the total of all contributions received by the University's athletics department during the year ended June 30, 2019. We compared the contribution amount, purpose restrictions stipulating the contribution's use for the department of athletics and date received from the agreements to the listing of contributions received.

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

14. As the "In-Kind" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
15. We obtained from University management a detailed listing of media rights (including broadcast, radio, and television) revenue included in the Statement for the year ended June 30, 2019.
 - a. We mathematically checked the total dollar amount of the detailed listing.
 - b. We agreed the total dollar value of the media rights in the detailed listing to the amount in the line item "Media Rights" included in the Statement.
 - c. We haphazardly selected a sample of 10 transactions from the detailed listing. For each such revenue transaction selected, we obtained the supporting contracts from University management and agreed the dollar amounts in the supporting contracts to the amount per the detailed listing.

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

16. As the "NCAA Distributions" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
17. As the "Conference Distributions (Non Media and Non Bowl)" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.

17A. As the "Conference Distributions of Bowl Generated Revenue" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.



18. As the “Program, Novelty, Parking, Concession Sales” revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
19. We obtained from University management a detailed listing of revenue from the University’s royalties, licensing, advertisements and sponsorship agreements for the year ended June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed total revenue in the detailed listing to the amount in the line item “Royalties, Licensing, Advertisements, and Sponsorships” included in the Statement.
 - c. We haphazardly selected a sample of 10 items from the detailed listing and obtained the supporting agreements from University management. We agreed the dollar amount of each selection to the applicable royalty, licensing, advertisement and sponsorship agreements.

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

20. As the “Sports Camps Revenues” revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
21. As the “Athletics Restricted Endowment and Investments Income” revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
22. As the “Bowl Revenues” revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
23. We obtained from University management a detailed listing of all student athletes who received Institutional Financial Aid and the related dollar amount of the financial aid received for the year ended June 30, 2019 for each sport.
 - a. We mathematically checked the total dollar amount for each sport and the grand total of the detailed listing.
 - b. We agreed the grand total dollar amount to the line item “Athletic Student Aid” included in the Statement.
 - c. We obtained representations from University management stating the University does not use NCAA’s Compliance Assistant Software to prepare athletic aid detail.
 - d. As the University does not use the NCAA’s Compliance Assistant Software, we haphazardly selected 60 student athletes from the detailed listing and obtained the related student’s account detail and award letter (the grant-in-aid agreement referred to as the “tender”) for each selected student from University management. We agreed the award dollar amount per the student’s account detail to the dollar amount of the award in the related award letter and the amount recorded in the University’s student information system.
 - e. If a selected student received a Pell Grant, we agreed the amount to the report of all student athlete Pell Grants included within the information reported in the NCAA Membership Financial Reporting System.



- f. We agreed the student's information to the information reported in the NCAA Membership Financial Reporting System including recalculating the conversion of the equivalency value to a full-time equivalency value.
- g. Refer to the schedule Exhibit F for a listing of selections made and the results of the procedures performed.

24. We obtained from University management a detailed listing of home game guarantee expenses for the year ended June 30, 2019.

- a. We mathematically checked the total dollar amount of the detailed listing.
- b. We agreed the total dollar amount of the expense for home game guarantees in the detailed listing to the amount in the expense line item "Guarantees" included in the Statement.
- c. We haphazardly selected 10 home game guarantee expenses from the detailed listing, obtained the related contracts and settlement reports from University management, and agreed the dollar amount of the guarantee expense on the detailed schedule to dollar amounts specified in the related contracts and settlement reports.

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

25. We obtained from University management a detailed listing of all sports coaches employed by the University and their related salaries, benefits, and bonuses paid by the University and related entities for the year ended June 30, 2019.

- a. We mathematically checked the total dollar amount of the detailed listing.
- b. We agreed the total dollar amount of expense for coaches' salaries, benefits, and bonuses in the detailed listing to the amount in the line item "Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities" included in the Statement.
- c. From the listing of sports coaches employed by the University, we selected the head coaches for football, men's basketball, and women's basketball, and we haphazardly selected seven of the remaining coaches. We obtained from University management and agreed the payroll summary registers for the reporting year for each of the coaches selected to the related expenses in the detailed listing.
- d. We obtained from University management the related employment contracts for each of the coaches selected. We agreed the coaches' salaries per the contracts to the amounts included in the detailed schedule. For any salaries that did not agree, we obtained written explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.
- e. We agreed the coaches' bonuses per the contracts to the amounts included in the detailed schedule. For any bonuses that did not agree, we obtained written explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

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

26. We obtained from University management a detailed listing of all support staff for athletics and their salaries, benefits, and bonuses paid by the University and related entities for the year ended June 30, 2019.

- a. We mathematically checked the total of the detailed listing.



- b. We agreed the total expense for support staff salaries, benefits, and bonuses in the detailed listing to the amount in the line item "Support Staff / Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities" included in the Statement.
- c. We haphazardly selected 25 support staff paid by the University and related entities from the detailed listing. We obtained from University management and agreed the payroll summary registers for the reporting year for each of the support staff selected to the related expenses in the detailed listing.
- d. We agreed the bonuses of the support staff per the support to the amounts included in the detailed schedule. For any bonuses that do not agree, we obtained written explanations from management. We make no comment as to the appropriateness of the reconciling items or sufficiency of explanations obtained.

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

- 27. As the "Severance Payments" expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
- 28. As the "Recruiting" expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
- 29. We obtained from University management a detailed listing of team travel expenses for the year ended June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total dollar amount of recruiting expense to the amount in the line item "Team Travel" included in the Statement.
 - c. We obtained the University's team travel policies from University management. We compared the index of the University policies to the NCAA policies to observe that the University policies included each of the following topics included in the NCAA policies such as: mode of transportation, vehicle rentals, meal types/team meals and lodging. We make no comment as to the appropriateness of the detailed policy.

No exceptions were noted as a result of performing this procedure.

- 30. As the "Sports Equipment, Uniforms and Supplies" expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
- 31. As the "Game Expenses" expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
- 32. As the "Fund Raising, Marketing, and Promotion" expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.



33. As the “Sports Camp Expenses” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
34. As the “Spirit Groups” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
35. We obtained from University management detailed listings for all athletic facility debt service, leases, and rental fees attributable to the University’s athletics department as of June 30, 2019.
 - a. We mathematically checked the repayment schedules.
 - b. We compared the annual maturities of debt to the Memorandums of Understanding provided by management.
 - c. We agreed the total debt outstanding as of June 30, 2019 appearing in the Notes to the Statement to the ICA’s general ledger as of June 30, 2019.
 - d. We selected the top two highest facility payments and haphazardly selected 8 additional facility payments from the detailed listings we obtained from management. We compared the dollar amount, name, and transaction date from the detailed listings to the supporting Memorandums of Understanding or lease agreements maintained by the University.

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

36. We obtained from University management a detailed listing of direct overhead and administrative expense for the year ended June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total dollar amount of the expense to the amount in the line item “Direct Overhead and Administrative Expense” included in the Statement.
 - c. We haphazardly selected 10 expenses from the detailed listing, and for each item selected, we obtained the related invoices from University management. We compared the dollar amount, name, transaction date, and description of the expense transaction from the detailed listing to the supporting documentation maintained by the University.

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

37. As the “Medical Expenses and Insurance” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
38. As the “Memberships and Dues” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
39. We obtained from University management a detailed listing of other operating expenses and transfers to institution for the year ended June 30, 2019. No procedures were performed as there were no additional expense categories included within the detailed listing beyond what was required to be tested as outlined within the NCAA guidelines.



40. As the “Student-Athlete Meals (non-travel)” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
41. As the “Bowl Expenses” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
42. As the “Bowl Expenses – Coaching Compensation/Bonuses” expense category in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
43. We obtained the listing of the sports sponsored reported in the NCAA Membership Financial Reporting System and agreed the listing to the Calculation of Revenue Distribution Equivalencies Report (CRDE) obtained from University management. No variances were identified between the NCAA Membership Financial Reporting System and the CRDE provided by University management.
44. We obtained the prior year Membership Financial Report submission from University management. We compared the prior year reported equivalencies per the Membership Financial Report submission to the current year grants-in-aid revenue distribution equivalencies. No variances greater than 4% were identified between the prior year reported equivalencies per the Membership Financial Report submission to the current year student athletic aid revenue distribution equivalencies.
45. We obtained (i) the institution’s Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year, and (ii) the sports reported as countable for revenue distribution within the NCAA Membership Financial Reporting System from University management. For each of the sports listed on the Sports Sponsorship and Demographics Form, we identified the minimum number of contests and the minimum number of participants required by Bylaw 20.9.6.3.
 - a. For each sport, we observed the number of contests and the minimum number of participants per the Sports Sponsorship and Demographics Form were equal to or greater than the minimum number set forth in Bylaw 20.9.6.3.
 - b. We agreed the countable sports per the Sports Sponsorship and Demographics Form to the sports reported as countable for revenue distribution within the NCAA Membership Financial Reporting System. No differences were identified.
46. Using the prior year Membership Financial Report submission obtained from University management in procedure 43, we compared the current year 2019 number of Sports Sponsored per the Sports Sponsorship and Demographics Form to the number of Sports Sponsored per the prior year Membership Financial Report. No variances were identified.
47. We obtained from University Management (i) the total number of Division I student-athletes who received a Pell Grant award, (ii) the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System during the year ended June 30, 2019 and (iii) a schedule including the information in (i) and (ii), which University management stated was from the financial aid records. We agreed the number of student-athletes in (i) and the value in (ii) to the schedule in (iii).



No exceptions were noted as a result of performing this procedure.

48. Using the prior year Membership Financial Report submission obtained from University management in procedure 43, we compared the current year 2019 total number of Pell Grants to the total number reported per the Membership Financial Report submission. No variances greater than + / - 20 grants were identified.
49. As the “Excess Transfers to Institution” and “Conference Realignment Expense” expense categories in the Statement is less than 4% of the total operating expenses, no procedures were performed for this category, which is in accordance with Appendix D to the “2019 Agreed upon Procedures” NCAA guidelines.
50. We obtained from University management the repayment schedules for all outstanding intercollegiate athletics debt as of June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We recalculated the annual maturities, including principal and interest and agreed the annual maturities to the corresponding amounts in the notes to the Statement.
 - c. We agreed the total annual maturities and total outstanding athletic debt to Memorandums of Understanding provided by management and ICA’s general ledger of June 30, 2019.

No exceptions were noted as a result of performing this procedure.

51. We obtained from University management the total outstanding institutional debt as of June 30, 2019 and agreed the total value to the ICA’s general ledger and corresponding footnote of ICA’s FY 2019 audited financial statements.

No exceptions were noted as a result of performing this procedure.

52. We obtained from University management a detailed listing of the fair value of athletics dedicated (i.e., restricted) endowments maintained by athletics, the institution, and affiliated organizations as of June 30, 2019.
 - a. We mathematically checked the total of the detailed listing.
 - b. We agreed the total fair market value to supporting documentation, the ICA’s general ledger and the corresponding footnote of the ICA’s FY 2019 audited financial statements.

No exceptions were noted as a result of performing this procedure.

53. We obtained from University management the total fair value of institutional endowments as of June 30, 2019 and agreed the total value to the ICA’s general ledger and the corresponding footnote of the ICA’s FY 2019 audited financial statements.

No exceptions were noted as a result of performing this procedure.

54. We obtained from University management a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations for the year ended June 30, 2019.
 - a. We mathematically checked the total of the schedule.
 - b. We haphazardly selected three expenditures from the detailed listing, and for each item selected, we obtained the related invoice or other supporting documentation from University



management. We compared the dollar amount, name, transaction date, and description of the expenditure transaction from the detailed listing to the supporting documentation maintained by the University.

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

55. We obtained representations from University management that to the best of their knowledge and belief, all revenues and expenditures related to the Department of Athletics had been properly included in the Statement.
56. As the "Compensation and Benefits provided by a third party" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines
57. As the "Indirect Institutional Support - Athletic Facilities Debt Service, Lease and Rental Fees" revenue category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA.
58. As the "Indirect Institutional Support" expense category in the Statement is less than 4% of the total operating revenues, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA.
59. As the "Coaching Salaries, Benefits and Bonuses paid by a Third Party" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.
60. As the "Support Staff / Administrative Compensation, Benefits and Bonuses paid by a Third Party" expense category in the Statement is less than 4% of the total expenditures, no procedures were performed for this category, which is in accordance with Appendix D to the "2019 Agreed upon Procedures" NCAA guidelines.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Statement of Revenues and Expenditures of The Ohio State University as of June 30, 2019 or on the University's compliance with the NCAA requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of The Ohio State University and is not intended to be and should not be used by anyone other than this specified party.

PricewaterhouseCoopers LLP

December 9, 2019

The Ohio State University Intercollegiate Athletics Department

Statement of Revenues and Expenditures

For the Year Ended June 30, 2019 (unaudited)

The Ohio State University
Intercollegiate Athletics Department
Statement of Revenues and Expenditures
For the Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Non Program Specific	Total
Revenues						
Ticket Sales	\$ 50,550,538	\$ 6,025,740	\$ 357,739	\$ 1,017,609	\$ 1,896,281	\$ 59,847,907
Direct State or Other Government Support	-	-	-	-	-	-
Student Fees	-	-	-	-	-	-
Direct Institutional Support	-	-	-	1,801	39,671	41,472
Less-Transfers to Institution	-	-	-	(1,801)	(39,671)	(41,472)
Indirect Institutional Support	-	-	-	-	-	-
Indirect Institutional Support-Athletic Facilities Debt Service, Lease and Rental Fees	-	-	-	-	-	-
Guarantee Revenues	5,000,000	225,000	-	34,486	-	5,259,486
Contributions	71,940	665,214	159,780	2,757,283	26,026,831	29,681,048
In-Kind	-	-	-	-	-	-
Compensation and Benefits provided by a third party	-	-	-	-	-	-
Media Rights	34,012,756	11,595,185	-	-	-	45,607,941
NCAA Distributions	104,730	4,204,181	-	180,961	1,020,516	5,510,388
Conference Distributions (Non Media and Non Bowl)	3,854,674	1,002,052	-	-	30,747	4,887,473
Conference Distributions of Bowl Generated Revenues	7,128,967	-	-	-	-	7,128,967
Program, Novelty, Parking and Concession Sales	5,773,317	888,862	88,216	398,717	714,686	7,863,798
Royalties, Licensing, Advertisements and Sponsorships	994,066	117,988	114,988	1,341,077	20,353,051	22,921,170
Sports Camps Revenues	287,176	57,720	32,025	1,663,219	73,783	2,113,923
Athletics Restricted Endowment and Investments Income	696,144	164,989	42,073	839,972	2,516,429	4,259,607
Other Operating Revenue	110,961	6,191	(20)	175,928	8,662,026	8,955,086
Bowl Revenues	6,511,445	-	-	-	-	6,511,445
Total Operating Revenues	\$ 115,096,714	\$ 24,953,122	\$ 794,801	\$ 8,409,252	\$ 61,294,350	\$ 210,548,239
Expenses						
Athletic Student Aid	\$ 4,389,064	\$ 689,119	\$ 729,756	\$ 15,812,887	\$ 449,730	\$ 22,070,556
Guarantees	8,200,000	1,275,000	26,584	82,804	-	9,584,388
Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities	19,451,129	4,616,365	1,872,828	13,355,334	-	39,295,656
Coaching Salaries, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
Support Staff/Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities	4,580,965	660,847	432,939	2,134,244	30,299,516	38,108,511
Support Staff/Administrative Compensation, Benefits and Bonuses paid by a Third Party	-	-	-	-	-	-
Severance Payments	120,438	-	-	-	-	120,438
Recruiting	1,060,643	456,203	291,881	1,053,407	-	2,862,134
Team Travel	2,959,283	1,605,173	974,600	6,847,991	58,490	12,445,537
Sports Equipment, Uniforms and Supplies	1,865,537	145,368	116,691	2,515,565	946,623	5,589,784
Game Expenses	3,730,609	828,245	250,890	841,918	772,724	6,424,386
Fund Raising, Marketing and Promotion	-	-	-	-	1,566,180	1,566,180
Sports Camp Expenses	271,307	46,835	20,305	928,827	25,845	1,293,119
Spirit Groups	-	-	-	-	688,260	688,260
Athletic Facilities Debt Service, Leases and Rental Fees	-	1,431,495	-	2,082,472	22,010,467	25,524,434
Direct Overhead and Administrative Expenses	592,664	153,972	80,296	465,296	27,481,764	28,773,992
Indirect Institutional Support	-	-	-	-	-	-
Medical Expenses and Insurance	-	-	-	450	1,954,167	1,954,617
Memberships and Dues	5,125	925	1,472	25,763	315,073	348,358
Student-Athlete Meals (non-travel)	3,403,661	121,413	32,903	321,903	777,313	4,657,193
Other Operating Expenses	866,133	395,614	123,451	880,792	8,419,237	10,685,227
Bowl Expenses	7,034,456	-	-	-	-	7,034,456
Bowl Expenses - Coaching Compensation/Bonuses	1,545,730	-	-	-	-	1,545,730
Total Operating Expenses	\$ 60,076,744	\$ 12,426,574	\$ 4,954,596	\$ 47,349,653	\$ 95,765,389	\$ 220,572,956
Other Reporting Items:						
Excess Transfers to Institution	-	-	-	-	3,115,384	3,115,384
Conference Realignment Expense	-	-	-	-	-	-
Total Athletics Related Debt	-	-	-	-	-	250,701,333
Total Institutional Debt	-	-	-	-	-	3,220,287,000
Value of Athletics Dedicated Endowments	-	-	-	-	-	100,660,301
Value of Institutional Endowments	-	-	-	-	-	5,256,759,000
Total Athletics Related Capital Expenditures	81,327	-	-	139,662	78,095,468	78,316,457

The Ohio State University Intercollegiate Athletics Department
Notes to Financial Statement
For the Year Ended June 30, 2019 (unaudited)

1. Summary of Presentation Policies

All revenues and expenditures directly related to various sports are disclosed. All remaining revenues and expenditures are non-program specific. The Ohio State University (the "University") records depreciation on physical plant and equipment; however, depreciation is not part of the Statement of Revenues and Expenditures.

2. Contributions

Contribution revenue included in the Statement of Revenues and Expenditures represents monetary gifts given to the Intercollegiate Athletic Department by individuals, corporations, associations, foundations or other organizations during the current reporting year. The amount recorded includes unrestricted gifts and gifts whose donor-imposed restrictions have been met.

3. Athletics Restricted Endowment and Investments Income

The value of endowment distributions and restricted investment income is the total portion allocated to Athletics by the University in the reporting year.

4. Other Sports

Other sports include baseball, men's and women's cross country, men's and women's fencing, field hockey, pistol, rifle, softball, synchronized swimming, wrestling, men's and women's track and field, men's and women's golf, men's and women's gymnastics, men's and women's ice hockey, men's and women's lacrosse, women's rowing, men's and women's soccer, men's and women's swimming and diving, men's and women's tennis, and men's and women's volleyball.

5. Other Forms of Compensation

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

6. Property, Plant and Equipment

Intercollegiate athletics-related assets are accounted for consistent with the University's policies for property, plant and equipment. Property, plant and equipment valued at \$5,000 or more are recorded at cost at date of acquisition or, if acquired by gift, at estimated fair value at date of gift. Additions to plant assets are capitalized, while maintenance and minor renovations are charged to operations. Property, plant and equipment assets are reflected net of accumulated depreciation calculated on a straight-line basis over the estimated useful lives ranging from 5 to 100 years.

The Ohio State University Intercollegiate Athletics Department
Notes to Financial Statement
For the Year Ended June 30, 2019 (unaudited)

Capital Asset activity for the year ended June 30, 2019 as summarized as follows:

	Balance 6/30/2018	Additions	Transfers In (Out)	Disposals	Ending 6/30/2019
Capital assets not being depreciated					
Construction in progress	\$ 79,968,091	\$ 71,798,293	\$ (145,493,122)	\$ -	\$ 6,273,262
Total capital assets not being depreciated	79,968,091	71,798,293	(145,493,122)	-	6,273,262
Capital assets being depreciated					
Buildings	379,399,653	135,964,358	-	-	515,364,011
Capital Improvements	45,524,244	9,528,763	-	-	55,053,007
Machinery and equipment	10,537,322	1,677,171	-	(494,463)	11,720,030
Total capital assets being depreciated	435,461,219	147,170,292	-	(494,463)	582,137,048
Total capital assets	515,429,310	218,968,585	(145,493,122)	(494,463)	588,410,310
Less: Accumulated Depreciation					
Buildings	193,863,685	14,639,203	-	-	208,502,888
Capital Improvements	25,945,705	2,437,320	-	-	28,383,025
Machinery and equipment	5,608,373	1,005,469	-	(494,463)	6,119,379
Total accumulated depreciation	225,417,763	18,081,992	-	(494,463)	243,005,292
Total capital assets being depreciated, net	210,043,456	129,088,300	-	-	339,131,756
Capital assets, net	\$ 290,011,547	\$ 200,886,593	\$ (145,493,122)	\$ -	\$ 345,405,018

University Notes Payable

The university has issued notes payable to Athletics through Memorandums of Understanding ("MOUs") which document the principal, interest charges and repayment terms as well as any other conditions or covenants. The current notes have been issued at fixed interest rates with no premium or discount on the debt. Principal maturities and interest on long-term debt for the next five years and in subsequent five-year periods are as follows:

	Principal	Interest	Total
2020	\$ 11,451,884	\$ 10,363,324	\$ 21,815,208
2021	11,737,223	9,869,841	21,607,064
2022	11,837,250	9,372,269	21,209,519
2023	12,351,639	8,836,480	21,188,119
2024	11,362,914	8,312,583	19,675,497
2025-2029	52,292,463	35,268,814	87,561,277
2030-2034	47,336,930	23,795,686	71,132,616
2035-2039	30,749,190	16,273,095	47,022,285
2040-2044	37,604,068	9,418,218	47,022,286
FY 2045 and Thereafter	23,977,772	1,624,013	25,601,785
	\$ 250,701,333	\$ 133,134,323	\$ 383,835,656

Exhibits

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

Description	Procedure 3.c. Exception (Y/N)
1. Buckeye Club Rose Bowl Trip 2019	N
2. Military Jersey Auction	N
3. Strength/Conditioning Equipment Sales	N
4. Buckeye Band Invitational Revenue	N
5. 2019 Midwest Fencing Championship Revenue	N
6. Cheer and Dance Competition Revenue	N
7. OHSAA Boys Basketball Tournament Video Revenue	N
8. OHSAA Track Facility Rental Revenues	N
9. OHSAA Girls Basketball Tournament Video Revenue	N
10. Ohio Stadium Rental Revenue for corporate Event	N
11. Cheer Competitions Revenue	N
12. ATP Challenge Tour Revenue	N
13. Facility Rental Revenue for corporate Event	N
14. Facility Rental Revenue for corporate Conference	N
15. Monster Jam Video Revenue	N

The Ohio State University Intercollegiate Athletics Department
Exhibit B
Fluctuation Analysis
2019 revenues and expenditures as compared to 2019 unrestricted budget

Procedure 5.c. and 5.d.

<u>FY19 AUP Lines</u>	<u>Change</u>	<u>Change %</u>	<u>Management Explanation</u>
<u>Revenues</u>			
Royalties, Licensing, Advertisements and Sponsorships	4,798,029	26%	The income from Levy (\$424K actuals) is not budgeted. The Nike in-kind allocation amounts (\$2.9M actuals) are not budgeted. Also, increase is due to \$2.6M more from Coca-Cola than budgeted.
<u>Expenses</u>			
Coaching Salaries, Benefits and Bonuses Paid by the University	(5,867,595)	-13%	Salaries and benefits are budgeted differently than the NCAA report. The budget includes all coaching and support staff salaries and benefits. Increase is due to contractual obligations and coaching changes made in the Men's Basketball program.
Support Staff Administrative Salaries Benefits and Bonus Paid by the University	9,951,772	35%	Salaries and benefits are budgeted differently than the NCAA report. The budget includes all coaching and support staff salaries and benefits. Increase is due to contractual obligations and cost of living salary increases.

The Ohio State University Intercollegiate Athletics Department
Exhibit B
Fluctuation Analysis
2019 revenues and expenditures as compared to 2018 revenues and expenditures

	FY19 AUP lines	Change	Change %	Management Explanation
<u>Revenues</u>				
Ticket Sales		(9,312,753)	-13%	Football's ticket sales decreased in value versus prior year due to strength of schedule.
Contributions		(3,849,350)	-11%	The largest fluctuations are the result of individual gifts given to various capital improvements/funds. The largest individual gift decreases stem from gifts to the Schumaker Complex Fund, the Woody Hayes Athletic Fund, the Schottenstein Center improvements and the Athletic District Building Fund. In addition, other various scholarship, discretionary and suite/seat related funds saw decreases from the prior year. Among these funds include the Athletics Advancement Fund, the Club Seat Annual Fee Fund, the Men's Basketball Excellence Fund and the Ohio Stadium Suite Fund.
Royalties, Licensing, Advertisements and Sponsorships		2,772,597	14%	New Coca-Cola agreement led to increased revenues from prior year. In addition, T&L Royalty Distribution and IMG were more in FY19 than in FY18.
<u>Expenses</u>				
Athletic Facilities Debt Service, Leases and Rental Fees		4,604,653	22%	The increase was from additional debt related to the Covelli Center and Schumaker Complex.
Direct Overhead and Administrative Expenses		2,912,661	11%	Increase in Legal Fees along with an increased cost in Building and Grounds Repair and Maintenance expense related to the new facilities.

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

Description	Procedure 4.c. Exception (Y/N)
1. Big Ten Gift Suites	N
2. Food for Life Sports Program	N
3. Football Ticket Expenses	N
4. Weight Room Equipment	N
5. Loss of Value Insurance Premium	N
6. Web.com Tour Expenses	N
7. Golf Merchandise for OSU Golf Club	N
8. Corporate Catering	N
9. Advanced Football Tracking System	N
10. Ticket Printing Services	N
11. Defending the Blue Line Contribution	N
12. Hockey Sticks for University Ice Rink	N
13. Computer Equipment for Staff	N
14. Golf Polos for the OSU Golf Club	N
15. Versa Climber Non-capitalized Equipment	N

The Ohio State University Intercollegiate Athletics Department
Exhibit D
Media Rights

Description	Procedure 15.c. Exception (Y/N)
1. Big Ten TV Rights Fees ~ January	N
2. Big Ten TV Rights Fees ~ December	N
3. Big Ten TV Rights Fees ~ October	N
4. Big Ten TV Rights Fees ~ September	N
5. Big Ten TV Rights Fees ~ March	N
6. Big Ten TV Rights Fees ~ February	N
7. Big Ten TV Rights Fees ~ April	N
8. Big Ten TV Rights Fees ~ June	N
9. IMG/Broadcasting Adj ~ March	N
10. Radio ~ OSU vs Michigan	N

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

Description	Procedure 19.c. Exception (Y/N)
1. Nike FY19 Base Compensation	N
2. 2018-2019 Medical Ctr/James/Ross	N
3. Stadium Ribbon Board	N
4. Gatorade	N
5. IMG 1st Quarter	N
6. Coke FY19 Sponsorship	N
7. Coke FY19 Upfront Payment	N
8. IMG 4th Quarter FY19	N
9. Nike Equipment & Supply	N
10. Coke communication 3rd Quarter FY19	N

The Ohio State University Intercollegiate Athletics Department
Exhibit F
Athletic Student Aid

Description	Procedure 23. d, e, and f. Exception (Y/N)
1. Swimming	N
2. Gymnastics	N
3. Lacrosse	N
4. Swimming	N
5. Lacrosse	N
6. Ice Hockey	N
7. Fencing	N
8. Football	N
9. Ice Hockey	N
10. Rowing	N
11. Soccer	N
12. Football	N
13. Field Hockey	N
14. Baseball	N
15. Ice Hockey	N
16. Soccer	N
17. Football	N
18. Basketball	N
19. Rowing	N
20. Football	N
21. Lacrosse	N
22. Rowing	N
23. Lacrosse	N
24. Volleyball	N
25. Basketball	N
26. Swimming	N
27. Football	N
28. Wrestling	N
29. Football	N
30. Basketball	N
31. Swimming	N
32. Swimming	N
33. Gymnastics	N
34. Field Hockey	N
35. Football	N
36. Ice Hockey	N
37. Field Hockey	N
38. Swimming	N

The Ohio State University Intercollegiate Athletics Department
Exhibit F
Athletic Student Aid

Description	Procedure 23. d, e, and f. Exception (Y/N)
39. Football	N
40. Golf	N
41. Softball	N
42. Lacrosse	N
43. Track	N
44. Volleyball	N
45. Ice Hockey	N
46. Field Hockey	N
47. Wrestling	N
48. Volleyball	N
49. Wrestling	N
50. Softball	N
51. Fencing	N
52. Tennis	N
53. Swimming	N
54. Football	N
55. Soccer	N
56. Football	N
57. Basketball	N
58. Football	N
59. Ice Hockey	N
60. Swimming	N

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

Description	Procedure 25. c, d, and e. Exception (Y/N)
1. Athletics Football	N
2. Athletics Basketball - Men	N
3. Athletics Basketball - Women	N
4. Athletics Baseball	N
5. Athletics Football assistant coach	N
6. Athletics Basketball – Women assistant coach	N
7. Athletics Football assistant coach	N
8. Athletics Tennis - Women	N
9. Athletics Golf - Men	N
10. Athletics Field Hockey	N

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

Description	Procedure 26. c. and d. Exception (Y/N)
1. Athletics Football	N
2. Athletics Football	N
3. Athletics Football	N
4. Athletics Football	N
5. Athletics Administration and General	N
6. Athletics Football	N
7. Athletics Compliance	N
8. Athletics Administration and General	N
9. Athletics Fan Experience	N
10. Athletics Basketball - Men	N
11. Athletics Football	N
12. Athletics Strength / Conditioning	N
13. Athletics Strength / Conditioning	N
14. Athletics Training	N
15. Athletics Football	N
16. Athletics Technology Services	N
17. Athletics Administration and General	N
18. Athletics Administration and General	N
19. Athletics Football	N
20. Athletics Football	N
21. Athletics Ice Rink	N
22. Athletics Arena Maintenance	N
23. Athletics Compliance	N
24. Athletics Football	N
25. Athletics Video Services	N

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

Description	Procedure 36. c. Exception (Y/N)
1. Wall Graphics for Shumaker Athletic Complex Non-capital	N
2. Electronic Infrastructure at JOMS for Field Hockey Non-capital	N
3. OSU Stadium Office Furniture Non-capital	N
4. Golf Outing	N
5. Resurfacing Repair of Outdoor Tennis Courts Non-capital	N
6. Insurance Policy	N
7. Coaches' Cell Phone Bills	N
8. Wall Graphics for Shumaker Athletic Complex Non-capital	N
9. Netting for OSU Ice Rink Non-capital	N
10. Displays for Football Weight Room Non-capital	N

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

Description	Procedure 35.d. Exception (Y/N)
1. Ohio Stadium Renovation July 2018 Payment	N
2. Ohio Stadium Renovation August 2018 Payment	N
3. Indoor Golf Facility September 2018 Payment	N
4. Athletics WHAC Renovation November 2018 Payment	N
5. Athletics Stadium WP/Concrete May 2019 Payment	N
6. WHAC Roof Replacement January 2019 Payment	N
7. Schottenstein BB Practice Facility February 2019 Payment	N
8. Stadium Lighting and Seats December 2018 Payment	N
9. City of Columbus Space Rental	N
10. High Street Investment Space Rental	N

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

Description	Procedure 53.b. Exception (Y/N)
1. Brunswick Corp DBA Life Fitness - Weight room equipment	N
2. Ricart Properties - Ford F-250	N
3. Sound Com Systems - Ohio State Athletic Department Video Control Room Upgrade	N

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

Description	Procedure 24.b. Exception (Y/N)
1. Grandview Yard Hyatt Place	N
2. Riverview Hotel	N
3. Hilton Garden Inn	N
4. Hofstra University	N
5. High Point University	N
6. University of Detroit - Mercy	N
7. Northern Kentucky University	N
8. University of Toledo	N
9. Conference Guarantee Big 10 Basketball	N
10. Conference Guarantee Big 10 Football	N

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OHIO AUDITOR OF STATE KEITH FABER



THE OHIO STATE UNIVERSITY - NCAA

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 31, 2019**