

WRIGHT STATE UNIVERSITY

GREENE COUNTY, OHIO

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
PERFORMED ON THE INTERCOLLEGIATE ATHLETIC PROGRAM AS
REQUIRED BY NCAA BYLAW 3.2.4.17

JUNE 30, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Wright State University
3640 Col. Glenn Highway
Dayton, Ohio 45435

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Wright State University NCAA Report, Greene County, prepared by BKD, LLP, for the period July 1, 2020 through June 30, 2021. 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 Wright 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 17, 2021

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Wright State University

June 30, 2021

Contents

Independent Accountant’s Report on Applying Agreed-Upon Procedures 1

Statement of Revenues and Expenses 9

Notes to Statement of Revenues and Expenses 10

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Sue Edwards
President
Wright State University
Dayton, Ohio

We have performed the procedures enumerated in the attachment to this report on specified elements, accounts, and items of Wright State University's (University) statement of revenues and expenses (Statement) of the Department of Athletics for the year ended June 30, 2021. The management of the University is responsible for the Statement.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the University in complying with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021. 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 and the associated findings are described in the attachment to this report.

We were engaged by the University 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 the Statement. 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 the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

BKD, LLP

Cincinnati, Ohio
December 15, 2021

Wright State University
Agree-Upon Procedures
For the Year Ended June 30, 2021

Statement of Revenues and Expenses

1. We obtained the Statement, as prepared by the Department of Athletics of the University (Athletics), for the year ended June 30, 2021. We compared the revenue and expense amounts reported on the Statement which were greater than 4.0% of revenues or expenses, respectively, to the supporting schedules prepared by management of the University, noting they agreed without exception.
2. We compared a sample (see items 4-47 below) of operating revenue receipts and operating expenses obtained from the above operating revenue and expense supporting schedules to adequate supporting schedules. No exceptions were noted.
3. We compared each major revenue category greater than 10% of total revenues and each major expense category greater than 10% of total expenses on the Statement to prior year amounts and current year budgeted amounts. We obtained, from management of the University, and documented an understanding of any significant variances (greater than 10% change) from prior year amounts and current year budgeted amounts and noted the following:

Actual Revenue and Expenses as Compared to Prior Year

- *Direct Institutional Support* – Management represented that the 12.86% decrease was driven by the elimination of three sports during FY21 along with additional reductions in all areas due to COVID-19.
- *Athletic Student Aid* – Management represented that the 14.46% decrease was driven by the elimination of three sports during FY21 along with additional reductions in all areas due to COVID-19.
- *Coaching Salaries, Benefits and Bonuses paid by the University and Related Entities* – Management represented that the 12.99% decrease was driven by the elimination of three sports during FY21 along with a reduction in the benefit rate charged by the University.
- *Support Staff/Administrative Compensation, Benefits and Bonuses paid by the University and Related Entities* – Management represented that the 12.03% decrease was driven by the elimination of one staff position in FY21 along with a reduction in the benefit rate charged by the University.

Actual Revenue and Expenses to Current Year Budget

No variances met the above criteria.

Revenues

4. *Ticket Sales* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
5. *Direct State or Other Governmental Support* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
6. *Student Fees* - We inquired as to whether student fees are allocated to Athletics, and the University's management represented there are no restricted student fee allocations from the University to Athletics. All allocations are unrestricted and reported as direct institutional support.
7. *Direct Institutional Support* - We compared direct institutional support recorded by Athletics with institutional transfer authorizations held by the Controller's Office of the University and noted no exceptions.
8. *Transfers Back to the Institution* - We inquired of the University's management who represented there were no transfers back to the institution during the year ended June 30, 2021.
9. *Indirect Institutional Support* - We inquired of the University's management who represented there was no indirect institutional support during the year ended June 30, 2021.
10. *Indirect Institutional Support - Athletic Facilities, Debt Service, Lease and Rental Fees* - We inquired of the University's management who represented there were no indirect institutional support during the year ended June 30, 2021.
11. *Guarantees* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
12. *Contributions* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
13. *In-Kind* - We inquired of the University's management who represented there were no in-kind revenues during the year ended June 30, 2021.
14. *Compensation and Benefits Provided by a Third Party* - We inquired of the University's management as to whether Athletics received any revenues or contributions to specifically support compensation or benefits from outside organizations for the year ended June 30, 2021, and they represented there were no compensation or benefits provided by third parties.
15. *Media Rights* - We inquired of the University's management who represented there was no media rights revenue during the year ended June 30, 2021.
16. *NCAA Distributions* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
17. *Conference Distributions (Non-Media and Non-Football Bowl)* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
18. *Conference Distributions of Football Bowl Generated Revenue* - We inquired of the University's management who represented there were no conference distributions of football bowl generated revenue during the year ended June 30, 2021.
19. *Program Sales, Concessions, Novelty Sales and Parking* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
20. *Royalties, Licensing, Advertisements and Sponsorships* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
21. *Sports Camps Revenues* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.

22. *Athletics Restricted Endowment and Investment Income* - We inquired of the University's management who represented there was no athletics restricted endowment and investment income during the year ended June 30, 2021.
23. *Other Operating Revenue* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
24. *Football Bowl Revenues* - We inquired of the University's management who represented there were no bowl revenues during the year ended June 30, 2021.

Expenses

25. *Athletic Student Aid* - We obtained the detailed listing of athletic student aid and performed the following procedures, noting no exceptions:
 - a. We compared the detail amounts of athletic student aid to the total per the Statement and to the NCAA Membership Financial Reporting System, noting no exceptions.
 - b. As the University utilized the NCAA Compliance Assistance software during Spring and Fall terms, we selected a sample of 10% of student athletes for these terms. As the University did not utilize the NCAA Compliance Assistance software during Summer term, we selected a sample of 20% of student athletes for that term. A total sample of 29 were selected from the listings of the University's student athlete aid recipients. We obtained the individual student account detail for each selection and compared the total aid per student's account detail to the student's aid detail in the NCAA's Membership Financial Reporting System, noting no exceptions.
 - c. We compared the student aid information for each student selected above to their information in the NCAA Membership Financial Reporting System utilizing required NCAA guidelines, including the following, noting no exceptions:
 - 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 as the numerator and the full grant amount, which is the total cost for tuition, fees, course-related 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. The full grant amount should always be the full cost of tuition for an academic year, not semester.
 - v. Student-athletes are to be counted once and should not receive a revenue distribution equivalency value greater than 1.00.

- vi. Athletic 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 Bylaw 20.9.6.3.
 - viii. Institutions providing grants to student-athletes labeled as "exhausted eligibility (fifth-year)" or "medical" receive credit in the grants-in-aid component.
 - ix. The athletics and equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (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, the value of the grant should not be 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, the student's grant should be included in the total number and total dollar value of Pell Grants reported for revenue distribution purposes in the NCAA Membership Financial Reporting System.
26. *Guarantees* - We inquired of the University's management who represented there was no guarantee expense during the year ended June 30, 2021.
27. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* - We obtained a listing of coaches employed by the University and randomly selected three coaches (Scott Nagy, Kari Hoffman, and Patrick Ferguson), which included the men's and women's basketball coaches, and the women's soccer coach. We compared and agreed the financial terms and conditions of their contracts, and compared the salaries and bonuses for each selection to the related coaching salaries, benefits and bonuses recorded in the Statement and noted no exceptions. We obtained payroll summary registers for the year ended June 30, 2021, for each selection and agreed them to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement and noted no exceptions.
28. *Coaching Salaries, Benefits and Bonuses Paid by a Third Party* - We inquired of the University's management, as to whether there were any coaching compensation or benefits paid by a third party and they represented there were no other compensation or benefits provided by third parties.
29. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* - We selected a sample of three support staff/administrative personnel employed by the University (Robert Grant, Sean Kennedy, and Robert Ray) and compared the related salaries, benefits and bonuses paid by the University to the Statement and noted no exceptions.

30. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party* - We inquired of the University's management as to whether there were any support staff/administrative compensation or benefits paid by a third party and they represented there were no support staff/administrative compensation or benefits provided by third parties.
31. *Severance Payments* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
32. *Recruiting* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
33. *Team Travel* - We obtained the team travel policies for Athletics and compared them to the NCAA policies. No exceptions were noted. We obtained the supporting schedule for team travel expenses and agreed the amounts in the supporting schedules to the Statement, noting no exceptions.
34. *Equipment, Uniforms and Supplies* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
35. *Game Expenses* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
36. *Fundraising, Marketing and Promotion* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
37. *Sports Camp Expenses* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
38. *Spirit Groups* - We inquired of the University's management who represented there was no spirit group expense during the year ended June 30, 2021.
39. *Athletic Facility Debt Service, Leases and Rental Fees* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
40. *Direct Overhead and Administrative Expenses* - We obtained the general ledger detail and compared it to the total expenses reported. We selected a sample of three transactions noting the existence of supporting documentation and recalculated the totals, noting no exceptions.
41. *Indirect Institutional Support* - We inquired of the University's management who represented there was no indirect allocated institutional support during the year ended June 30, 2021.
42. *Medical Expenses and Medical Insurance* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
43. *Memberships and Dues* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
44. *Student-Athlete Meals (non-travel)* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
45. *Other Operating Expenses* - We noted this line item was below the prescribed threshold of 4.0%; thus, no additional procedures were performed.
46. *Football Bowl Expenses* - We inquired of the University's management who represented there were no bowl expenses during the year ended June 30, 2021.
47. *Football Bowl Expenses - Coaching Compensation/Bonuses* - We inquired of the University's management who represented there were no bowl expenses during the year ended June 30, 2021.

Additional Minimum Agreed-Upon Procedures

48. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the records of the University, noting no discrepancies. Additionally, we compared the grants-in-aid revenue distribution equivalencies to prior year's submission noting a variance of 15.83%. Per management, this variance is due to the following factors:
 - a. Men's and Women's Tennis: This program was cut in 2020-2021. The University has been honoring scholarships until the tennis students-athletes have graduated. There were 4 students remaining on athletic aid in 2020-2021.
 - b. Softball: This program was cut in 2020-2021. The University has been honoring scholarships until the softball student-athletes have graduated. There were 6 students remaining on athletic aid in 2020-2021.
49. We obtained the University's Sports Sponsorship and Demographics Forms Report for the fiscal year and noted if the countable sports reported by the University met the minimum requirements set forth in 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, noting no discrepancies. However, we did note that men's basketball, men's and women's cross country, men's and women's soccer, and women's track and field (indoor) had fewer countable contests than the minimum required due to the COVID-19 global pandemic. These were not reported as exceptions in accordance with the blanket waiver for Fall sports provided by the NCAA. Additionally, we compared the current year number of sports sponsored to prior year, noting that men's and women's tennis and softball were removed in the current year.
50. Once countable sports were confirmed per number 49 above, we compared the countable sports per the Sports Sponsorship Demographics Forms Report to the NCAA Membership Financial Reporting System, noting no discrepancies.
51. We agreed the total number of student-athletes who received a Pell Grant award during the academic year and the total value of these Pell Grants reported in the System to a report generated from the University's student financial aid system, noting no discrepancies. Additionally, we compared the current year Pell Grant totals to the prior year reported total per the Membership Financial Report submission noting no variances greater than 20 grants.

Other Reporting Items

52. *Excess Transfers to Institution and Conference Realignment Expenses* - We inquired of the University's management who represented there were no excess transfers or conference realignment expenses during the year ended June 30, 2021.
53. *Total Athletics-Related Debt* - We inquired of the University's management who represented there was no athletics-related debt during the year ended June 30, 2021.
54. *Total Institutional Debt* - We agreed the total outstanding debt of the University to supporting documentation and the University's audited financial statements, without exception.
55. *Value of Athletics-Dedicated Endowments* - We inquired of the University's management who represented a schedule of athletics-dedicated endowments is not maintained. Management indicated Wright State University Foundation (Foundation) holds all endowment funds for the benefit of athletics which are pooled with other University Funds. However, we were able to agree the total fair market value of endowments to supporting documentation and the Foundation's audited financial statements, without exception, as described at item 56 below.

56. *Value of Institutional Endowments* - We agreed the total fair market value of endowments held by the Foundation for the benefit of the University to supporting documentation, the Foundation's general ledger and the Foundation's audited financial statements, without exception.
57. *Total Athletics Related Capital Expenditures* - We inquired of the University's management who represented there were no athletic-related capital expenditures during the year ended June 30, 2021.

Wright State University
Statement of Revenues and Expenses
For the Year Ended June 30, 2021

	Year Ended June 30, 2021				
	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Operating Revenues					
Ticket sales	\$ 1,646	\$ -	\$ 5,395	\$ -	\$ 7,041
Direct state or other government support	-	-	-	1,925	1,925
Direct institutional support	2,061,441	1,272,584	2,964,856	2,353,829	8,652,710
Guarantees	-	20,000	25,000	-	45,000
Contributions	126,639	10,295	121,230	1,172	259,336
NCAA distributions	29,021	45,102	120,423	55,369	249,915
Conference distributions (Non Media and Non Football Bowl)	185	-	-	150,000	150,185
Program, novelty, parking and concession sales	8,720	-	34,735	-	43,455
Royalties, licensing, advertisement and sponsorships	163,313	163,314	-	22,206	348,833
Sports camp revenues	8,368	-	-	-	8,368
Other operating revenue	-	-	27,494	111,665	139,159
Total operating revenues	2,399,333	1,511,295	3,299,133	2,696,166	9,905,927
Operating Expenses					
Athletic student aid	436,130	530,768	1,588,521	11,642	2,567,061
Coaching salaries, benefits and bonuses paid by the University and related entities	1,133,415	492,974	767,145	-	2,393,534
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	418,119	227,747	310,732	1,062,640	2,019,238
Severance payments	-	-	98,512	-	98,512
Recruiting	16,794	1,841	5,215	-	23,850
Team travel	77,516	107,128	235,932	-	420,576
Sports equipment, uniforms and supplies	27,270	22,558	47,971	6,936	104,735
Game expenses	101,407	61,039	49,264	-	211,710
Fund raising, marketing and promotion	77,777	3,285	9,853	9,932	100,847
Sports camp expenses	3,071	-	-	-	3,071
Athletic facilities debt service, leases and rental fee	-	-	7,850	175	8,025
Direct overhead and administrative expenses	15,240	702	8,688	926,316	950,946
Medical expenses and insurance	19,780	18,193	33,249	226,160	297,382
Memberships and dues	152	968	1,614	5,392	8,126
Student-athlete meals (non-travel)	24,468	9,937	23,438	1,373	59,216
Other operating expenses	48,194	34,155	111,149	96,831	290,329
Total operating expenses	2,399,333	1,511,295	3,299,133	2,347,397	9,557,158
Excess of Revenues Over Expenses	\$ -	\$ -	\$ -	\$ 348,769	\$ 348,769

Wright State University
Notes to Statement of Revenues and Expenses
June 30, 2021

Note 1: Summary of Presentation Policies

The amounts in the accompanying statement of revenues and expenses were obtained from Wright State University's (University) general ledger, which is maintained on an accrual basis. All revenues and expenses directly related to various sports were disclosed as such, except items which were not applicable. The primary purpose of the agreed-upon procedures report is to ensure the president of the University is made aware of all financial activity (both internal and external) for athletics purposes and to assist the University in exercising control over the financial activity made by or on behalf of the intercollegiate athletics program.

Note 2: Property, Plant and Equipment

Capital assets include land, land improvements, infrastructure, buildings, machinery, equipment, software, library books, publications and construction in progress. They are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Building renovations that materially increase the value or extend the useful life of the structure are also capitalized. Normal repairs and maintenance are expensed in the year in which the expenses are incurred. The threshold for capitalizing moveable equipment with an estimated useful life of more than one year is \$5,000. Using the straight-line method, capital assets are depreciated over their estimated useful lives; generally, 40 years for buildings, 30 years for land improvements and infrastructure, 15 years for library books and publications, and 5 to 10 years for machinery and equipment. The University does not capitalize works of art or historical treasures that are held for exhibition, education, research and public service. These collections are not encumbered or sold for financial gain. Consequently, such collections are not recognized in the financial statements. The capitalization threshold for the purchase of moveable equipment may be waived when the acquisition is related to a major project. Moveable equipment items attributable to a major project may be capitalized and depreciated over a five-year useful life. A major project is defined as a project in which: (1) the total construction cost (building improvement, land improvement, infrastructure, etc.) is anticipated to be \$100,000 or more and the moveable capital equipment expenditures are expected to be at least \$100,000; or (2) although the construction costs are anticipated to be less than \$100,000, the total project costs, including moveable equipment, are anticipated to be at least \$200,000.

Note 3: Contributions From the Wright State University Foundation, Inc.

The Wright State University Foundation, Inc. (Foundation) receives gifts and contributions that are restricted for the related athletics programs. These funds are used when additional funds are needed for current expenses and/or special projects. Foundation revenues are recorded in the Statement in an amount equal to the amount expended during the fiscal year. There were no amounts greater than 10% of total contributions for athletics.

OHIO AUDITOR OF STATE KEITH FABER



WRIGHT STATE UNIVERSITY - NATIONAL COLLEGIATE ATHLETICS ASSOCIATION

GREENE 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 12/30/2021

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