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# University of Cincinnati

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**Agreed-upon Procedures Report**

**June 30, 2023**



OHIO AUDITOR OF STATE  
KEITH FABER



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We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the University of Cincinnati NCAA, Hamilton County, prepared by Plante & Moran, PLLC, for the period July 1, 2022 through June 30, 2023. 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 University of Cincinnati NCAA is responsible for compliance with these laws and regulations.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

November 29, 2023

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## **Independent Accountant's Report on Applying Agreed-upon Procedures**

To Dr. Neville G. Pinto, President  
University of Cincinnati

We have performed the procedures enumerated below on University of Cincinnati's (the "Institution") Intercollegiate Athletics Program Statement of Revenues and Expenses (the "Statement") under National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17 for the year ended June 30, 2023. The Institution's management is responsible for the Institution's Intercollegiate Athletics Program Statement of Revenues and Expenses under NCAA Bylaw 20.2.4.17.

The Institution has agreed to the procedures performed and acknowledged that they are appropriate to meet the intended purpose of performing testing on certain intercollegiate athletics activity. Additionally, the required agreed-upon procedures are prescribed by the NCAA annually through published instructions, which is deemed as acknowledgment that the procedures performed are appropriate for its purposes. The procedures below are specified in the NCAA's 2023 Agreed-Upon Procedures instructions. No other parties have agreed to and acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all items of interest to a user of this report and may not meet the needs of all users of this report; as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the sufficiency of these procedures, either for the purpose intended or for any other purpose.

An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. As agreed to by the Institution, for the purpose of performing these procedures, exceptions are reported in accordance with the NCAA's 2023 Agreed-Upon Procedures instructions.

### **Agreed-upon Procedures Related to the Intercollegiate Athletics Program Statement of Revenues 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:

- 1) We met with the assistant athletic director to identify areas of significant interest and specific agreed-upon procedures related to both internal controls and other specified areas. The discussion did not identify any areas of significant interest or any other agreed-upon procedures. The discussion concluded on the number of samples for each step included in this report.

To Dr. Neville G. Pinto, President  
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- 2) We met with the assistant athletic director 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. The discussion did not identify any specific areas of concern, and the general control environment is thought to be strong, with competent and experienced personnel and appropriate protection of records and equipment.
- 3) We obtained the audited financial statements for the year ended June 30, 2023 and any additional reports regarding internal controls, if the Institution was audited independent of these agreed-upon procedures, and any corrective action taken in response to comments concerning the internal control structure.
- 4) We obtained any documentation of the accounting systems and procedures unique to the intercollegiate athletics department.
- 5) Cash disbursements and athletic employee payroll are addressed in connection with the audit of the Institution's financial statements. The following control environment and accounting systems are (a) unique to intercollegiate athletics and (b) have not been addressed in connection with the audit of the Institution's financial statements. We performed the following procedures:
  - i. We selected one game and tested the ticket collection receipting process by comparing the total receipts for such game to the reconciliation and documentation of the related cash deposit amount with the bank.

**Result:** The one transaction selected for a ticket cash receipt was for the football game with Navy on November 5, 2022, which included total ticket sales of \$470.00 on July 24, 2022. We were able to trace the amount to the reconciliation provided, but we were unable to trace the deposit of the cash receipt to the bank.

### **NCAA Reporting**

- B. **Procedure:** We obtained the information submitted to the NCAA, including the financial data detailing operating revenues, expenses, and capital related to the Institution's intercollegiate athletics program that was submitted to the NCAA, and agreed the amounts to the Statement 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 Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistant (CA) or equivalent supporting equivalency calculations from the Institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Sports Sponsorship and Demographics Form as they are reported by the Institution between May and August. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 4% in the results.

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**Result:** Management represented that the Membership Financial Reporting System submission had not been completed because the reporting was not yet due; therefore, we were unable to compare complete the procedures outlined.

- D. **Procedure for Sports Sponsorship:** We obtained the Institution's Sports Sponsorship and Demographics Form report for the reporting year between May and August. We validated that the countable sports reported by the Institution meet the minimum requirements set forth in Bylaw 20.10.6.3 related to the number of contests and the number of participants in each contest that is counted toward meeting the minimum contest requirement. We compared current year number of sports sponsored to prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance in the results.

**Result:** We noted no discrepancies. We noted the number of sports sponsored in prior and current year was 18.

- 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 athletic aid, Pell Grant recipients on partial athletic aid, and Pell Grant recipients with no athletic aid) and the total dollar amount 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. We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 20 grants in the results.

**Result:** Management represented that the Membership Financial Reporting System submission had not been completed because the reporting was not yet due, so the information that was obtained for the total number of student-athletes who received a Pell Grant and the total dollar amount of those Pell Grants provided by management was in draft form. We compared the draft information to the report generated from the Institution's financial aid records and noted a difference of one student and \$10,478. We noted a difference in the total Pell Grants in prior (submitted information) and current year (draft information) was 68 and 93, respectively, which is a total increase of 25. We inquired of Grace Kroner, assistant AD of compliance, who noted that the variance is primarily due to an increase in Pell-eligible students in the current year, which was a result of the students who were being recruited having more financial need.

### **Notes, Disclosures, and Other Procedures**

- F. **Athletics-Related Capital Assets and Expenditures Procedure:** We obtained 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 transaction and accuracy of recording and recalculated totals.

To Dr. Neville G. Pinto, President  
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**Result:** We tested the following transaction, which is a transfer of athletics funds made to fund the ongoing project, by tracing it to the transfer documentation, noting no exceptions:

<u>Date</u>	<u>Amount</u>	<u>Asset Description</u>
2/23/2023	\$ 1,425,000	Turf and Fence Baseball Stadium

- G. **Athletics-Related and Total Institutional Debt Procedure:** We obtained repayment schedules for all outstanding intercollegiate athletics-related debt maintained by the Institution during the reporting period. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained and agreed the total annual maturities to supporting documentation and the Institution's general ledger, as applicable. The repayment schedule is disclosed in Note 3. We agreed the total outstanding athletics-related debt and total institutional debt to supporting documentation and the Institution's audited financial statements.

**Result:** We noted no exceptions.

- H. **Excess Transfers to Institution and Conference Realignment Expenses Procedure:** We obtained the general ledger detail and compared the total expenses reported for excess transfers to the Institution and conference realignment expenses. We selected a sample of one transaction to validate existence of the transaction and accuracy of recording and recalculated totals.

**Result:** We noted no exceptions. We obtained the separation agreement with the American Athletic Conference and agreed the \$2,500,000 reported as conference realignment expenses to the payment that was due in the fiscal year ended June 30, 2023.

- I. **Procedure:** Changes in loan, endowment, or plant funds related to intercollegiate athletics shall not be included in the Statement.

- 1) We obtained and disclosed significant additions to restricted funds related to intercollegiate athletics, as well as significant changes to endowment and plant funds. Significant is defined as exceeding 10 percent of total revenues or expenses in the Statement.
- 2) We obtained and disclosed the value of endowments at the fiscal year-end that are dedicated to the sole support of athletics. We agreed the fair market value of the schedule to supporting documentation, the general ledger and the audited financial statements, if available. We agreed the total fair market value of athletics dedicated endowments and Institutional endowments to supporting documentation, the Institution's general ledger and/or audited financial statements, if available.
- 3) We obtained and disclosed the value of all pledges at the fiscal year-end that support athletics.
- 4) We obtained and disclosed the athletics department fiscal year-end fund balance.

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

To Dr. Neville G. Pinto, President  
University of Cincinnati

### **Intercollegiate Athletics Program Statement of Revenues and Expenses**

J. **Procedure:** We obtained the Statement for the reporting period, prepared by 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% of total revenues and expenses, respectively, to prior period amounts and budget estimates. We obtained and documented any variations exceeding 10% of total revenues or expenses.

**Result:** See Appendix A.

L. **Procedure:** We performed additional procedures on the following revenue and expense categories unless the specific reporting category is less than 4% of total revenues or expenses.

**Result:** See procedures below.

#### **Revenues**

M. **Procedure:** We agreed each revenue category 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:** We agreed tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets to the related revenue reported by the Institution in the Statement and related attendance figures and recalculated totals.

**Result:** We noted no exceptions.

2) **Student Fees Procedure:** Student fees were less than 4% of total revenues, so additional procedures were not performed.

3) **Direct State or Other Governmental Support Procedure:** Direct state or other governmental support was less than 4% of total revenues, so additional procedures were not performed.

4) **Direct Institutional Support Procedure:** We agreed a sample of one direct institutional entry recorded by the Institution during the reporting period with the institutional supporting budget transfers documentation, related emails, and transfer documentation and recalculated totals.

**Result:** We noted no exceptions.

5) **Transfers Back to Institution Procedure:** Transfers back to the Institution were less than 4% of total revenues, so additional procedures were not performed.

6) **Indirect Institutional Support Procedure:** Indirect institutional support was less than 4% of total revenues, so additional procedures were not performed.

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- 7) **Guarantees Procedure:** Guarantees were less than 4% of total revenues, so additional procedures were not performed.
- 8) **Contributions Procedure:** We obtained supporting documentation for each contribution of moneys, goods, or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods. We disclosed the source and dollar value of these contributions in the report.  
**Result:** We noted no individual contributions more than 10 percent of total contributions.
- 9) **In-Kind Procedure:** In-kind revenues were less than 4% of total revenues, so additional procedures were not performed.
- 10) **Compensation and Benefits Provided by a Third Party Procedure:** Compensation and benefits provided by a third party were less than 4% of total revenues, so additional procedures were not performed.
- 11) **Media Rights Procedure:** Media rights were less than 4% of total revenues, so additional procedures were not performed.
- 12) **NCAA Distributions Procedure:** NCAA distributions were less than 4% of total revenues, so additional procedures were not performed.
- 13) **Conference Distributions and Conference Distributions of Football Bowl Generated Revenue Procedure:** We obtained and inspected all agreements related to the Institution's conference distributions and participation in revenues from tournaments during the reporting period for the relevant terms and conditions. We compared the related revenues to the Institution's general ledger and/or the Statement and recalculated totals.  
**Result:** We obtained an email from the American Athletic Conference advising the Institution of a wire payment totaling \$6,752,960.84 that was received on June 23, 2023. This agreed to the Institution's general ledger and the Statement.
- 14) **Program Sales, Concessions, Novelty Sales and Parking Procedure:** Program sales, concessions, novelty sales and parking were less than 4% of total revenues, so additional procedures were not performed.
- 15) **Royalties, Licensing, Advertisements and Sponsorships Procedure:** We obtained and inspected a sample of one agreement related to the Institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period for the relevant terms and conditions. We agreed the related revenues to the Institution's general ledger and/or the Statement. We recalculated totals.  
**Result:** We selected one agreement with IMG with various guaranteed royalties throughout the life of the contract. We recalculated the total and found no discrepancies between the contract and the Institution's general ledger and the Statement. We selected one payment during the year for \$819,581.75, which was paid as on September 30, 2022. We noted no exceptions.
- 16) **Sports Camp Revenues Procedure:** Sports camp revenues were less than 4% of total revenues, so additional procedures were not performed.

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- 17) **Athletics Restricted Endowment and Investment Income Procedure:** Athletics restricted endowment and investment income were less than 4% of total revenues, so additional procedures were not performed.
- 18) **Football Bowl Revenues Procedure:** Football bowl revenues were less than 4% of total revenues, so additional procedures were not performed.
- 19) **Other Revenues Procedure:** We agreed other revenue categories to the Institution's general ledger and/or the Statement and recalculated totals.

**Result:** We noted no exceptions. We also obtained the invoice and related wire transfer for a payment of \$3,500,000 from invoice #1994103, which was paid on January 4, 2023 related to a payment from an institution for a former coach's contract buyout.

### **Expenses**

N. **Procedure:** We agreed each expense category 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 20% of total student-athletes, with a maximum sample size of 60 because the Institution did not use the NCAA's CA software).
  - a. We obtained individual student account detail for each selection and agreed total aid in the Institution's student system to student detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.
  - b. We performed a check of each student selected to ensure that their information was reported accurately in either the CA software or 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 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. If using the NCAA CA software, this equivalency value should already be calculated on the CRDE report labeled "Revenue Distribution Equivalent Award."
    - 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 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 20.02.10.

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- 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, regardless of multiple sport participation, 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 football 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 20.10.6.3.
  - 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.
  - 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 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.
- c. We recalculated totals for each sport and overall.

**Result:** We noted no exceptions.

To Dr. Neville G. Pinto, President  
University of Cincinnati

The student accounts tested are summarized below:

Student Tested	Amount Disbursed						
1	\$ 20,298	16	52,467	31	\$ 20,000	46	24,874
2	48,547	17	46,100	32	32,468	47	24,874
3	33,141	18	34,413	33	33,442	48	24,874
4	43,547	19	47,070	34	37,472	49	24,357
5	29,372	20	45,454	35	20,902	50	34,331
6	15,042	21	28,553	36	20,000	51	48,475
7	14,588	22	18,000	37	20,000	52	29,925
8	33,997	23	34,000	38	36,000	53	32,191
9	46,706	24	4,000	39	20,000	54	31,691
10	46,472	25	38,134	40	18,747	55	47,599
11	46,601	26	23,234	41	28,925	56	31,691
12	28,721	27	13,368	42	16,535	57	11,195
13	29,403	28	5,800	43	24,874	58	32,191
14	15,280	29	17,134	44	24,874	59	31,267
15	17,808	30	11,000	45	48,625	60	16,396

2) **Guarantees Procedure:** Guarantees were less than 4% of total expenses, so additional procedures were not performed.

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 three coaches' contracts that includes football and men's and women's basketball from the above listing. We agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the 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 agreed the totals recorded to any employment contracts executed for the sample selected.

**Result:** We selected three coaches' contracts that included a football assistant coach, men's basketball head coach, and women's basketball assistant coach. We recalculated salaries, benefits, vacation pay, and bonuses per the payroll registers and agreed the amounts recorded by the Institution and related entities in the Statement during the reporting period. We noted no exceptions.

4) **Coaching Other Compensation and Benefits Paid by a Third Party Procedure:** Coaching other compensation and benefits paid by a third party were less than 4% of total expenses, so additional procedures were not performed.

5) **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.

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**Result:** We obtained and inspected payroll records for the director of baseball operations and recalculated salaries, benefits, and bonuses and agreed the recalculated amounts to the salary documents and agreed the amounts recorded by the Institution and related entities in the Statement during the reporting period. We noted no exceptions.

- 6) **Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party Procedure:** Support staff/administrative other compensation and benefits paid by a third party were less than 4% of total expenses, so additional procedures were not performed.
- 7) **Severance Payments Procedure:** Severance payments were less than 4% of total expenses, so additional procedures were not performed.
- 8) **Recruiting Procedure:** Recruiting was less than 4% of total expenses, so additional procedures were not performed.
- 9) **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. We recalculated totals.

**Result:** We made inquiries of management and reviewed the written policy manual noting no conflicts between the Institution's travel policies and the key provisions of NCAA-related policies identified by management.

- 10) **Equipment, Uniforms and Supplies Procedure:** Equipment, uniforms and supplies were less than 4% of total expenses, so additional procedures were not performed.
- 11) **Game Expenses Procedure:** Game expenses were less than 4% of total expenses, so additional procedures were not performed.
- 12) **Fund Raising, Marketing and Promotion Procedure:** Fund raising, marketing and promotion were less than 4% of total expenses, so additional procedures were not performed.
- 13) **Sports Camp Expenses Procedure:** Sports camp expenses were less than 4% of total expenses, so additional procedures were not performed.
- 14) **Spirit Groups Procedure:** Spirit groups were less than 4% of total expenses, so additional procedures were not performed.
- 15) **Athletic Facility Debt Service, Leases and Rental Fees Procedure:** We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. We selected a sample of two facility payments including the top two highest facility payments to additional supporting documentation (e.g., debt financing agreements, leases, rental agreements). We agreed amounts recorded to amounts listed in the general ledger detail and recalculated totals.

**Result:** We obtained detail of debt schedules and agreed the athletics-related portion of the total debt to the schedules and recalculated totals. We selected the two largest transactions recorded to debt totaling \$8,911,270.71 and \$2,219,352, which represent the allocation of the athletics-related portion of debt payments made by the Institution during the year to schedules detailing the total. We agreed the total amounts recorded to the general ledger and the Statement. We noted no exceptions.

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- 16) **Direct Overhead and Administrative Expenses Procedure:** Direct overhead and administrative expenses were less than 4% of total expenses, so additional procedures were not performed.
- 17) **Indirect Institutional Support Procedure:** We tested this with the revenue section - Indirect Institutional Support.
- 18) **Medical Expenses and Medical Insurance Procedure:** Medical expenses and medical insurance were less than 4% of total expenses, so additional procedures were not performed.
- 19) **Memberships and Dues Procedure:** Memberships and dues were less than 4% of total expenses, so additional procedures were not performed.
- 20) **Student-Athlete Meals (non-travel) Procedure:** Student-athlete meals (non-travel) were less than 4% of total expenses, so additional procedures were not performed.
- 21) **Football Bowl Expenses Procedure:** Football bowl expenses were less than 4% of total expenses, so additional procedures were not performed.
- 22) **Other Operating Expenses and Transfers to Institution Procedure:** We obtained general ledger detail and compared to the total expenses reported. We selected a sample of one transaction to validate existence of transaction and accuracy of recording and recalculated totals.

**Result:** We obtained a settlement agreement and related check for \$2,750,000 dated September 20, 2023. 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) Obtained from management a list of 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, or one of their principal purposes, the generating or maintaining of grants-in-aid or scholarships funds, gifts, endowments, or other moneys, goods or services to be used primarily by the intercollegiate athletics program
    - iii. Alumni organizations that have as a principal, or one of their principal purposes, the generating of moneys, goods or services for or on behalf of an intercollegiate athletics program and that contribute moneys, goods or services directly to an intercollegiate athletics program, booster group, or independent or affiliated foundation as previously noted.

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**Result:** We inquired of management as to whether they had identified any affiliated or outside organizations that meet the above criteria. Management indicated that there are no organizations that meet any of the criteria listed above. As such, no further procedures were performed.

P. Based on inquiries with management, there were no affiliated or outside organizations not under the Institution's accounting control For which expenses on or on behalf of intercollegiate athletics programs are recorded.

**Result:** As such, no further procedures were performed.

We were engaged by the Institution 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 (AICPA). 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 Institution's Intercollegiate Athletics Program Statement of Revenues and Expenses under NCAA Bylaw 20.2.4.17. 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 Institution 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 University of Cincinnati and the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than those specified parties.

*Plante & Morse, PLLC*

Cincinnati, Ohio  
October 13, 2023

## Intercollegiate Athletics Program Statement of Revenues and Expenses

Year Ended June 30, 2023

Revenues	Football	Men's Basketball	Women's Basketball	Other Men	Other Women	Non-Program Specific	Grand Total
Ticket Sales	\$ 7,499,196	\$ 3,157,321	\$ 65,319	\$ 53,353	\$ -	\$ 411,526	\$ 11,186,715
Direct Institutional Support	-	-	-	-	-	35,529,473	35,529,473
Indirect Facilities and Administrative Support	-	-	-	-	-	2,536,451	2,536,451
Guarantees	1,500,000	-	-	12,000	7,000	-	1,519,000
Contributions	560,331	123,755	306,273	165,512	165,456	10,146,282	11,467,609
In-Kind	-	-	-	-	-	467,477	467,477
NCAA Distributions	-	902,152	-	-	-	1,550,391	2,452,543
Conference Distributions	6,752,961	-	-	-	-	1,062	6,754,023
Program Sales, Concessions, Novelty Sales and Parking	-	-	-	-	-	2,045,256	2,045,256
Royalties, Licensing, Advertisements and Sponsorships	-	-	-	-	-	6,195,530	6,195,530
Endowment and Investment Income	182,640	69,400	41,723	127,075	150,076	286,052	856,966
Other Revenues	83,971	115,101	1,123	40,739	50,885	7,703,336	7,995,155
Football Bowl Revenues	686,294	-	-	-	-	-	686,294
<b>Total Revenues</b>	<b>17,265,393</b>	<b>4,367,729</b>	<b>414,438</b>	<b>398,679</b>	<b>373,417</b>	<b>66,872,836</b>	<b>89,692,492</b>
<b>Expenses</b>							
Athletic Student Aid	4,033,847	776,086	762,264	1,564,867	3,437,608	81,624	10,656,296
Guarantees	2,100,000	420,500	61,000	5,000	11,250	-	2,597,750
Coaching Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities	9,208,089	3,293,708	1,171,751	822,445	2,012,280	79,064	16,587,337
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	2,105,308	453,764	175,156	83,490	45,361	8,465,308	11,328,387
Severance Payments	143,758	-	110,449	-	100,425	-	354,632
Recruiting	862,637	515,364	159,394	55,021	159,458	2,234	1,754,108
Team Travel	1,299,150	1,850,355	859,437	964,978	1,403,414	-	6,377,334
Equipment, Uniforms and Supplies	781,159	188,649	91,653	528,662	439,613	18,598	2,048,334
Game Expenses	1,783,212	1,019,865	50,740	106,624	174,793	363,035	3,498,269
Fund Raising, Marketing and Promotion	37,564	13,617	9,731	28,713	29,714	1,490,468	1,609,807
Spirit Groups	-	-	-	-	-	412,992	412,992
Athletic Facility Debt Service, Leases and Rental Fees	2,383	1,625	-	-	8,157	14,582,143	14,594,308
Direct Overhead and Administrative	34,431	1,459	2,941	9,267	2,551	1,367,096	1,417,745
Indirect Institutional Support	-	-	-	-	-	2,536,451	2,536,451
Medical Expenses and Medical Insurance	16,761	-	1,320	-	-	718,960	737,041
Memberships and Dues	415	39,015	3,890	52,308	27,551	23,682	146,861
Student-Athlete Meals (non-travel)	641,542	152,957	73,452	105,126	149,593	136,019	1,258,689
Other Operating Expenses	715,787	284,560	97,139	367,541	247,132	13,629,275	15,341,434
Football Bowl Expenses	1,189,661	-	-	-	-	-	1,189,661
Football Bowl Expenses - Coaching Bonuses	168,656	-	-	-	-	19,500	188,156
<b>Total Expenses</b>	<b>25,124,360</b>	<b>9,011,524</b>	<b>3,630,317</b>	<b>4,694,042</b>	<b>8,248,900</b>	<b>43,926,449</b>	<b>94,635,592</b>
<b>Excess of Revenues (Under) Over Expenses</b>	<b><u>\$ (7,858,967)</u></b>	<b><u>\$ (4,643,795)</u></b>	<b><u>\$ (3,215,879)</u></b>	<b><u>\$ (4,295,363)</u></b>	<b><u>\$ (7,875,483)</u></b>	<b><u>\$ 22,946,387</u></b>	<b><u>\$ (4,943,100)</u></b>

See notes to Intercollegiate Athletics Program Statement of Revenues and Expenses.

Notes to Intercollegiate Athletics Program  
Statement of Revenues and Expenses

Year Ended June 30, 2023

**Note 1 - Contributions**

There were no individual contributions of moneys, 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, 2023.

**Note 2 - Intercollegiate Athletics-Related Assets**

Property and equipment are recorded at cost or, if donated, the fair value at the time of donation. Expense for maintenance and repairs is charged to current expense as incurred. Depreciation is computed using the straight-line method. No depreciation is recorded on land. Expenses for major renewals and betterments that extend the useful lives of the assets are capitalized. Estimated service lives range from 3-50 years depending on class.

The current year capitalized additions and deletions to facilities during the year ended June 30, 2023 are as follows:

	Current Year Additions	Current Year Deletions
Total Athletics Facilities	\$ 328,873	\$ 946
Other Institutional Facilities	\$ 181,786,000	\$ 93,000

The total estimated book values of property, plant, and equipment, net of depreciation, of the Institution as of June 30, 2023 are as follows:

	Estimated Book Value
Athletically Related Property, Plant, and Equipment Balance	\$ 1,038,045
Institution's Total Property, Plant, and Equipment Balance	\$1,778,166,000

Notes to Intercollegiate Athletics Program  
Statement of Revenues and Expenses

Year Ended June 30, 2023

**Note 3 - Intercollegiate Athletics-Related Debt**

The annual debt service and debt outstanding for the Institution as of June 30, 2023 are as follows:

	Annual Debt Service	Debt Outstanding
Athletically Related Facilities	\$ 13,462,970	\$ 189,599,968
Institution's Total	\$ 75,276,269	\$ 1,045,740,000

The repayment schedule for all outstanding intercollegiate athletics debt maintained by the Institution for the years ending June 30 is as follows:

	Intercollegiate Athletics Debt Principal	Intercollegiate Athletics Debt Interest	Total Intercollegiate Athletics Debt Service
2024	\$ 8,014,317	\$ 5,792,224	\$ 13,806,542
2025	8,214,786	5,607,706	13,822,491
2026	6,496,502	5,494,347	11,990,849
2027	34,377,891	5,361,007	39,738,898
2028	7,880,174	4,268,414	12,148,588
2029-2033	41,262,128	18,007,494	59,269,623
2034-2038	48,021,011	11,351,595	59,372,606
2039-2043	11,142,700	5,183,274	16,325,974
2044-2048	-	4,691,456	4,691,456
2049-2050	31,276,375	1,876,583	33,152,958
	<u>\$ 196,685,884</u>	<u>\$ 67,634,100</u>	<u>\$ 264,319,984</u>

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

During the year, the Institution had no significant changes in loan or endowment funds related to intercollegiate athletics. There was a significant change in plant funds of \$1,425,000 related to the transfer of funds for the Turf and Fence Baseball Stadium project.

In addition, at June 30, 2023, the Institution had \$15,315,556 of endowments and \$53,478,205 in pledges receivable dedicated to the sole support of athletics not reported in the Statement. The athletics department's fund balance (deficit) is \$(31,239,625) at June 30, 2023.

Year Ended June 30, 2023

	2022-2023 Actual	2022-2023 Budget	\$ Change	% Change	Explanation of Variance per Assistant Athletic Director, Business Affairs
<b>REVENUES</b>					
Ticket Sales	\$ 11,186,715	\$ 8,975,000	\$ 2,211,715	25%	Increased ticket sales
Direct Institutional Support	35,529,473	21,486,826	14,042,647	65%	Athletics does not budget for Metro Discount (\$1.73M). Debt not budgeted for (\$9.2M). Annual one-time support \$1.3M more. \$1.75M in support for former MBB coach buyout
Contributions	11,467,609	7,303,844	4,163,765	57%	Contributions include fundraising for Nippert and Fifth Third, which is not budgeted for (\$4.1M).
<b>EXPENSES</b>					
Athletic Student Aid	10,656,297	9,323,322	1,332,975	14%	Metro waiver (\$1.73M) was not budgeted for.
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	11,328,387	8,721,943	2,606,444	30%	Increased salary pools and new positions
Athletic Facility Debt Service Leases and Rental Fees	14,594,308	522,250	14,072,058	2,695%	Debt was not budgeted for (\$14M); golf facility payments were not budgeted for (\$619K).
Other Operating Expenses	15,341,434	8,530,183	6,811,251	80%	Changes include a \$2.75M payout for legal settlement for former coach, baseball turf replacement (\$1.6M), and department operations higher than budgeted for.

	2022-2023 Actual	2021-2022 Actual	\$ Change	% Change	Explanation of Variance per Assistant Athletic Director, Business Affairs
<b>REVENUES</b>					
Ticket Sales	\$ 11,186,715	\$ 9,631,998	\$ 1,554,717	16%	Increased ticket sales
Direct Institutional Support	35,529,473	24,295,276	11,234,197	46%	Athletics does not budget for Metro discount (\$1.73M). Debt not budgeted for (\$9.2M). Annual one-time support \$1.3M more. \$1.75M in support for former MBB coach buyout
Contributions	11,467,609	14,168,736	(2,701,127)	(19%)	Includes fundraising for Nippert and Fifth Third, which is not budgeted for (\$4.1M)
<b>EXPENSES</b>					
Coaching Salaries, Benefits, and Bonuses paid by the Institution and Related Entities	16,587,339	14,023,267	2,564,072	18%	Increased compensation for coaching staff and larger staff
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	11,328,387	8,626,782	2,701,605	31%	Increased compensation for support staff and larger staff
Other Operating Expenses	15,341,434	5,367,631	9,973,803	186%	Changes include a \$2.75M payout for legal settlement for former coach, baseball turf replacement (\$1.6M), and department operations higher than FY 2022.

# OHIO AUDITOR OF STATE KEITH FABER



## UNIVERSITY OF CINCINNATI - NATIONAL COLLEGIATE ATHLETICS ASSOCIATION AGREED-UPON PROCEDURES REPORT

HAMILTON 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 12/12/2023

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)