



University of Kentucky

Independent Accountant's Report on Applying Agreed-Upon Procedures Performed on the Intercollegiate Athletics Program as Required by NCAA Bylaw 20.2.4.17.1

Year Ended June 30, 2023



University of Kentucky
Intercollegiate Athletics Program
June 30, 2023

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Eli Capilouto, President
University of Kentucky
Lexington, Kentucky

We have performed the procedures enumerated in Attachment B to this report to assist you in evaluating whether the Statement of Revenues and Expenses – Unaudited (Attachment A) of the University of Kentucky (University) and related notes are in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17.1 as of and for the year ended June 30, 2023. The management of the University is responsible for compliance with the NCAA Bylaw 20.2.4.17.1.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining compliance with the NCAA Bylaw 20.2.4.17.1 as of and for the year ended June 30, 2023. 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 Attachment B 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 compliance with the NCAA Bylaw 20.2.4.17.1. 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 University and is not intended to be, and should not be, used by anyone other than these specified parties.

FORVIS,LLP

Louisville, Kentucky
November 16, 2023

University of Kentucky
Intercollegiate Athletics Program
Statement of Revenues and Expenses – Unaudited
Year Ended June 30, 2023

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	ALL OTHER SPORTS	NON-SPORT SPECIFIC	TOTAL
Operating Revenues						
Ticket sales	\$ 19,226,511	\$ 22,044,013	\$ 299,276	\$ 652,563	\$ 864,431	\$ 43,086,794
Student fees	-	-	-	-	1,315	1,315
Less – transfers to institution	-	-	-	-	(1,315)	(1,315)
Guarantees	-	1,599,781	-	10,400	75,338	1,685,519
Contributions	-	-	309,860	420,310	37,285,752	38,015,922
In-kind	-	-	-	-	16,500	16,500
Media rights	15,135,000	4,255,307	-	-	37,280,455	56,670,762
NCAA distributions	-	2,915,422	-	180,462	570,425	3,666,309
Conference distributions (non-media and non-football bowl)	1,618,429	443,710	16,740	35,473	24,662	2,139,014
Conference distributions of football bowl-generated revenue	9,155,146	-	-	-	-	9,155,146
Program, novelty, parking and concession sales	3,494,017	1,015	15,039	261,444	789,104	4,560,619
Royalties, licensing, advertisement and sponsorships	250,000	74,000	74,000	490,150	8,357,000	9,245,150
Sports camp revenues	101,255	561,454	18,005	1,404,755	158,197	2,243,666
Athletics restricted endowment and investment income	-	-	-	-	802,353	802,353
Other operating revenue	2,323	222,649	-	14,640	1,552,231	1,791,843
Football bowl revenues	1,406,051	-	-	-	-	1,406,051
Total operating revenues	\$ 50,388,732	\$ 32,117,351	\$ 732,920	\$ 3,470,197	\$ 87,776,448	\$174,485,648

University of Kentucky
Intercollegiate Athletics Program
Statement of Revenues and Expenses – Unaudited (Continued)
Year Ended June 30, 2023

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	ALL OTHER SPORTS	NON-SPORT SPECIFIC	TOTAL
Operating Expenses						
Athletic student aid	\$ 5,107,928	\$ 759,494	\$ 797,913	\$ 8,712,992	\$ 2,055,655	\$ 17,433,982
Guarantees	3,350,000	642,082	188,000	124,788	-	4,304,870
Coaching salaries, benefits and bonuses paid by the University and related entities	16,300,063	11,251,933	1,838,235	8,717,994	-	38,108,225
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	2,863,939	1,325,185	589,617	843,435	20,297,214	25,919,390
Severance payments	985,403	-	-	222,062	-	1,207,465
Recruiting	1,219,515	992,150	258,516	785,656	-	3,255,837
Team travel	2,088,644	3,762,296	1,113,010	5,552,560	96,978	12,613,488
Sports equipment, uniforms and supplies	1,554,279	417,916	184,065	1,798,008	371,908	4,326,176
Game expenses	307,050	1,064,660	261,238	483,494	7,582,078	9,698,520
Fundraising, marketing and promotion	-	-	-	354	2,245,230	2,245,584
Sports camp expenses	52,536	323,181	10,619	752,672	158,197	1,297,205
Spirit groups	-	-	-	-	1,195,627	1,195,627
Athletic facilities debt service, leases and rental fees	-	1,759,700	-	6,453	8,276,520	10,042,673
Direct overhead and administrative expenses	195,285	91,816	6,614	99,360	22,925,565	23,318,640
Medical expenses and insurance	230,183	29,878	8,356	326,250	209,879	804,546
Memberships and dues	13,700	8,650	1,190	22,923	50,005	96,468
Student-athlete meals (nontravel)	1,286,403	207,469	28,750	184,426	236,218	1,943,266
Other operating expenses	1,717,126	971,245	228,581	1,595,893	4,784,746	9,297,591
Football bowl expenses	1,789,223	-	-	-	-	1,789,223
Football bowl expenses – coaching compensation/bonuses	666,510	-	-	-	-	666,510
Total operating expenses	<u>39,727,787</u>	<u>23,607,655</u>	<u>5,514,704</u>	<u>30,229,320</u>	<u>70,485,820</u>	<u>169,565,286</u>
Net Income (Loss) from Operations	<u>\$ 10,660,945</u>	<u>\$ 8,509,696</u>	<u>\$ (4,781,784)</u>	<u>\$ (26,759,123)</u>	<u>\$ 17,290,628</u>	<u>\$ 4,920,362</u>
Other Reporting Items						
Total athletics-related debt						\$ 89,417,658
Total institutional debt						\$ 1,374,011,016
Value of athletics-dedicated endowments						\$ 26,291,440
Value of institutional endowments						\$ 1,888,185,496
Total athletics-related capital expenditures						\$ 16,603,778

The accompanying Notes to Statement of Revenues and Expenses – Unaudited are an integral part of this Statement.

University of Kentucky
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses – Unaudited
June 30, 2023

Note 1: Summary of Presentation Policies

The amounts in the accompanying Statement of Revenues and Expenses – Unaudited (Statement) of the Intercollegiate Athletics Program were obtained from the University of Kentucky’s (University) trial balance, which is maintained on an accrual basis. All revenues and expenses directly related to various sports are disclosed as such. The University records depreciation on physical plant and equipment; however, depreciation is not part of the Statement. Pursuant to NCAA reporting guidelines, certain transfers are not recorded as expenses within the Statement and are considered excess transfers. These excess transfers are considered expenses by the University when evaluating net revenue or loss from the Intercollegiate Athletics Program, and totaled \$4,718,185 for the year ended June 30, 2023.

Note 2: Other Sports

Other sports reported in the Statement include Men’s Baseball, Men’s and Women’s Golf, Gymnastics, Rifle, Men’s and Women’s Soccer, Softball, Men’s and Women’s Swimming and Diving, Men’s and Women’s Tennis, Men’s and Women’s Track, Women’s Volleyball and Women’s STUNT.

Note 3: Property, Plant and Equipment

Intercollegiate athletics-related assets are accounted for consistent with the University’s policies for property, plant and equipment. Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Property, plant and equipment valued at \$5,000 or more and having an estimated useful life of greater than one year are capitalized. Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 40 years for buildings, 10 to 25 years for land and building improvements and infrastructure, 10 years for library books and capitalized software, and three to 20 years for equipment and vehicles.

As of June 30, 2023, Athletic plant assets consisted of:

Land and land improvements	\$ 38,286,278
Buildings and infrastructure	372,970,912
Fixed equipment	5,391,288
Equipment	13,631,338
Vehicles	1,002,996
Construction in process	15,601,494
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	446,884,306
Less accumulated depreciation	(197,559,817)
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Property, plant and equipment, net	<u>\$ 249,324,489</u>

University of Kentucky
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses – Unaudited
June 30, 2023

Depreciation expense related to intercollegiate athletics was \$16,283,524 for the year ended June 30, 2023.

Note 4: Long-Term Liabilities

Long-term liabilities as of June 30, 2023, are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Bonds						
General receipts bonds	\$ 92,205,972	\$ -	\$ 2,788,314	\$ 89,417,658	\$ 3,132,199	\$ 86,285,459
Other liabilities						
Unamortized bond premium	2,788,852	-	1,268,938	1,519,914	-	1,519,914
Deferred compensation	1,137,879	813,365	456,525	1,494,719	734,177	760,542
Total other liabilities	3,926,731	813,365	1,725,463	3,014,633	734,177	2,280,456
Total	<u>\$ 96,132,703</u>	<u>\$ 813,365</u>	<u>\$ 4,513,777</u>	<u>\$ 92,432,291</u>	<u>\$ 3,866,376</u>	<u>\$ 88,565,915</u>

Principal maturities and interest on bonds for the next five fiscal years and in subsequent five-year periods as of June 30, 2023, are as follows (in thousands):

	Principal	Interest	Total
2024	\$ 3,132	\$ 3,616	\$ 6,748
2025	3,289	3,119	6,408
2026	3,452	2,958	6,410
2027	3,092	2,832	5,924
2028	3,323	2,740	6,063
2029–2033	18,316	11,992	30,308
2034–2038	21,504	8,797	30,301
2039–2043	27,200	4,571	31,771
2044	6,110	244	6,354
	<u>\$ 89,418</u>	<u>\$ 40,869</u>	<u>\$ 130,287</u>

**University of Kentucky
Intercollegiate Athletics Program
Agreed-Upon Procedures**

Our procedures and findings are described as follows:

Internal Controls

1. We obtained an understanding of the University of Kentucky's (University) internal control structure and those controls unique to the Intercollegiate Athletics Program (Athletics).

Affiliate and Outside Organizations

1. Athletics' management represented that no expenses were incurred on behalf of Athletics' from related affiliated and outside organizations. As such, no copies of audited financial statements for each such organization for the reporting period were provided.
2. Athletics' management prepared and provided to us a summary of revenues and expenses for or on behalf of Athletics by affiliated and outside organizations included in the Statement of Revenues and Expenses (Statement)(Attachment A), noting none.
3. Athletics' management provided to us any additional reports regarding internal control matters identified during the audits of affiliated and outside organizations performed by independent public accountants. We were not made aware of any internal control findings.

Statement of Revenues and Expenses – Unaudited

1. We will obtain the Statement for the year ended June 30, 2023, as prepared by management. We will compare the revenue and expense amounts reported on the Statement to the supporting schedules prepared by management of the University for relevant revenue and expense categories which are greater than 4.0% of total operating revenues and operating expenses.

Results and Findings: No matters are reportable.

2. We will compare a sample of operating revenue receipts and operating expenses obtained from the Statement to adequate supporting schedules.

Results and Findings: No matters are reportable.

3. We will compare each major revenue and expense category over 10% of the total revenues or expenses in the Statement to prior year amounts and current year budgeted amounts. We will obtain and document an understanding of any significant variances greater than 10% from prior year amounts or current year budget estimates.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Results and Findings

Current Year Actual Versus Prior Year Actual

Line Item	Explanation
Contributions	Current year exceeded prior year amounts by \$10,116,946 or 36.26% because the University added a new club for Rupp Arena that required a donation. In addition, the University utilized donations from previous fiscal years that were budgeted to be used during the current fiscal year and the University did not utilize as many prior year donations during the previous year.
Coaching salaries, benefits and bonuses paid by the University and related entities	Current year exceeded prior year amounts by \$4,274,959 or 12.64% due to contractual increases in many sports, especially football.

Current Year Actual Versus Current Year Budget

Line Item	Explanation
Ticket sales	Actual exceeded budget by \$3,791,794 or 10% due to ticket budgets being set at pre-COVID-19 levels; further, the success of football early in the season and the Olympic sports caused the University to exceed the budget.
Contributions	Budget exceeded actual by \$5,993,203 or 13.62% due to the budget utilizing more of the capital fund balance than was needed.
Direct overhead and administrative expenses	Actual exceeded budget by \$2,977,360 or 14.64% due to the result of various unbudgeted maintenance and repair expenses, the largest of which were fence padding replacement, field replacement, HVAC repairs, video board repairs, and office relocation due to Memorial Coliseum construction.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Ticket Sales

4. For football and men's basketball ticket revenue, we will compare the detail of tickets sold, complimentary tickets provided, and unsold tickets to the related revenue reported by the University in the Statement and the related attendance figures and recalculate totals. For football and men's basketball ticket revenue, we will compare the detail of the number of tickets, multiplied by ticket prices and any reconciling items, to the detail of revenue for those sports.

Results and Findings: No matters are reportable.

Student Fees

5. We will compare and agree student fees reported by the University in the Statement to student enrollments and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

6. We will obtain and document an understanding of the University's methodology for allocating student fees to Athletics and inquire of the University's management as to whether there were any significant changes from prior year.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

7. If Athletics is reporting that an allocation of student fees should be countable as generated revenue, we will recalculate the totals of Athletics' methodology for supporting that they are able to count each sport. We will agree the calculation to supporting documents, such as seat manifests, ticket sales reports, and student fee totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Direct State or Other Government Support

8. We will compare the direct state or other government support recorded by the University during the reporting period with state appropriations, University authorizations, and/or other corroborative supporting documentation and recalculate totals.

Results and Findings: There were no revenues or expenses for this line item in the Statement; therefore, no procedures were performed.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Direct Institutional Support

9. We will compare the direct institutional support recorded by the University during the reporting period with supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

Results and Findings: There were no revenues or expenses for this line item in the Statement; therefore, no procedures were performed.

Transfers to Institution

10. We will compare the transfers back to the University with permanent transfers back to the University from Athletics and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Indirect Institutional Support and Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental Fees

11. We will compare the indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

Results and Findings: There were no revenues or expenses for this line item in the Statement; therefore, no procedures were performed.

Guarantees

12. We will select a sample of one settlement report for away games during the reporting period and agree the selection to the University's general ledger and/or the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

13. We will select a sample of one contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree the selection to the University's general ledger and/or the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Contributions

14. We will obtain a listing of all contributions of money, goods, or services received directly by Athletics from any affiliated or outside organization, agency, or group of individuals (two or more). For any individual contributions greater than 10% of total contributions received, we will obtain, and review supporting documentation and recalculate totals.

Results and Findings: We inquired of University's management who represented that there were no single contributions that constituted 10% or more of all contributions received during the year ended June 30, 2023. No matters are reportable.

In-Kind

15. We will compare the in-kind revenue recorded by the University during the reporting period with a schedule of in-kind donations and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Compensation and Benefits Provided by a Third Party

16. We will obtain the summary of revenues from affiliated and outside organizations (Summary) as of the end of the reporting period from the University and select a sample of one item from the Summary and compare and agree the selection to supporting documentation, the University's general ledger, and/or the Summary and recalculate totals.

Results and Findings: There were no revenues or expenses for this line item in the Statement; therefore, no procedures were performed.

Media Rights

17. We will obtain and inspect agreements to understand the University's total media rights received by the University or through its conference offices as reported in the Statement.

Results and Findings: No matters are reportable.

18. We will compare and agree the media rights revenues to a summary statement of all media rights identified, if applicable, and the University's general ledger and recalculate totals.

Results and Findings: No matters are reportable.

NCAA Distributions

19. We will compare the amounts recorded in the Statement to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Conference Distributions (Non-Media and Non-Football Bowl) and Conference Distributions of Football Bowl Generated Revenue

20. We will obtain and read agreements related to the University's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions.

Results and Findings: Conference distributions (non-media and non-football bowl) Statement line item was less than 4% of total revenues; therefore, no procedures were performed. See conference distributions of football bowl generated revenue below.

21. We will obtain a supporting schedule relating to the University's allocation of revenues for SEC post-season football bowl game revenues. We will agree the related revenues to the Statement and to the SEC memorandum from the SEC Commissioner supporting schedule.

Results and Findings: No matters are reportable.

Program, Novelty, Parking and Concession Sales

22. We will obtain supporting schedules for revenue reported in the Statement from program, novelty, parking and concession sales and agree the amounts to the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Royalties, Licensing, Advertisements and Sponsorships

23. We will obtain and inspect one agreement related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.

Results and Findings: No matters are reportable.

24. We will compare and agree the related revenues to the University's general ledger, and/or the Statement and recalculate totals.

Results and Findings: No matters are reportable.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Sports Camp Revenues

25. We will obtain and read sports camp contract(s) between the University and person(s) conducting the University's sports camps or clinics during the reporting period to obtain an understanding of the University's methodology for recording revenues from sports camps.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

26. We will obtain schedules of camp participants and select a sample of one individual camp participant cash receipts from the schedule of sports camp participants and agree the selection to the University's general ledger, and/or the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Athletics Restricted Endowment and Investment Income

27. We will obtain and read endowment agreements (if any) to gain an understanding of the relevant terms and conditions.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

28. We will compare and agree the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Other Operating Revenue

29. We will obtain support schedules for other revenue reported in the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Football Bowl Revenues

30. We will obtain and read agreements related to the University's revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant terms and conditions.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

31. We will compare and agree the related revenues to the University's general ledger and/or Statements and recalculate totals.

Results and Findings: Statement line item was less than 4% of total revenues; therefore, no procedures were performed.

Athletic Student Aid

32. We will select a sample of students (if the University used CA software, the sample is the lesser of 10% or 40 student-athlete recipients; if the University did not use CA software, the sample is the lesser of 20% or 60 student-athlete recipients) from the listing of student aid recipients during the reporting period.

Results and Findings: We selected a sample of 40 students from the listing of student aid recipients during the reporting period.

33. We will obtain individual student-account detail for each selection and compare total aid per the University's student information system to the student's detail in the University report that ties directly to the NCAA Membership Financial Reporting System.

Results and Findings: We obtained individual student account detail for each selection and compared total aid allocated from the squad list 2022–2023 (\$1,142,816) to the student detail, noting an aggregate difference of \$116,135. Each of these differences is a result of the actual tuition amounts, which are subject to change based on courses taken, book costs, housing selections, summer school, etc. We also noted one student whose account details for aid awards did not agree to the student information reported in the NCAA Membership Financial Reporting System. In discussions with the University, they stated that the student-athlete was properly awarded aid and, as the student was a football student-athlete, which is a head count sport, the error of using the wrong scholarship value did not result in any NCAA violations being committed.

34. We will compare information for each student selected to their information reported in the NCAA's CA software or the NCAA Membership Financial Reporting System, using the following criteria:
 - a. We will compare the equivalency value in the CA software for each student athlete (rounded to two decimal places) to supporting documentation.
 - b. We will note whether grants-in-aid were calculated by using the revenue distribution equivalencies by sport and in aggregate (athletic grant amount divided by the full grant amount).

**University of Kentucky
Intercollegiate Athletics Program
Agreed-Upon Procedures**

- c. We will note whether other expenses related to attendance (also known as gap money or cost of attendance) are excluded from grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books were counted for grants-in-aid revenue distribution per Bylaw 20.2.10.
- d. We will note whether the grant amount represented the full cost of tuition for an academic year, rather than a semester.
- e. If an athlete participated in more than one sport, we will note whether the award was only included in one sport.
- f. We will note whether athletics grants were for sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.
- g. We will note whether grants-in-aid were for sports that meet the minimum contests and participants' requirements of Bylaw 20.10.6.3.
- h. We will note whether any of the selected items represented grants to student-athletes listed on the calculation of revenue distribution equivalencies report as "exhausted eligibility" or "medical."
- i. We will note whether any sports were discontinued during the fiscal year.
- j. We will note whether any of the student-athletes selected had exhausted their athletics' eligibility.
- k. If a selected student received a Pell Grant, we will note whether the value of the grant was excluded from the calculation of equivalencies or the total dollar amount of student athletic aid expense for the University.
- l. If a student received a Pell Grant, we will compare the student's total grant to the total number and total value of Pell Grants reported for revenue distribution purposes in the NCAA Membership Financial Reporting System.

Results and Findings: Due to the difference for one student, as identified in #33, whose account detail as compared to the information recorded within the NCAA Membership Financial Reporting System, a difference in equivalency values was noted. In discussions with the University, they stated that the student-athlete was properly awarded aid and, as the student was a football student-athlete, which is a head count sport, the error of using the wrong scholarship value did not result in any NCAA violations being committed. No other matters were noted.

- 35. We will recalculate the detail amounts of athletic student aid and agree it to the total per the Statement. We will recalculate totals for each sport and overall.

Results and Findings: No matters are reportable.

University of Kentucky Intercollegiate Athletics Program Agreed-Upon Procedures

Guarantees

36. We will obtain and inspect a sample of one visiting University's away-game settlement reports received by the University during the reporting period and agree related expenses to the general ledger and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

37. We will obtain and inspect a sample of one contractual agreement pertaining to expenses recorded by the University during the reporting period from guaranteed contests and agree related expenses to the general ledger and/or Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Coaching Salaries, Benefits and Bonuses Paid by the Institution and Related Entities

38. We will obtain and inspect a listing of coaches employed by the University and related entities during the reporting period and select a sample of three coaches' contracts that will include football and men's and women's basketball.

Results and Findings: We obtained a listing of coaches employed by the University during the year ended June 30, 2023. We selected a sample of three coaches' contracts (Amber Smith – Assistant Women's Basketball Coach, Ronald Coleman – Men's Basketball Assistant Coach and Bradley Marshall White – Assistant Football Coach) that included football and men's and women's basketball.

39. We will compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.

Results and Findings: No matters are reportable.

40. We will obtain and inspect payroll summary registers for the reporting year for each selection. We will compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period.

Results and Findings: No matters are reportable.

41. We will compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals.

Results and Findings: No matters are reportable.

**University of Kentucky
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Coaching Salaries, Benefits and Bonuses Paid by a Third Party

42. We will obtain and inspect a listing of coaches employed by third parties during the reporting period and select a sample of three coaches' contracts that will include football and men's and women's basketball from the above listing.

Results and Findings: Per review of the Statement and discussion with management, there were no coaches employed by third-party entities.

43. We will compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the University in the Statement during the reporting period.

Results and Findings: Per review of the Statement and discussion with management, there were no coaches employed by third-party entities.

44. We will obtain and inspect payroll summary registers for the reporting year for each selection. We will compare and agree payroll summary registers from the reporting period to the coaching other compensation and benefits paid by third party expenses recorded by the University in the Statement during the reporting period.

Results and Findings: Per review of the Statement and discussion with management, there were no coaches employed by third-party entities.

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

45. We will select a sample of one support staff/administrative personnel employed by the University and related entities during the reporting period.

Results and Findings: We selected one employee (#20083416) – Men's Soccer staff.

46. We will obtain and inspect reporting period summary payroll register for the selection. We will compare and agree the related summary payroll register to the related support staff/administrative compensation, benefits, and bonuses paid by the University and related entities expense recorded by the University in the Statement during the reporting period and recalculate totals.

Results and Findings: No matters are reportable.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party

47. We will select a sample of one support staff/administrative personnel employed by third parties during the reporting period.

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Results and Findings: Per review of the Statement and discussion with management, there were no support or administrative staff employed by third-party entities.

48. We will obtain and inspect reporting period summary payroll register for each selection. We will compare and agree the related summary payroll register to the related support staff/administrative compensation, benefits, and bonuses recorded by the University in the Statement during the reporting period and recalculate totals.

Results and Findings: Per review of the Statement and discussion with management, there were no support or administrative staff employed by third-party entities.

Severance Payments

49. We will select a sample of one employee receiving severance payments by the University during the reporting period and agree the severance payment to the related termination letter or employment contract and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Recruiting

50. We will obtain an understanding of the University's recruiting expense policies and compare to existing University and NCAA-related policies.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

51. We will obtain general ledger detail of recruiting expenses and compare to amounts reported in the Statement and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Team Travel

52. We will obtain an understanding of the University's team travel policies and compare to existing University and NCAA-related policies.

Results and Findings: No matters are reportable.

53. We will obtain general ledger detail of team travel expenses and compare to amounts reported in the Statement and recalculate totals.

Results and Findings: No matters are reportable.

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Sports Equipment, Uniforms, and Supplies

54. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Game Expenses

55. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: No matters are reportable.

Fundraising, Marketing, and Promotion

56. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Sports Camp Expenses

57. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Spirit Groups

58. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

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Athletic Facilities Debt Service, Leases and Rental Fees

59. We will obtain a listing of debt service schedules, lease payments, and rental fees for athletics facilities and agree to the general ledger. We will compare a sample of two highest facility payments, to additional supporting documentation and recalculate totals.

Results and Findings: No matters are reportable.

Direct Overhead and Administrative Expenses

60. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: No matters are reportable.

Medical Expenses and Insurance

61. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Memberships and Dues

62. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

Other Operating Expenses

63. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: No matters are reportable.

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Student-Athlete Meals (Nontravel)

64. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Statement line item was less than 4% of total expenses; therefore, no procedures were performed.

**Football Bowl Expenses and Football Bowl Expenses – Coaching Compensation/
Bonuses**

65. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction from the general ledger detail and vouch to supporting documentation and recalculate totals.

Results and Findings: Line items were less than 4% of total expenses; therefore, no procedures were performed.

Additional Minimum Agreed-Upon Procedures

66. We will compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the supporting equivalency calculations of the University. We will compare current year grants-in-aid revenue distributions equivalencies to prior year reported equivalencies per the Membership Financial Report submission and note any variances greater than 4%.

Results and Findings: No matters are reportable.

67. We will obtain the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We will validate that the countable sports reported by the University meet the minimum requirements set forth by Bylaw 20.10.6.3 for the number of contests and the number of participants in each contest that are counted toward meeting the minimum contest requirement. Once countable sports have been confirmed, we will ensure that the University has properly reported these sports as a countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. We will compare the current year number of sports sponsored to the prior year reported total per the Membership Financial Report submission.

Results and Findings: No matters are reportable.

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68. We will agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting system to a report, generated out of the University's financial aid system, of all student-athlete Pell Grants. We will compare the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission and note any variance of student athletes.

Results and Findings: No matters are reportable.

Minimum Agreed-Upon Procedures for Other Reporting Items

Excess Transfers to the Institution and Conference Realignment Expenses

69. We will obtain general ledger detail and compare to the total expenses reported. We will select a sample of one transaction to agree the selection to supporting documentation and recalculate totals.

Results and Findings: No matters are reportable for excess transfers to the University. The University's management represented there were not conference realignment expenses; therefore, no procedures were completed on this line item.

Total Athletics-Related Debt

70. We will obtain repayment schedules for all outstanding athletics-related debt during the reporting period and recalculate annual maturities. We will agree the total annual maturities and total outstanding athletic-related debt to supporting documentation and the general ledger.

Results and Findings: No matters are reportable.

Total Institutional Debt

71. We will agree the total outstanding debt of the University to supporting documentation and the University's audited financial statements.

Results and Findings: No matters are reportable.

Value of Athletics-Dedicated Endowments

72. We will obtain a schedule of all athletics-dedicated endowments maintained by Athletics, the University and affiliate organizations. We will agree the fair market value in the schedule(s) to supporting documentation and the general ledger.

Results and Findings: No matters are reportable.

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Value of Institutional Endowments

73. We will agree the fair market value of the University's endowments to supporting documentation and the general ledger.

Results and Findings: No matters are reportable.

Total Athletics-Related Capital Expenditures

74. We will obtain a schedule of athletics-related capital expenditures made by Athletics, the University and affiliated organizations during the reporting period. We will select a sample of one addition and agree the selection to supporting documentation.

Results and Findings: University's management represented that there were no Athletics-related capital expenditures made by affiliated organizations during the reporting period. No matters are reportable.