

FORV/S

Virginia State University

**Independent Accountant's
Report on Applying Agreed-Upon
Procedures Performed on the
Intercollegiate Athletics Program
as Required by NCAA
Bylaw 3.2.4.17**

Year Ended June 30, 2022



Virginia State University
Intercollegiate Athletics Program
June 30, 2022

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Makola M. Abdullah, President
Virginia State University
Petersburg, Virginia
and
Commonwealth of Virginia Auditor of Public Accounts
and
Glenn Youngkin, Governor of Virginia
and
Members, Joint Legislative Audit and Review Commission

We have performed the procedures enumerated in Attachment B to this report on compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2022. The management of Virginia State University (Institution) is responsible for compliance with the NCAA Bylaw 3.2.4.17.

The Institution has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining compliance with the NCAA Bylaw 3.2.4.17 as of and for the year ended June 30, 2022. 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 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. 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 3.2.4.17. 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 the Institution, the Commonwealth of Virginia Auditor of Public Accounts, the Governor of Virginia, and the Members of the Joint Legislative Audit and Review Commission, and is not intended to be, and should not be, used by anyone other than these specified parties.

FORVIS, LLP

Houston, Texas
February 26, 2023

Virginia State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
June 30, 2022

Attachment A

	Football	Men's Basketball	Men's Track	Men's Baseball	Women's Basketball	Women's Track	Other Sports	Non-Program Specific	Total
Operating Revenues									
Ticket sales	\$ 92,110	\$ 7,150	\$ -	\$ -	\$ 7,150	\$ -	\$ -	\$ -	\$ 106,410
Student fees	-	-	-	-	-	-	-	4,117,693	4,117,693
Direct institutional support	-	-	-	-	-	-	-	1,539,802	1,539,802
Less: Transfers to institution	-	-	-	-	-	-	-	(525)	(525)
Indirect institutional support	-	-	-	-	-	-	-	130,726	130,726
Indirect institutional support – athletic facilities debt service, lease and rental fees	-	-	-	-	-	-	-	639,545	639,545
Guarantees	-	3,000	-	-	2,000	-	-	-	5,000
Contributions	8,866	2,167	1,213	6,642	48	17	28,937	267,487	315,377
In-Kind	-	-	-	-	-	-	475	-	475
Conference distributions (non-media or bowl)	-	2,500	-	-	-	2,670	5,000	-	10,170
Royalties, licensing, advertisement and sponsorships	-	-	-	-	-	-	-	59,500	59,500
Athletics restricted endowment and investment income	-	-	-	-	-	-	-	4,824	4,824
Other operating revenue	10,200	-	750	-	75	750	1,450	24,957	38,182
Total Operating Revenues	111,176	14,816	1,963	6,642	9,273	3,437	35,862	6,784,009	6,967,179
Operating Expenses									
Athletic student aid	482,327	166,319	69,196	5,104	153,937	109,435	342,437	-	1,328,755
Guarantees	-	4,000	-	-	-	-	-	-	4,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	604,290	319,320	108,925	27,769	251,204	96,544	172,820	-	1,580,872
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	-	-	-	-	-	-	-	1,085,766	1,085,766
Recruiting	7,938	2,854	-	-	5,444	-	2,288	-	18,524
Team travel	54,229	77,372	22,955	34,055	62,588	22,132	72,479	-	345,810
Sports equipment, uniforms, and supplies	95,182	58,657	14,632	19,750	38,391	5,460	78,436	-	310,508
Spirit groups	-	-	-	-	-	-	-	59,435	59,435
Athletic facility leases and rental fees	-	34,115	-	-	54,700	-	17,025	-	105,840
Athletic facility debt service	-	-	-	-	-	-	-	639,545	639,545
Direct overhead and administrative expenses	48,072	2,760	572	15,892	8,780	572	92,246	431,796	600,690
Indirect cost paid to the institution by athletics	-	-	-	-	-	-	-	130,726	130,726
Medical expenses and insurance	-	-	-	-	-	-	-	150,808	150,808
Memberships and dues	-	390	275	-	175	275	580	43,029	44,724
Other operating expenses	49,886	7,353	6,972	30,710	3,428	6,948	38,516	236,510	380,323
Total Operating Expenses	1,341,924	673,140	223,527	133,280	578,647	241,366	816,827	2,777,615	6,786,327
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (1,230,748)	\$ (658,324)	\$ (221,564)	\$ (126,638)	\$ (569,374)	\$ (237,929)	\$ (780,965)	\$ 4,006,394	\$ 180,852
Other Reporting Items									
Total Athletics-related debt									\$ 1,095,985
Total institutional debt									\$ 60,546,178
Value of Athletics-dedicated endowments									\$ 383,142
Value of institutional endowments									\$ 48,472,429

Virginia State University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2022

Note 1: Basis of Presentation

The accompanying Statement of Revenues and Expenses (Statement) has been prepared on the accrual basis of accounting. The purpose of the Statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program (Athletics) of the Institution for the year ended June 30, 2022. The Statement includes both those revenues and expenses for Athletics under the direct accounting control of the Institution and those on behalf of the Institution's Athletics by outside organizations not under the Institution's accounting control. Because the Statement presents only a selected portion of the activities of the Institution, it is not intended to and does not present either the financial position, changes in financial position or cash flows for the year then ended. Revenues and expenses directly identifiable with each category of sport presented are reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category Non-Program specific.

Note 2: Contributions and In-Kind

The Statement includes contributions of the Virginia State University Foundation (Foundation) made on behalf of the athletics program. The Foundation was organized for fund-raising activities that support the welfare, efficiency, and general objectives of the Institution. The Foundation's support of Virginia State University Athletics totaled \$315,377.

Note 3: Endowment Funds

A. Quasi- Endowment

During fiscal year 1998, the Institution established a quasi-endowment fund for athletic scholarships and certain other expenses to support Athletics. The Institution has made deposits into the quasi-endowment fund using a portion of guarantees received for participation in specific sporting events. As of June 30, 2022, earnings on the \$109,000 corpus since its inception totaled \$216,845.

B. True-Endowment

As of June 30, 2022, earnings on the \$24,785 corpus since its inception totaled \$9,239.

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Intercollegiate Athletics Program
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Note 4: Capital Assets

Capital assets consisting of land, buildings, equipment, infrastructure assets, improvements other than buildings, inexhaustible works of art, intangible assets, and construction-in-progress are stated at appraised historical cost or actual cost, where determinable. Purchased or constructed capital assets are reported at actual cost or estimated historical cost. Donated capital assets are reported at acquisition value. Library materials are valued using purchase price for library acquisitions and are capitalized if the annual composite amount is \$5,000 or greater. Buildings and infrastructure are capitalized when the cost is \$100,000 or greater. Building renovations are capitalized when cost is \$100,000 or greater, and the asset value significantly increases or the useful life is significantly extended. Equipment is capitalized when the acquisition cost is \$5,000 or greater and the estimated useful life is greater than one year.

Expenses for construction-in-progress are capitalized as they are incurred. Intangible assets are capitalized when the acquisition cost is \$100,000 or greater.

Depreciation is calculated using the straight-line method over the estimated useful life as follows:

Buildings	30–60 years
Infrastructure assets	15–20 years
Equipment	2–10 years
Intangible assets-computer software	5–10 years
Library books	5 years

A summary of Athletics-related capital assets for the year ended June 30, 2022, is presented as follows:

Depreciable capital assets	
Building and building improvements	\$ 40,093,848
Infrastructure	3,660,930
Equipment	<u>403,861</u>
Total depreciable capital assets	<u>44,158,639</u>
Less accumulated depreciation:	
Building and building improvements	11,825,256
Infrastructure	3,581,686
Equipment	<u>300,908</u>
Total accumulated capital assets	<u>15,707,850</u>
Total capital assets, net	<u><u>\$ 28,450,789</u></u>

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Note 5: Long-Term Debt

For debt related to the Intercollegiate Athletic Department, the Institution has issued Section 9(d) bonds pursuant to Article X of the Constitution of Virginia. These bonds are revenue bonds, which are limited obligations of the Institution payable exclusively from pledged general revenues and are not debt of the Commonwealth of Virginia, legally, morally, or otherwise. Pledged General Fund revenues include General Fund appropriations, tuition and fees, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The Institution participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. The outstanding balance for the notes payable as of June 30, 2022, directly related to Rogers Stadium is \$1,095,985.

Description	Maturity	Balance at June 30, 2022
VSU 2002A Rogers Stadium 10B Ref (02A Ref) Series 2021A	2023	\$ 460,000
VSU Rogers Stadium Project – 2005 A Ref Portion, Series 2012A	2023	160,000
VSU Rogers Stadium Project – 12A Ref Taxable (05A Ref) Series 2021B	2025	265,000
VSU Pooled Bonds – Rogers Stadium – 16121 05A Ref Portion	2026	190,000
Add: Unamortized premium (net of discount)		20,985
		<u>1,095,985</u>
Total notes payable		<u>\$ 1,095,985</u>

Long-term debt maturities are as follows:

	Principal	Interest	Total
2023	\$ 620,000	\$ 24,389	\$ 644,389
2024	85,000	8,677	93,677
2025	180,000	8,032	188,032
2026	190,000	3,800	193,800
Plus unamortized premium	20,985	-	20,985
	<u>1,095,985</u>	<u>44,898</u>	<u>1,140,883</u>
Total	<u>\$ 1,095,985</u>	<u>\$ 44,898</u>	<u>\$ 1,140,883</u>

Note 6: Indirect Institutional Support

The Institution provides certain facilities and services to Auxiliary Enterprises (AE). Athletics benefits from this indirect support but the Institution does not charge Athletics for its share of these costs. In accordance with the NCAA's 2022 Agreed-Upon Procedures manual, the value of this support should be reported on the Statement on both the operating revenue and operating expense lines titled Indirect Institutional Support.

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The Institution pays the debt service for athletic facilities but does not charge Athletics for the debt service payments. In accordance with the NCAA's 2022 Agreed-Upon Procedures manual, the value of these debt service payments for the current fiscal year is to be reported on the Statement on both the operating revenues line titled Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental Fees and the operating expenses line titled Athletic Facilities Debt Service.

Note 7: Other Expenses

The *Commonwealth's Appropriation Act* (§ 3-4.01 of Chapter 1283 of the 2020 General Assembly Session) requires that educational and general programs in institutions of higher education recover the full indirect cost of auxiliary enterprise programs. Therefore, the Institution assesses each auxiliary unit an "administrative fee" to recover institutional educational and general administrative costs. However, in fiscal year 2022, indirect costs of auxiliary enterprise programs were not recovered in accordance with additional language that stated, "institutions of higher education shall have the authority to reduce the recovery of the full indirect cost of auxiliary enterprise programs to the educational and general program for the 2020–2022 biennium as a result of the significant financial impact on auxiliary enterprise programs caused by the COVID-19 pandemic." In accordance with the NCAA's Agreed-Upon Procedures Guide, the value of these indirect costs is reported on the Statement in the operating revenues line item titled Indirect Institutional Support and the operating expenses line item titled Indirect Cost Paid to the Institution by Athletics.

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Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
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VIRGINIA STATE UNIVERSITY

Petersburg, Virginia

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Makola M. Abdullah, President

Peggy Davis, Associate VP of Intercollegiate Athletics Programs

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Attachment B

Our procedures and findings are described as follows:

Internal Controls

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

Affiliated and Outside Organizations

1. Athletics' management identified all related affiliated and outside organizations and provided us with copies of audited financial statements for each such organization for the reporting period.
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).
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 Revenue and Expenses

1. We will obtain the Statement for the year ended June 30, 2022, 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 Institution 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 above Statement to adequate supporting schedules.

Results and Findings: See procedures #4–#76.

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.

Results and Findings:

Current year actual versus prior year actual:

- Direct institutional support increased by \$1,054,524 over prior year because in FY21, due to the pandemic, there were less athletic activities which decreased the need for direct institutional support as compared to FY22.

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- Coaching salaries, benefits and bonuses paid by the Institution and related entities increased by \$250,882 over prior year due to additional staff in the football and men's basketball programs. In addition, women's volleyball saw an increase in hourly wage earnings. There was also an increase in bonuses across all sports in FY22 that were not given in FY21.
- Support staff/administrative compensation, benefits, and bonuses paid by the Institution and related entities increased by \$189,135 over prior year due to late hiring of staff in FY21 and increasing their salaries and benefits in FY22. There was also an increase in bonuses that was not given in FY21.

Current year actual versus current year budget:

- The Institution does not budget by the revenue and expense line items on the Statement. We compared the budget to actual as provided by the Institution. No matters are reportable.

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 Institution in the Statement and the related attendance figures and recalculate totals.

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

Student Fees

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

Results and Findings: No matters are reportable.

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

Results and Findings: No matters are reportable.

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: No matters are reportable.

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Direct State or Other Governmental Support

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

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

Direct Institutional Support

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

Results and Findings: No matters are reportable.

Transfers Back to Institution

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

Results and Findings: Statement line item was <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 Institution during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

Results and Findings: Indirect institutional support was <4% of total revenues; therefore, no procedures were performed. For indirect institutional support – athletic facilities debt service, lease, and rental fees, no matters are reportable.

Guarantees

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

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

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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 Institution's general ledger and/or the Statement and recalculate totals.

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

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 obtained the detail of contributions noting the majority of contributions were from Virginia State University Foundation. We tested three contributions that exceeded the 10% threshold. No matters are reportable.

In-Kind

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

Results and Findings: Statement line item was <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 Institution and select a sample of one item from the Summary and compare and agree the selection to supporting documentation, the Institution's general ledger and/or the Summary and recalculate totals.

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

Media Rights

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

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

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

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

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.

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

Conference Distributions and Conference Distributions of Football Bowl-Generated Revenue

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

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

21. We will compare and agree the related revenues to the Institution's general ledger and/or the Statement and recalculate totals.

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

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: There were no revenues in this line item in the Statement; therefore, no procedures were performed.

Royalties, Licensing, Advertisements, and Sponsorships

23. We will obtain and read agreements related to the Institution'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: Statement line item was <4% of total revenues; therefore, no procedures were performed.

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

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

Sports Camp Revenues

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

Results and Findings: There were no revenues in this line item in the Statement; 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 Institution's general ledger, and/or the Statement and recalculate totals.

Results and Findings: There were no revenues in this line item in the Statement; 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 <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 <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 <4% of total revenues; therefore, no procedures were performed.

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Football Bowl Revenues

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

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

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

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

Athletic Student Aid

32. We will select a sample of students (if the Institution used CA software, the sample is the lesser of 10% or 40 student-athlete recipients; if the Institution 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: As the Institution uses the NCAA's compliance assistant (CA) software to prepare athletic aid detail, FORVIS selected a sample of the lesser of 10% or 40 of the total student-athletes (27 students) from the listing of Institution's student aid recipients.

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

Results and Findings: We obtained the individual student-account detail for each selection and compared total aid per the Institution's student information system (Banner) to the amount reported for each student per the NCAA Membership Financial Reporting System (Squad List). For one student, a variance of \$1,870 was noted for a football scholarship that was not reported in the compliance system.

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).

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- 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 20.02.7.
- 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 20.9.6.3.
- 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: No procedures were performed as Virginia State University is a Division II institution.

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.

Guarantees

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

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

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37. We will obtain and inspect a sample of one contractual agreement pertaining to expenses recorded by the Institution 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 <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 Institution and related entities during the reporting period and select a sample of coaches' contracts that will include football and men's and women's basketball from the above listing.

Results and Findings: We obtained a listing of coaches employed by the Institution during the year ended June 30, 2022. We selected sample of five coach contract (head football coach, head men's and women's basketball coach, head softball coach, and head baseball coach). For all selected items, no matters are reportable.

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 Institution 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 Institution and related entities expense recorded by the Institution 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.

Coaching Other Compensation 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 coaches' contracts that will include football and men's and women's basketball from the above listing.

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

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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 Institution in the Statement during the reporting period.

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

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 Institution in the Statement during the reporting period.

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

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities

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

Results and Findings: No matters are reportable.

46. We will obtain and inspect reporting period summary payroll register for each selection. We will compare and agree related summary payroll register 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 and recalculate totals.

Results and Findings: No matters are reportable.

Support Staff/Administrative Other Compensation 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.

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

48. 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 other compensation and benefits expense recorded by the Institution in the Statement during the reporting period and recalculate totals.

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

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Severance Payments

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

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

Recruiting

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

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

Team Travel

52. We will obtain an understanding of the Institution's team travel policies and compare to existing Institution 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.

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: No matters are reportable.

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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: There were no expenses in this line item in the Statement; therefore, no procedures were performed.

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: There were no expenses in this line item in the Statement; 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: There were no expenses in this line item in the Statement; 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 <4% of total expenses; therefore, no procedures were performed.

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 facility payments including the top two highest facility payments, to additional supporting documentation and recalculate totals.

Results and Findings: No matters are reportable.

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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.

Indirect costs Paid to the Institution by Athletics

61. We will obtain general ledger detail and compare to supporting documentation.

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

Medical Expenses and Medical Insurance

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 <4% of total expenses; therefore, no procedures were performed.

Memberships and Dues

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: Statement line item was <4% of total expenses; therefore, no procedures were performed.

Other Operating Expenses and Transfers to Institution

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: No matters are reportable.

Student-Athlete Meals

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: There were no expenses in this line item in the Statement; therefore, no procedures were performed.

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

66. 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: There were no expenses in this line item in the Statement; therefore, no procedures were performed.

Additional Minimum Agreed-Upon Procedures

67. We will compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the supporting equivalency calculations of the Institution. 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 procedures were performed as Virginia State University is a Division II institution.

68. We will obtain the Institution's Sports Sponsorship and Demographics Forms Report for the reporting year. We will validate that the countable sports reported by the Institution meet the minimum requirements set forth by 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. Once countable sports have been confirmed, we will ensure that the Institution 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 prior year reported total per the Membership Financial Report submission.

Results and Findings: No procedures were performed as Virginia State University is a Division II institution.

69. 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 Institution'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 procedures were performed as Virginia State University is a Division II institution.

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Minimum Agreed-Upon Procedures for Other Reporting Items

Excess Transfers to the Institution and Conference Realignment Expenses

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

Results and Findings: There were no excess transfers to the Institution or conference realignment expenses for the reporting period; therefore, no procedures were performed.

Total Athletics-Related Debt

71. 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

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

Results and Findings: We agreed the total outstanding debt of the Institution to supporting documentation and to the Institution's unaudited financial statements, as the audited financial statements were not yet available.

Value of Athletics-Dedicated Endowments

73. We will obtain a schedule of all Athletics-dedicated endowments maintained by Athletics, the Institution 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.

Value of Institutional Endowments

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

Results and Findings: We agreed the fair market value of the Institution's endowments to Institution's unaudited financial statements without exception.

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Total Athletics-Related Capital Expenditures

75. We will obtain a schedule of Athletics-related capital expenditures made by Athletics, the Institution and affiliated organizations during the reporting period.

Results and Findings: There were no Athletics-related capital expenditures for the reporting period; therefore, no procedures were performed.

76. We will obtain general ledger detail and compare to the total expenses report. We will select a sample of one transaction and compare to supporting documentation and recalculate totals.

Results and Findings: There were no Athletics-related capital expenditures for the reporting period; therefore, no procedures were performed.