



UNIVERSITY OF VIRGINIA

INTERCOLLEGIATE ATHLETICS PROGRAMS

FOR THE YEAR ENDED

JUNE 30, 2023

Auditor of Public Accounts
Staci A. Henshaw, CPA

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Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
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March 8, 2024

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
University of Virginia

James E. Ryan
President, University of Virginia

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the **University of Virginia's** (University) Statement of Revenues and Expenses of Intercollegiate Athletics Programs (Statement) for the year ended June 30, 2023. University management is responsible for the Statement and its compliance with National Collegiate Athletic Association (NCAA) requirements.

University management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the Statement is in compliance with NCAA Constitution 20.2.4.17.1, 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.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs

Procedures described below were limited to certain items. For the purpose of this report, and as defined in the agreed-upon procedures, revenue and expense reporting categories require detailed testing if they are greater than or equal to four percent of total revenues or total expenses, as applicable. Based on this defined threshold, we have not performed detailed testing on the following items:

Revenue Reporting Categories:

- Indirect institutional support
- Indirect institutional support - athletic facilities debt service, lease and rental fees
- Guarantees
- In-Kind
- NCAA distributions
- Conference distributions (non-media or bowl)
- Program, novelty, parking, and concession sales
- Sports camp revenues
- Athletics-Restricted endowment and investments income
- Other operating revenue

Expense Reporting Categories:

- Guarantees
- Severance payments
- Recruiting
- Sports equipment, uniforms, and supplies
- Fundraising, marketing and promotion
- Sports camp expenses
- Spirit groups
- Athletic facilities leases and rental fees
- Athletic facilities debt service
- Indirect cost paid to the institution by athletics
- Indirect institutional support
- Medical expenses and insurance
- Memberships and dues
- Student-Athlete Meals (non-travel)

For purposes of performing these procedures, no exceptions were reported for differences of less than one-tenth of one percent (0.10%) of revenues and expenses, as applicable. We have not investigated any differences and/or reconciling items below the reporting threshold while performing these agreed-upon procedures. We did not perform any procedures over reporting items with zero balances, which have been excluded from the Statement herein. The procedures we performed and associated findings are as follows:

Internal Controls

1. We reviewed the relationship of internal control over intercollegiate athletics programs to internal control reviewed in connection with our audit of the University's financial statements. In addition, we identified and reviewed those controls unique to the

Intercollegiate Athletics Department, which were not reviewed in connection with our audit of the University's financial statements.

2. Intercollegiate Athletics Department management provided a current organizational chart. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, protection of records and equipment, and controls regarding information systems with the Information Technology Department.
3. Intercollegiate Athletics Department management provided us with their process for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics programs. We tested these procedures as noted below.

Affiliated and Outside Organizations

4. Intercollegiate Athletics Department 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.
5. Intercollegiate Athletics Department management prepared and provided to us a summary of revenues and expenses for or on behalf of the University's intercollegiate athletics programs by affiliated and outside organizations included in the Statement.
6. Intercollegiate Athletics Department 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 of Intercollegiate Athletics Programs

7. Intercollegiate Athletics Department management provided to us the Statement of Revenues and Expenses of Intercollegiate Athletics Programs for the year ended June 30, 2023, as prepared by the University and shown in this report. We recalculated the addition of the amounts in the Statement, traced the amounts on the Statement to management's trial balance worksheets, and agreed the amounts in management's trial balance worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. Certain adjustments to the Statement were necessary to conform to NCAA reporting guidance. We discussed the nature of adjusting journal entries with management and are satisfied that the adjustments are appropriate. While the agreed-upon-procedures specify a deadline of January 15th for the completion of our work, delays in receiving the Statement and associated supporting documentation, as well as subsequent questions regarding specific items presented in the Statement, prevented the completion of these procedures by the specified deadline.

8. We compared each major revenue and expense account over ten percent of total revenues or total expenses, respectively, to prior period amounts and budget estimates. Variances exceeding ten percent of prior period amounts or budget estimates are explained below:

<u>Line Item</u>	<u>Explanation</u>
Contributions	The University experienced a decrease of \$23.1 million or 37.1 percent as UVA did not receive gifts to pay off debt service of capital projects, which was present in the prior year's Statement.
Direct overhead and administrative expenses	Direct overhead and administrative expenses increased by \$14.7 million or 174.7 percent due to \$11.3 million in deferred maintenance projects, \$2.9 million in operation costs for John Paul Jones Arena, and \$500,000 of inflationary impacts.
Administrative and support expenses (Budget to Actual)	Administrative and support expenses exceeded budgeted amounts by \$7.9 million. The increase is attributed to hosting the NCAA baseball regionals and super regionals, teams qualifying for NCAA postseason play, one-time projects for maintenance of facilities and athletic areas, and entering long term contracts to create future financial efficiencies.

Revenues

9. We compared ticket sales revenue by sport and the related number of tickets sold, complimentary tickets provided, and unsold tickets from the ticketing system to revenue recorded in the Statement. We reviewed internal controls for the recording, batch closeout, and daily reconciliation of ticket sales from the third-party ticketing system. We performed a recalculation of ticket sales by ticketed sport by obtaining the ticket sales transactions for the fiscal year and comparing the number of tickets sold, attendance for the ticketed event, and sale price to total revenue recorded in the Statement. We noted no reportable differences.
10. We obtained documentation of the University's methodology for allocating student fees to intercollegiate athletics programs. We compared student fees reported in the Statement to amounts reported in the accounting records and an expected amount based on fee rates and enrollment. We found a difference of \$273,427 which we attribute to

the methodology used to estimate student fee revenue compared to actual distributions of student fees to the department.

11. We compared amounts reported in the Statement for direct institutional support to institutional budget transfer documentation and/or other corroborative supporting documentation and noted them to be in agreement with no reportable differences.
12. Intercollegiate Athletics Department management provided us with a listing of all contributions of moneys, goods or services received directly by its intercollegiate athletics programs from any affiliated or outside organization, agency or group of individuals that constitutes ten percent or more of all contributions received during the reporting period. Apart from contributions received from the Virginia Athletic Foundation (VAF), an affiliated organization, we noted one additional individual contribution received from Aramark, a third-party service provider, which constituted more than ten percent of total contributions received for intercollegiate athletics programs. We reviewed contributions from VAF and Aramark, which exceeded ten percent of all contributions, and agreed them to supporting documentation. We determined an adjustment should be made to increase contributions-related revenue by \$1,537,212 to properly reflect the amount of revenue used for operations during the fiscal year. Following the adjustment, we found athletics contribution revenue to be properly stated.
13. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to media rights. We gained an understanding of the relevant terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. We determined a reclassification should be made to decrease media rights revenue by \$846,667 (and increase conference distributions by the same amount) to properly reflect the amount of revenue used for operations during the fiscal year. Following the adjustment, we determined media rights revenue to be properly stated.
14. We obtained the amount of conference distributions of football bowl-generated revenue from the Statement. We agreed to corroborative supporting documentation and found them to be in agreement.
15. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from royalties, licensing, advertisement, and sponsorships. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. We determined an adjustment should be made to increase revenue reported in the Statement by \$1,550,056 to properly reflect the amount of revenue received during the fiscal year. Following the adjustment, we determined royalties, licensing, advertisement and sponsorships revenue to be properly stated.

Expenses

16. Intercollegiate Athletics Department management provided us a listing of student aid recipients during the reporting period. Since the University used the NCAA Compliance Assistant software to prepare athletic aid detail, we selected 40 individual student athletes across all sports and obtained the students' account detail from the University's student information system. We agreed each student's information to the information reported in the NCAA Membership Financial Reporting System via Compliance Assistant. We identified four students with a variance of \$400 and 21 students with a variance of \$800. The University attributed the variances to estimated book fees and supplies for one or two terms, respectively. These amounts are not reflected in the student information system as they represent books and supplies per student paid directly to the vendor by the University. Additionally, for one student, we identified a \$753 difference between the student information system and Compliance Assistant, which we found to be reasonable. We also ensured that the total aid amount for each sport agreed to amounts reported as financial aid in the student information system within \$199,658. We performed a check of selected students' information as reported in the NCAA's Compliance Assistant software to ensure proper calculation of revenue distribution equivalencies and noted no reportable differences.
17. Intercollegiate Athletics Department management provided us with a listing of coaches, support staff, and administrative personnel employed and paid by the University during the reporting period. We selected five coaches, including football and men's and women's basketball coaches, and five support and administrative personnel and compared amounts paid during the fiscal year from the payroll accounting system to their contract or other employment agreement document. We found that recorded expenses equaled amounts paid as salary and bonuses and were in agreement with approved contracts or other documentation with no reportable differences.
18. We obtained the Intercollegiate Athletics Department's written recruiting and team travel policies from Intercollegiate Athletics Department management and documented an understanding of those policies. We compared these policies to existing University and NCAA policies and noted substantial agreement of those policies.
19. We selected a sample of five disbursements each for team travel, game expenses, direct overhead and administrative expenses, and other operating expenses. We compared and agreed the selected operating expenses to adequate supporting documentation. We found all reviewed amounts to be properly approved, reasonable to intercollegiate athletics, and properly recorded in the accounting records with no reportable differences.

Other Reporting Items

20. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities reported in the notes to the Statement and agreed total annual maturities and total outstanding athletic-related debt to supporting documentation. We determined an adjustment should be made to increase athletics-related debt by \$715,900 to reflect the inclusion of subscription-based information technology arrangements. Following adjustment, we found athletics-related debt to be properly stated.
21. We agreed total outstanding institutional debt to supporting debt schedules and the University's audited financial statements with no reportable differences.
22. We agreed the fair value of athletics-dedicated endowments to supporting documentation provided by the University and University's Foundation, general ledger, and audited financial statements with no reportable differences.
23. We agreed the fair value of institutional endowments to supporting documentation, the institution's general ledger, and the audited financial statements of the University's Foundation with no reportable differences.
24. We obtained a schedule of athletics related capital expenditures made during the period. We selected a sample of five transactions to validate existence and accuracy of recording and recalculated totals with no reportable differences.

Additional Procedures

25. We compared the sports sponsored by the University, as reported in the NCAA Membership Financial Reporting System, to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from the NCAA's Compliance Assistant software. We noted agreement of the sports reported.
26. We compared total current year grants-in-aid revenue distribution equivalencies to total prior year reported equivalencies per the NCAA Membership Financial Report submission and noted the variation exceeded four percent when compared to prior year. The University indicated the decrease in aid provided was caused by more COVID-19 pandemic eligibility cases in FY22 than FY23.
27. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports identified by the institution met the minimum requirements for number of contests and minimum number of participants as defined in NCAA Bylaw 20.10.6.3. We ensured that countable sports have been properly identified in the NCAA Membership Financial Reporting System for the purpose of revenue distribution calculations.

28. We compared the current number of sports sponsored to the prior year total reported in the University's NCAA Membership Financial Report submission and noted no variations when compared to prior year.
29. We obtained a listing of student athletes receiving Pell grant awards from the University's student information system and agreed the total value of these Pell grants to the amount reported in the NCAA Membership Financial Reporting System. We noted agreement of the amounts reported.
30. We compared the total number of Pell grant awards in the current year to the number reported in the prior year NCAA Membership Financial Report submission. We noted no variations greater than 20 grants when compared with the prior year.

We were engaged by University management 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 and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an audit, examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of Intercollegiate Athletics Programs or any of the accounts or items referred to above. 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 of Virginia and its management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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UNIVERSITY OF VIRGINIA
STATEMENT OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2023

	Football	Men's Basketball	Women's Basketball	Baseball	Track	Other Sports	Non-Program Specific	Total
Operating revenues:								
Ticket sales	\$ 7,675,153	\$ 5,380,006	\$ 214,733	\$ 444,397	\$ -	\$ 358,180	\$ -	\$ 14,072,469
Student fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,149,053	\$ 16,149,053
Direct institutional support	\$ 630,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,065,698	\$ 6,696,121
Indirect institutional support	\$ 565,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,297	\$ 1,011,383
Indirect institutional support - athletic facilities debt service, lease and rental fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562,641	\$ 562,641
Guarantees	\$ 200,000	\$ 125,000	\$ -	\$ -	\$ 4,000	\$ 115,000	\$ -	\$ 444,000
Contributions	\$ 10,661,648	\$ 3,011,490	\$ 954,734	\$ 1,150,425	\$ 1,859,307	\$ 14,447,311	\$ 6,969,246	\$ 39,054,161
In-Kind	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,000	\$ 211,000
Media rights	\$ 23,112,044	\$ 7,264,230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,376,274
NCAA distributions	\$ -	\$ 1,987,992	\$ -	\$ 33,600	\$ 37,886	\$ 273,202	\$ 2,425,196	\$ 4,757,876
Conference distributions (non-media and non-football bowl)	\$ 387,534	\$ 538,568	\$ 34,261	\$ -	\$ 140,161	\$ 166,590	\$ 491,667	\$ 1,758,781
Conference distributions of football bowl generated revenue	\$ 7,871,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,871,466
Program, novelty, parking, and concession sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,593,095	\$ 1,593,095
Royalties, licensing, advertisement and sponsorships	\$ -	\$ -	\$ -	\$ 53,000	\$ -	\$ 325,000	\$ 10,365,339	\$ 10,743,339
Sports camp revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,365	\$ 119,365
Athletics-Restricted endowment and investment income	\$ 265,650	\$ 447,357	\$ 13,668	\$ 40,864	\$ 18,276	\$ 769,942	\$ 3,916,626	\$ 5,472,383
Other operating revenue	\$ 8,348	\$ -	\$ -	\$ -	\$ 84,349	\$ 232,330	\$ 1,434,058	\$ 1,759,085
Total operating revenues	\$ 51,377,352	\$ 18,754,643	\$ 1,217,396	\$ 1,722,286	\$ 2,143,979	\$ 16,687,555	\$ 50,749,281	\$ 142,652,492
Operating expenses:								
Athletic student aid	\$ 6,121,257	\$ 949,373	\$ 898,734	\$ 687,483	\$ 1,810,496	\$ 12,224,292	\$ -	\$ 22,691,635
Guarantees	\$ 830,000	\$ 468,573	\$ 108,239	\$ 39,000	\$ -	\$ 26,500	\$ -	\$ 1,472,312
Coaching salaries, benefits, and bonuses paid by the university and related entities	\$ 9,903,427	\$ 7,968,420	\$ 1,457,544	\$ 1,665,422	\$ 904,841	\$ 7,577,247	\$ -	\$ 29,476,901
Support staff/administrative compensation, benefits, and bonuses paid by the university and related entities	\$ 3,283,645	\$ 1,318,852	\$ 426,248	\$ 196,215	\$ 72,039	\$ 303,466	\$ 14,084,434	\$ 19,684,899
Severance payments	\$ -	\$ -	\$ 3,841	\$ -	\$ -	\$ 121,978	\$ 3,670	\$ 129,489
Recruiting	\$ 1,228,212	\$ 352,107	\$ 240,261	\$ 78,006	\$ 80,941	\$ 572,445	\$ -	\$ 2,551,972
Team travel	\$ 1,531,783	\$ 1,098,038	\$ 522,558	\$ 422,243	\$ 972,839	\$ 2,849,306	\$ -	\$ 7,396,767
Sports equipment, uniforms, and supplies	\$ 873,326	\$ 99,872	\$ 96,430	\$ 136,987	\$ 153,093	\$ 826,720	\$ 43,247	\$ 2,229,675
Game expenses	\$ 1,911,498	\$ 884,606	\$ 699,244	\$ 1,112,871	\$ 218,521	\$ 908,274	\$ 219,204	\$ 5,954,218
Fundraising, marketing and promotion	\$ 352,536	\$ 41,095	\$ 32,894	\$ 39,158	\$ 317	\$ 30,407	\$ 55,418	\$ 551,825
Sports camp expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,674	\$ 142,674
Spirit groups	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,784	\$ 190,784
Athletic facilities leases and rental fees	\$ -	\$ -	\$ -	\$ -	\$ 11,330	\$ 1,508	\$ 528,128	\$ 540,966
Athletic facilities debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562,641	\$ 562,641
Direct overhead and administrative expenses	\$ 2,391,548	\$ 89,285	\$ 38,451	\$ 222,945	\$ 113,026	\$ 952,241	\$ 19,299,770	\$ 23,107,266
Indirect cost paid to the institution by athletics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,639,000	\$ 2,639,000
Indirect institutional support	\$ 565,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,297	\$ 1,011,383
Medical expenses and insurance	\$ 84,694	\$ 16,949	\$ 12,164	\$ 20,920	\$ 48,588	\$ 214,391	\$ 590,932	\$ 988,638
Memberships and dues	\$ 4,647	\$ 1,760	\$ 5,090	\$ 478	\$ 200	\$ 12,606	\$ 3,143,616	\$ 3,168,397
Student-Athlete Meals (non-travel)	\$ 592,159	\$ 92,185	\$ 29,901	\$ 32,037	\$ 35,186	\$ 160,003	\$ 406,057	\$ 1,347,528
Other operating expenses	\$ 1,461,122	\$ 354,726	\$ 224,691	\$ 197,610	\$ 172,291	\$ 1,678,739	\$ 8,297,665	\$ 12,386,844
Total operating expenses	\$ 31,134,940	\$ 13,735,841	\$ 4,796,290	\$ 4,851,375	\$ 4,593,708	\$ 28,460,123	\$ 50,653,537	\$ 138,225,814
Excess (deficiency) of revenues over (under) expenses	\$ 20,242,412	\$ 5,018,802	\$ (3,578,894)	\$ (3,129,089)	\$ (2,449,729)	\$ (11,772,568)	\$ 95,744	\$ 4,426,678
Other Reporting Items:								
Total athletics-related debt							\$	25,655,641
Total institutional debt							\$	2,361,496,035
Value of athletics-dedicated endowments							\$	238,667,913
Value of institutional endowments							\$	9,979,972,148
Total athletics-related capital expenditures								\$10,957,976

The accompanying Notes to the Schedule of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Schedule.

UNIVERSITY OF VIRGINIA
NOTES TO STATEMENT OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2023

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenses of Intercollegiate Athletics Programs has been prepared on the accrual basis of accounting. The purpose of the Schedule is to present a summary of revenues and expenses of the intercollegiate athletics programs of the University for the year ended June 30, 2023. The Schedule includes those intercollegiate athletics revenues and expenses made on behalf of the University's athletics programs by outside organizations not under the accounting control of the University. Because the Schedule presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in financial position, or cash flows for the year presented. 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."

2. AFFILIATED ORGANIZATIONS

The University recorded \$38,929,641 in contributions from the Virginia Athletics Foundation (VAF). This amount includes approximately \$21,425,324 for scholarships for student-athletes, \$8,624,064 for operating expenses and \$8,669,253, which is used to fund capital expenses. Due to NCAA reporting requirements, these capital expenses are not recorded in the Schedule of Revenues and Expenses. Lastly, reported contributions also include approximately \$211,000 paid directly by VAF for the benefit of University Athletics, for fundraising and operating expenses. These amounts are included in the accompanying schedule in Contributions revenue.

The University also recorded \$6,000,000 in contributions from Aramark. This amount includes \$5,000,000 for operating expenses and \$1,000,000 for scholarships for student-athletes. These amounts are included in the accompanying schedule in Contributions revenue.

3. CAPITAL ASSETS

Capital assets are stated at cost at date of acquisition, or acquisition value at date of donation in the case of gifts. The University capitalizes construction costs that have a value or cost in excess of \$250,000 at the date of acquisition. Renovations in excess of \$250,000 are capitalized if they significantly extend the useful life of the existing asset. The Academic Division (which includes Athletics) capitalizes moveable equipment at a value or cost of \$5,000 and an expected useful life of two or more years. Maintenance or renovation expenses of \$250,000 or more are

capitalized only to the extent that such expenses prolong the life of the asset or otherwise enhance its capacity to render service.

Depreciation of buildings, improvements other than buildings, and infrastructure is provided on a straight-line basis over the estimated useful lives ranging from ten to 50 years. Depreciation of equipment and capitalized software is provided on a straight-line basis over estimated useful lives ranging from three to twenty years.

Capital assets related to construction are capitalized as expenses are incurred. Projects that have not been completed as of the date of the statement of net position are classified as Construction in Process. Capital assets, such as roads, parking lots, sidewalks, and other non-building structures and improvements are capitalized as infrastructure and depreciated accordingly.

4. LONG-TERM DEBT

The composition of long-term debt relating to Athletics at June 30, 2023, is summarized as follows:

Description	Interest Rates	Maturity	Balance at June 30, 2023
Revenue Bonds:			
University of Virginia Series 2020 – JPJ & Scott Stadium Expansion	2.26%	2051	\$ 24,939,741
Long Term Debt			\$ 24,939,741

Long Term debt maturities (Revenue Bonds)	Fiscal Year	Principal	Interest
	2024	-	562,641
	2025	-	562,641
	2026	-	562,641
	2027	-	562,641
	2028-2051	\$24,939,741	13,222,054
	Total	\$24,939,741	\$ 15,472,616

Additionally, the University has recorded subscription-based information technology arrangement assets for contracts that convey control of the right to use a third party's information technology software. These assets were identified in accordance with GASB Statement No. 87, Leases, and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). These assets are initially measured at an amount equal to the related liability plus any payments made at or prior to the subscription term and capitalizable implementation costs, less vendor incentives. The subscription assets are amortized on a

straight-line basis over the life of the subscription term. The University capitalizes SBITAs that have a value or cost in excess of \$50,000.

Maturity Analysis

Interest rates: 2.48-3.81

Maturity 2027

	Principal	Interest	Total Payment
2024	\$201,426	\$23,724	\$225,150
2025	168,966	16,984	185,950
2026	141,419	10,981	152,400
2027	146,807	5,593	152,400
2028-2051	-	-	-
Total	\$658,618	\$57,282	\$715,900

5. ALLOCATION OF ATHLETIC OVERHEAD COSTS

The University recovers overhead from all auxiliary enterprises, including Athletics, by applying an indirect cost rate to the auxiliary enterprise's expense base. This rate is calculated every two years. The rate in effect for the year ended June 30, 2023, was 4.07 percent and generated \$2,639,000 in overhead recoveries from Athletics.