



James Madison University Intercollegiate Athletics Program

**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



James Madison University
Intercollegiate Athletics Program
June 30, 2023

Contents

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

Additional Information

| | |
|---|---|
| Attachment A – Statement of Revenues and Expenses | 2 |
| Notes to Statement of Revenues and Expenses | 3 |
| Attachment B – Agreed-Upon Procedures | 8 |

| | |
|--|-----------|
| Board of Visitors and University Officials..... | 24 |
|--|-----------|



101 S. 5th Street, Suite 3800 / Louisville, KY 40202

P 502.581.0435 / F 502.581.0723

forvis.com

Independent Accountant's Report on Applying Agreed-Upon Procedures

Jonathan R. Alger, President
James Madison University
Harrisonburg, 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 to assist you in evaluating whether the Statement of Revenues and Expenses (Attachment A) of James Madison University (Institution) 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 Institution is responsible for compliance with the NCAA Bylaw 20.2.4.17.1.

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 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 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 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 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

Louisville, Kentucky
January 12, 2024

James Madison University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
Year Ended June 30, 2023

Attachment A

| | Football | Men's Basketball | Women's Basketball | Other Sports | Non-Program Specific | Total |
|---|-----------------------|-----------------------|-----------------------|------------------------|-------------------------|-------------------|
| Operating Revenues | | | | | | |
| Ticket sales | \$ 3,005,827 | \$ 345,290 | \$ 107,173 | \$ 6,838 | \$ 353,272 | 3,818,400 |
| Student fees | - | - | - | - | 53,285,977 | 53,285,977 |
| Direct institutional support | 284,293 | 153,961 | 153,961 | 370,452 | 328,762 | 1,291,429 |
| Guarantees | 600,000 | 85,000 | 5,000 | 24,166 | - | 714,166 |
| Contributions | 145,597 | 75,442 | 30,500 | 108,632 | 4,507,121 | 4,867,292 |
| In-Kind | 193,327 | 34,101 | 33,101 | 134,843 | 171,025 | 566,397 |
| NCAA distributions | 2,722 | - | 56,616 | 56,957 | 1,473,445 | 1,589,740 |
| Conference distributions (non-media or bowl) | - | - | - | 50,000 | - | 50,000 |
| Program, novelty, parking and concession sales | 134,308 | - | - | - | - | 134,308 |
| Royalties, licensing, advertisement and sponsorships | 96,327 | 4,601 | 6,601 | 41,993 | 1,162,768 | 1,312,290 |
| Other operating revenue | 2,640 | 182,773 | 182,773 | 4,735 | 32,419 | 405,340 |
| Total Operating Revenues | 4,465,041 | 881,168 | 575,725 | 798,616 | 61,314,789 | 68,035,339 |
| Operating Expenses | | | | | | |
| Athletic student aid | 3,212,217 | 516,255 | 753,566 | 5,951,920 | 354,788 | 10,788,746 |
| Guarantees | 950,000 | 14,000 | 12,000 | 31,976 | - | 1,007,976 |
| Coaching salaries, benefits and bonuses paid by the Institution and related entities | 2,518,475 | 1,101,383 | 678,208 | 3,762,152 | - | 8,060,218 |
| Support staff/administrative compensation, benefits, and bonuses paid by the Institution and related entities | 909,162 | 344,723 | 348,127 | 1,112,198 | 7,893,431 | 10,607,641 |
| Recruiting | 233,311 | 103,466 | 98,330 | 201,421 | - | 636,528 |
| Team travel | 845,559 | 587,562 | 540,947 | 2,276,988 | - | 4,251,056 |
| Sports equipment, uniforms and supplies | 571,022 | 69,787 | 67,156 | 626,549 | 27,721 | 1,362,235 |
| Game expenses | 365,825 | 353,277 | 301,700 | 328,485 | 1,747,434 | 3,096,721 |
| Fundraising, marketing and promotion | 209,016 | 97,480 | 59,526 | 28,748 | 505,714 | 900,484 |
| Spirit groups | - | - | - | - | 1,520,193 | 1,520,193 |
| Athletic facility leases and rental fees | 17,500 | 11,550 | 9,975 | 29,636 | 224,606 | 293,267 |
| Athletic facility debt service | - | - | - | - | 10,289,220 | 10,289,220 |
| Direct overhead and administrative expenses | 1,409,431 | 608,113 | 610,364 | 1,834,241 | 2,476,730 | 6,938,879 |
| Indirect cost paid to the institution by Athletics | - | - | - | - | 5,083,067 | 5,083,067 |
| Medical expenses and insurance | 75,978 | 11,900 | 5,526 | 70,700 | 833,569 | 997,673 |
| Memberships and dues | 1,625 | 1,220 | 1,250 | 21,177 | 107,369 | 132,641 |
| Student-athlete meals (non-travel) | 56,932 | 8,485 | 8,996 | 43,637 | 129,334 | 247,384 |
| Other operating expenses | 145,599 | 63,585 | 66,603 | 314,939 | 1,230,684 | 1,821,410 |
| Total Operating Expenses | 11,521,652 | 3,892,786 | 3,562,274 | 16,634,767 | 32,423,860 | 68,035,339 |
| Excess (Deficiency) of Revenues Over (Under) Expenses | \$ (7,056,611) | \$ (3,011,618) | \$ (2,986,549) | \$ (15,836,151) | \$ 28,890,929 | \$ - |
| Conference realignment expenses | | | | | | \$ 21,422 |
| Total Athletics-related debt | | | | | | \$ 106,383,912 |
| Total institutional debt | | | | | | \$ 405,780,840 |
| Value of Athletics-dedicated endowments | | | | | | \$ 9,674,655 |
| Value of institutional endowments | | | | | | \$ 135,362,639 |
| Total Athletics-related capital expenditures | | | | | | \$ 20,471,664 |

James Madison University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2023

Note 1: Basis of Presentation

The accompanying Statement of Revenues and Expenses (Statement) (Attachment A) for the James Madison University (Institution) Intercollegiate Athletics Programs (Athletics) has been prepared on the accrual basis of accounting, with the exception of debt service payments and depreciation. Interest expense on long-term debt related to Athletics' facilities is included in expenses on the cash basis (see Note 4). In the Institution's financial statements, depreciation expense is not included at the program level, and therefore is not allocated to Athletics in the accompanying Statement. See Note 3 for further information on Athletics-related capital assets.

The Statement's purpose is to present a summary of revenues and expenses related to the Institution's Athletics for the year ended June 30, 2023. 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 Institution's activities, it is not intended to and does not present either the net position, changes in net position, or changes in cash flow for the year ended June 30, 2023.

Sports Accounting – Because of the significant revenues and expenses generated by football, men's basketball, and women's basketball, they are reported separately. Other sports in which the Institution participates are combined and reported as "Other Sports." Athletic department administrative functions and activities that provide support for all sports have been combined for reporting purposes under the caption "Non-Program Specific." These support activities include costs such as those related to facilities maintenance, fundraising/promotions, sports medicine, academic counseling, administration, communications, ticket office, compliance, etc.

Student Fees – The Institution assesses each student a comprehensive fee that covers a variety of auxiliary programs, such as student activities, student health, transportation, Athletics, and auxiliary related debt service. The comprehensive fee is distributed near year-end based on budgeted amounts. For the Statement, student fees are allocated to cover any overall Athletics operating deficit. Conversely, if revenues exceed expenses, student fees allocated are reduced since any excess does not remain with Athletics but instead increases the Institution's general auxiliary reserve.

Direct Institutional Support – The Institution funds various auxiliary renovation and maintenance projects or enhances auxiliary operating budgets from the general auxiliary reserve. Athletic-related project expenses that are not capitalized and non-recurring operating enhancements are recorded in the applicable expense categories, with an offsetting amount recognized as direct institutional support revenue.

James Madison University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2023

Note 2: Affiliated Organizations

The James Madison University Foundation, Inc. (Foundation) is included as a component unit in the Institution's financial statements. The Foundation was formed to promote the achievements and further the aims and purposes of the Institution. The Foundation accomplishes its purposes through fundraising and funds management efforts that benefit the Institution and its programs. Donations to the Foundation earmarked for Athletics operations or capital projects are not included in the Statement, nor is endowment financial activity related to Athletics. Foundation expenses made on behalf of Athletics are included in the Statement. Expenses made in support of Athletics totaling \$4,735,557 are included in revenue as "contributions" and included in various operating expense lines.

Note 3: Capital Assets

The Institution's policies and procedures for acquiring, approving, depreciating, and disposing of Athletics-related capital assets is the same as for all Institution capital assets.

Capital assets include buildings and other improvements, equipment, and infrastructure assets such as sidewalks, steam tunnels, and electrical and computer network cabling systems. Capital assets are generally defined by the Institution as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at actual cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation. Expenses for major capital assets and improvements are capitalized (construction-in-progress) as projects are constructed. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activities.

Capital assets also include intangible, right-to-use assets for buildings, equipment, and subscription-based software as defined under GASB Statements No. 87 and 96. These right-to-use assets are amortized straight-line over the lives of their related underlying agreements.

Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional expense categories, and therefore depreciation is not included in the Statement. Useful lives by asset categories are listed below:

| | |
|---------------------------------------|-------------|
| Buildings | 25–50 years |
| Other improvements and infrastructure | 20 years |
| Equipment | 5–15 years |

James Madison University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2023

A summary of Athletics-related capital assets for the year ended June 30, 2023, is presented as follows:

| | Ending Balance |
|---|------------------------------|
| Nondepreciable capital assets | |
| Construction in progress | <u>\$ 18,340,265</u> |
| Depreciable capital assets | |
| Buildings and other improvements | 245,433,025 |
| Infrastructure | 15,835,086 |
| Equipment | 14,572,927 |
| Right-to-use leased assets | |
| Buildings | 674,272 |
| Subscription-based software* | <u>295,078</u> |
| Total depreciable capital assets | <u>276,810,388</u> |
| Less accumulated depreciation and amortization for | |
| Buildings and other improvements | 74,635,718 |
| Infrastructure | 9,068,782 |
| Equipment | 5,418,426 |
| Right-to-use leased assets | |
| Buildings | 620,716 |
| Subscription-based software* | <u>42,081</u> |
| Total accumulated depreciation and amortization | <u>89,785,723</u> |
| Total capital assets, net | <u><u>\$ 205,364,930</u></u> |

*Implementation of GASB 96 – SBITAS during FY23

Note 4: Long-Term Debt

For debt related to Athletics, 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. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) issues 9(d) bonds and uses the proceeds to purchase debt obligations (notes) of the Institution and various other institutions of higher education. The Institution's general revenue also secures these notes.

James Madison University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2023

Also included in long-term debt for Athletics are liabilities for capitalized intangible assets. These assets were identified in accordance with GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). Leases are classified by the Institution as in-scope under Statement No. 87 if the agreement is valued at greater than \$50,000 and is longer than 12 months in duration. SBITAs are classified by the Institution as in-scope under Statement No. 96 if the agreement is valued at greater than \$5,000 and is longer than 12 months in duration. These agreements are recorded as leases/SBITAs payable at the discounted present value of the fixed payment streams stipulated by the related agreement.

| Description | Interest Rates (%) | Maturity | Balance at June 30, 2023 |
|------------------------------------|---------------------------|-----------------|---------------------------------|
| Veteran's Memorial Park | 1.33%–5.00% | 2030 | \$ 4,025,000 |
| Bridgeforth Stadium | 1.53%–5.00% | 2031 | 22,300,000 |
| University Park* | 1.33%–5.50% | 2032 | 12,253,800 |
| Atlantic Union Bank Center | 3.54%–5.00% | 2049 | 67,575,000 |
| Real Estate Leases | 3.69% | 2024 | 36,599 |
| Subscription-Based IT Arrangements | 3.06%–3.48% | 2033 | 193,513 |
| Total | | | <u>\$ 106,383,912</u> |

*Multiple debt issues were used for both athletic and recreation facilities. Debt listed above represents only the portion of debt allocated to Athletics.

Long-term debt maturities relating to Athletics are as follows:

| | Principal | Interest |
|-----------|-----------------------|----------------------|
| 2024 | \$ 6,062,062 | \$ 4,373,852 |
| 2025 | 6,256,600 | 4,117,932 |
| 2026 | 6,478,800 | 3,900,347 |
| 2027 | 6,691,000 | 3,672,257 |
| 2028 | 6,679,350 | 3,404,244 |
| 2029–2033 | 24,171,100 | 12,911,045 |
| 2034–2049 | 50,045,000 | 20,041,110 |
| Total | <u>\$ 106,383,912</u> | <u>\$ 52,420,787</u> |

James Madison University
Intercollegiate Athletics Program
Notes to Statement of Revenues and Expenses
June 30, 2023

Note 5: Expense Categories

Spirit groups – The spirit group category consists of all expenses related to the JMU Marching Band and Cheerleaders, including student aid and salaries/wages.

Indirect cost paid to the institution by Athletics – The Commonwealth's Appropriation Act (Chapter 2 of the 2022 Acts of Assembly, for the 2022-2024 biennium) requires that educational and general programs in institutions of higher education recover the full indirect cost of auxiliary enterprise programs. The Institution assesses each auxiliary unit an indirect charge to recover institutional educational and general administrative overhead costs. In fiscal year 2023, this charge to Athletics amounted to \$5,083,067.

Other expenses – Expenses in this category include communication services, supplies, non-capitalized equipment/rentals, employee training and development, moving and relocation, and travel (other than team travel).

Note 6: Equity in Athletics Disclosure Act (EADA) Reporting

The Institution annually prepares the EADA Survey that reports on Athletics' participation, staffing, and revenue and expenses, categorized by men's and women's teams. The Survey is submitted to the federal Department of Education's Office of Postsecondary Education and is available at the following web address: <http://ope.ed.gov/athletics>.

It is the Institution's policy that revenue and expenses reported in the EADA Survey will equal the Statement balances, with the exception of debt service and conference realignment expenses. The EADA Survey requires that preparers exclude debt service from Athletics-related expenses, but allows for inclusion of conference realignment expenses.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

Attachment B

Our procedures and findings are described as follows:

Internal Controls

1. We obtained an understanding of James Madison 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 the 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, 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 Institution for relevant revenue and expense categories which are greater than 4.0% of total operating revenues and operating expenses.

Results and Findings: We obtained Attachment A, as prepared by management. We recalculated the amounts on Attachment A, compared the amounts on Attachment A to management's worksheets and traced the amounts on management's worksheets to the general ledger for the Institution without any differences greater than 4%.

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–#66.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

Results and Findings:

Current year actual versus prior year actual:

- Student fees increased \$7,800,670 or 17.1% over prior year due to the combined effect of a 4.4% increase in the comprehensive fee rate, as well as additional allocation of student fees to Athletics due to the increase in debt service payments due during FY23.
- Support staff/administrative compensation paid by the university and related entities increased \$1,115,984 or 11.8% over prior year due primarily to a 5% salary increase in July and a 2% bonus in December.
- Athletics' facilities debt service increased \$3,965,188 or 62.7% over prior year due to refinancing/restructuring of select debt issuances during FY21 due to COVID that resulted in a shift of principal payments from FY22 to FY23.
- Direct overhead and administrative expenses increased \$770,862 or 12.5% over the prior year due to an increase in smaller, non-capitalized projects that were funded with the Institution's auxiliary reserve funding.

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 for the budget, prepared in accordance with the Commonwealth of Virginia guidance and 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: For football ticket revenue no matters are reportable. Men's basketball ticket revenue reports from the Paciolan system did not agree to the Statement by \$1,390. This was due to deferred revenue recognized in the current year that should have been recognized in the prior year and a Fevo check that is not Athletics revenue.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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: The Institution does not perform an allocation; therefore, no procedures were performed.

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

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

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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.

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: Refer to Note 2 for contributions received from the Foundation. There were no individual contributions greater than 10% of total contributions received, other than the amount from the Foundation.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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.

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: Statement line item was <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 Institution'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) was <4% of total revenues; therefore, no procedures were performed. There were no conference distributions of football bowl generated revenue; 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: Conference distributions (non-media and non-football bowl) was <4% of total revenues; therefore, no procedures were performed. There were no conference distributions of football bowl generated revenue; 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 sales, concessions, novelty sales, and parking and agree the amounts to the Statement and recalculate totals.

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

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

Royalties, Licensing, Advertisement 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.

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

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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.

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: We selected a sample of 38 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 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: No matters are reportable.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

- b. We will note whether grants-in-aid were calculated by using the revenue distribution equivalencies by sport and in aggregate (Athletics' grant amount divided by the full grant amount).
- 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 20.02.10.
- 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 Athletics' aid expense for the Institution.
- 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 matters are reportable.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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.

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: 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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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 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.

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 Compensation, 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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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

Sports Camps 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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

Athletic Facility Debt Service, and Athletic Facility 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 for Athletic facilities debt service. Athletic facilities leases and rental fees was <4% of total expenses; therefore, no procedures were performed.

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: No matters are reportable.

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.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

Other Operating Expenses

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

Student-Athlete Meals (Non-Travel)

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

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 these line items 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 matters are reportable.

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 20.10.6.3 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 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 matters are reportable.

James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023

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 greater than 20 grants.

Results and Findings: No matters are reportable.

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 for the reporting period; therefore, no procedures were performed. No matters are reportable for Conference realignment expenses.

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 Athletics-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.

**James Madison University
Intercollegiate Athletics Program
Agreed-Upon Procedures
June 30, 2023**

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 the James Madison University Foundation's audited financial statements without exception.

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: No matters are reportable.

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: No matters are reportable.

James Madison University

As of June 30, 2023

BOARD OF VISITORS

Maribeth Herod
Rector

Chris Falcon
Vice Rector

| | |
|-----------------------|--------------------------|
| Richard "Dickie" Bell | Lara Major |
| Terrie Edwards | Suzanne Obenshain |
| Jeffrey E. Grass | John C. Rothenberger |
| Matthew Gray-Keeling | Michael Stoltzfus |
| Maria D. Jankowski | Deborah Tompkins Johnson |
| John Lynch | Craig B. Welburn |
| Jack White | |

UNIVERSITY OFFICIALS

Jonathan Alger
President

Jeffrey Bourne
Director of Intercollegiate Athletic Programs

Towana Moore
Vice President for Administration and Finance

Mark Angel
Associate Vice President for Administration and Finance