

University of Wyoming

Independent Accountant's Report on Applying Agreed-upon Procedures
Performed on the Intercollegiate Athletics Program as
Required by NCAA Bylaw 3.2.4.15.1
Year Ended June 30, 2020

University of Wyoming
June 30, 2020

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Independent Accountant's Report on Applying Agreed-upon Procedures

To the Board of Trustees of the
University of Wyoming
Laramie, Wyoming

We have performed the procedures enumerated in this report, which were agreed to by the University of Wyoming and the University of Wyoming Intercollegiate Athletic Department (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (the Statement) of the University and related notes are in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.15.1 for the year ended June 30, 2020. The management of the University is solely responsible for the Statement and the compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of our testing are described below.

1. We obtained the Statement, as prepared by the administration of the University and compared the amounts disclosed in the Statement to the University's general ledger noting they agreed without exception.

For revenues and expenses categories above the 4.0% threshold of total revenues and expenses, we performed the following:

2. We compared the amount of each operating revenue and expense category reported in the Statement during the year ended June 30, 2020, to supporting schedules provided by the administration of the University, noting that they agreed without exception. The following revenue reporting categories were less than 4.0% of total revenues, and the following expense categories were less than 4.0% of total expenses, and therefore, as prescribed in the NCAA Agreed-upon Procedures Guidelines, no procedures were performed for these categories:

Revenues

- a. Less – transfers to institution
- b. Indirect University support
- c. Guarantees
- d. In-kind
- e. Compensation and benefit provided by a third party

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- f. Media rights
- g. NCAA distributions
- h. Conference distributions of bowl generated revenue
- i. Conference distributions (non-media and non-bowl)
- j. Program, novelty, parking and concession sales
- k. Athletics restricted endowment and investments income
- l. Other operating revenue
- m. Bowl revenues

Expenses

- a. Guarantees
 - b. Coaching salaries, benefits and bonuses paid by a third party
 - c. Support staff/administrative compensation, benefits and bonuses paid by a third party
 - d. Severance payments
 - e. Recruiting
 - f. Sports equipment, uniforms and supplies
 - g. Game expenses
 - h. Spirit groups
 - i. Athletic facilities debt service, leases and rental fees
 - j. Direct overhead and administrative expenses
 - k. Indirect University support
 - l. Medical expenses and medical insurance
 - m. Memberships and dues
 - n. Student-athlete meals (non-travel)
 - o. Other operating expenses
 - p. Bowl expenses
 - q. Bowl expenses – coaching compensation/bonuses
3. We inquired of the University's management whether there were any of the following revenues, expenses or other reporting items during the year ended June 30, 2020, and University management represented that there were none:

Revenues

- a. Indirect institutional support – athletic facilities debt service, lease and rental fees
- b. Sports camp revenues

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Expenses

- a. Sports camp expenses
5. We compared each major revenue and expense amount over 10% of total revenues and expenses reported in the Statement to prior year amounts and current year budget estimates. We noted no variances greater than 10% between amounts reported in the Statement and current year budget estimates. We obtained and documented an understanding of any significant variances (10% change) from prior year amounts, as noted below:

Current Year Actual Versus Prior Year Actual

- *Direct State or Other Government Support* – Increased \$1,000,000, or 25%, due to the passing of state legislation allocating an additional \$1,000,000 per year to athletics from state matching funds.
 - *Contributions* – Decreased \$1,277,767, or 13.36%, due to a decrease in Cowboy Joe Club activity. Cowboy Joe Club activity was lower due to spring COVID-19 cancellations of golf events and decrease of spending due to COVID-19.
 - *Fund Raising, Marketing and Promotion* – Decreased \$1,461,543, or 23.28%, due to additional advertising gift in kind due to COVID 19 cancellations in FY20. Additionally, concert expenses were higher due to change in expense sharing with campus. Finally, Cowboy Joe Club activity was lower due to spring COVID-19 cancellations of golf events and intentional decrease of spending due to COVID-19 revenue implications.
6. For revenue and expense categories that exceeded 4% of total revenues and expenses, we compared and agreed a sample, defined as 10% of operating receipts and expenses unless otherwise noted, from the supporting schedules to adequate supporting documentation, as noted below:

Operating Revenues

7. *Ticket Sales* – We compared the detail of ticket sales revenue to tickets sold, complementary tickets provided and unsold tickets for the year ended June 30, 2020, per the supporting schedule to the related revenue reported in the Statement, noting they agreed without exception. For football and men’s basketball ticket revenue, we compared the detail of the number of tickets multiplied by ticket prices to the detail of revenues for those sports, noting that they agreed without exception.
8. *Student Fees* – We compared and agreed the detail of student fees reported by the University in the Statement for the reporting to student enrollments during the same reporting period and recalculated the totals within 0.33% difference. We obtained documentation of the institution’s methodology for allocating student fees to intercollegiate athletic programs. The University is not reporting an allocation of student fees countable as generated revenue to each individual sport.

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University of Wyoming

9. *Direct State or Other Government Support* – We compared a sample of direct state support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.
10. *Direct University Support* – We compared a sample of direct institutional support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.
11. *Contributions* – We obtained the supporting documentation for contributions received specifically to support athletics, noting that all contributions were received from the Cowboy Joe Club. We selected a sample of contributions, agreed them to supporting documentation, and recalculated totals without exception.
12. *Royalties, Licensing, Advertisements and Sponsorships* – We selected a sample from the listing of revenues and obtained the Learfield Communications, Inc. (\$1,073,254) agreement related to the University's participation in revenues from royalties, licensing, advertisements and sponsorships during the year ended June 30, 2020, and documented the relevant terms and conditions. We agreed the amounts per the contract to the supporting schedule of such revenues and the total of the supporting schedule to the Statement without exception.

Operating Expenses

13. *Athletic Student Aid* – As the University utilized the NCAA Compliance Assistance (CA) software, we selected a sample of 10% of the student athletes (40 students), with a maximum sample size of 40, from the listing of the University student aid recipients. We obtained individual student account detail for each selection and compared total aid allocated from the squad list 2019-2020 to the students' account screenshots. We recalculated totals for each sport and overall. We performed the following, as discussed below:
 - a. We compared the equivalency value in the CA software for each student athlete (rounded to two decimal places) to supporting documentation. For each student athlete, we noted:
 - i. If an athlete participates in more than one sport, the award was only included in one sport.
 - ii. Other expenses related to attendance were not included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course related materials were included.
 - iii. The grant amount represented the full cost of tuition for an academic year, rather than a semester.
 - iv. No sports were discontinued during fiscal year 2020.
 - v. None had exhausted their athletics eligibility.
 - vi. Only athletic grants were awarded in sports which the NCAA conducts championship competitions, emerging sports for women or football.
 - vii. Grants-in-aid were valid for revenue distribution purposes in NCAA sports that did not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.

To the Board of Trustees of the
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- viii. The University is providing grants to student-athletes listed on the CRDE as “Exhausted Eligibility (fifth-year)” or “Medical” and receive credit in the grants-in-aid component.
 - ix. The athletics aid equivalency did not exceed maximum equivalency limits.
 - x. If a selected student received a Pell Grant, the value of the grant was not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
14. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – We obtained a listing of coaches employed by the University during the year ended June 30, 2020. We selected a sample of eight coaches’ contracts (Sundance Wicks – Men’s Basketball, Gerald Mattinson – Women’s Basketball, Andrew Cooper – Football, Martin English – Football, David Denniston – Men’s Swimming, Erica Medlin – Tennis, Ethan Kyle – Wrestling, and Teyon Ware – Wrestling) that included football and men’s and women’s basketball.
- We obtained and agreed payroll summary registers for the reporting year for each selection to the related coaching salaries, benefits and bonuses paid by the University.
- We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reported period.
- We compared and agreed the totals recorded to the employment contracts executed for the sample selected and recalculated totals. During testing it was noted one coach’s salary was calculated incorrectly for the final month of employment prior to termination. BKD noted the incorrect month was used to calculate the payment amount resulting in an overpayment of \$10.31.
15. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – We selected a sample of 13 athletic support staff/administrative personnel employed by the University (Jacob Claborn – Football, Danielle Cole – Pepster, Eric Donoval – Sports Performance, Corianne Haller – Men’s Basketball, Seth Hoos – Facilities, Benjamin Iannacchione – Sports performance, Ian McGrew – Football, Courtney Merkle – Academic Counselor, Mary Nottage – Facilities, Brian O’Flannigan – Sports Medicine, Cameron Osburn – Ticket Office, Caezar Romero – Facilities, and Quinton Steinbock – Facilities). We obtained supporting salary information for each selection, recalculated and agreed the information to the expense recorded by the University in the Statement without exception.
16. *Team Travel* – We obtained documentation of the University’s travel policies and compared them to the NCAA policies, noting no exceptions. We obtained the general ledger detail for team travel and compared to the amount reported in the Statement and recalculated the total without exception.
17. *Fundraising, Marketing and Promotion* – We obtained general ledger detail and compared to total expenses reported without exception. We selected a sample of transactions to view supporting documentation to validate existence of the transactions and accuracy of recording and recalculated totals without exception.

To the Board of Trustees of the
University of Wyoming

Agreed-upon Procedures Related to Affiliates and Outside Organizations

18. The University identified the University of Wyoming Foundation (the Foundation) as an outside intercollegiate athletics-related organization incurring expenses on behalf of athletics which are not under the University's accounting control. We confirmed activity with the Foundation and ensured the activity was included in the Statement.
19. We obtained the audited financial statements as of and for the year ended June 30, 2020 for the Foundation and the management letter for the Foundation noting no matters that would significantly affect the Statement.

Agreed-upon Procedures Related to Internal Control

20. We obtained an understanding of the internal control environment and accounting systems unique to Athletics that have not been addressed in connection with the audit of the University's financial statements. We documented our understanding of these internal controls.

Additional Minimum Agreed-upon Procedures

21. *Grants-in-Aid* – We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA noting a difference in the amount of \$358,195 due to the equivalencies certified and calculated on the 12-credit hour semester as compared to the actual number of credit hours the students are enrolled in for the semester. Institutions are permitted to calculate equivalencies utilizing either process (12 hours or actual) per NCAA bylaws.

We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. See below for variances +/- 4%.

Football had three additional equivalencies awarded during FY2020

Due to COVID-19: Room and board was refunded in March 2020 for the following programs:

Men's Cross Country

Men's Swimming and Diving

Men's Track, Indoor and Outdoor

Men's Wrestling

Women's Basketball

Women's Golf

Women's Soccer

Women's Swimming and Diving

Women's Volleyball

Women's Tennis received less institutional aid in FY20 resulting in more cost to athletics and had 16 more credit hours in FY20

To the Board of Trustees of the
University of Wyoming

22. *Sports Sponsorship* – We obtained the University’s Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the University meet the minimum requirements set forth in 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 requirements. We ensured that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. No exceptions noted.

We compared the current year number of sports sponsored to prior year reported total per the Membership Financial Report submission noting no changes in the number of sports sponsored.

23. *Pell Grants* – We agreed the total number of Division I student athletes that 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 institutions financial aid records, of all student athlete Pell Grants, noting the amounts agreed without exception.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. The variance in grants from prior year to current year was -6.

Agreed-upon Procedures for Other Reporting Items

24. *Excess Transfers to Institution and Conference Realignment Expenses* – We inquired of the University’s management whether there were any excess transfers to the University and conference realignment expenses during the year ended June 30, 2020, and University management represented that there were none.

25. *Total Athletics Related Debt* – The athletics related outstanding as of June 30, 2019 was forgiven in fiscal year 2020. There is no athletics related debt as of June 30, 2020.

26. *Total Institutional Debt* – We agreed the total outstanding University debt of \$77,485,476 which is comprised of revenue bonds totaling \$71,645,000, premiums for revenue bonds of \$2,363,020, and notes payable of \$3,477,456 to supporting documentation and the University’s June 30, 2020, audited financial statements, without exception, for principal and interest payments.

27. *Value of Athletics Dedicated Endowments* – We obtained a confirmation directly from the Foundation of all athletics dedicated endowments maintained by the Foundation. We agreed the fair market value in the schedules to supporting documentation, the general ledger and the University’s June 30, 2020, audited financial statements without exception.

28. *Value of Institutional Endowments* – We agreed the total fair market value of the University’s endowments to supporting documentation, the University’s general ledger and June 30, 2020, audited financial statements without exception.

To the Board of Trustees of the
University of Wyoming

29. *Total Athletics Related Capital Expenditures* – We obtained a schedule of athletics-related capital expenditures made by athletics and the University during the reporting period. We obtained general ledger detail and compared to the total expenses reported without exception. We selected a sample of transactions to validate existence of transactions and accuracy of recording and recalculated totals without exception.

This agreed-upon procedures engagement was conducted 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 a review, the objective of which would be the expression of an opinion or conclusion, respectively, on evaluating whether the University's statement and the related notes were prepared in compliance with the NCAA Bylaw 3.2.4.15.1. 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.

* * * * *

This report is intended solely for the information and use of the specified parties listed above and is not intended to be, and should not be, used by anyone other than these specified parties.

BKD, LLP

Denver, Colorado
November 12, 2020

University of Wyoming
Intercollegiate Athletics Program
Statement of Revenues and Expenses (Unaudited)
Year Ended June 30, 2020

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
Operating Revenues						
Ticket sales	\$ 2,675,332	\$ 430,782	\$ 201,933	\$ 80,463	\$ 319,262	\$ 3,707,772
Direct state or other government support	-	-	-	-	5,000,000	5,000,000
Student fees	-	-	-	-	2,231,580	2,231,580
Direct University support	4,142,293	1,054,641	905,797	4,086,001	3,207,698	13,396,430
Less - transfers to institution	-	-	-	-	(167,574)	(167,574)
Indirect University support	-	-	-	-	519,208	519,208
Guarantees	450,000	55,000	-	1,200	-	506,200
Contributions	-	4,000	-	165,167	8,120,240	8,289,407
In-kind	92,087	51,267	42,835	88,729	515,008	789,926
Compensation and benefits provided by a third party	40,430	30,200	7,250	208,070	50,268	336,218
Media rights	907,010	226,753	-	-	-	1,133,763
NCAA distributions	-	-	-	-	1,038,181	1,038,181
Conference distributions (non-media and non-bowl)	51,919	260,538	56,971	-	-	369,428
Conference distributions of bowl generated revenue	1,486,985	-	-	-	-	1,486,985
Program, novelty, parking and concession sales	450,006	55,484	30,624	10,046	150,021	696,181
Royalties, licensing, advertisement and sponsorships	-	-	-	-	2,113,933	2,113,933
Athletics restricted endowment and investments income	105,164	37,250	72,003	202,759	168,476	585,652
Other operating revenue	11,945	-	-	97,245	1,506,558	1,615,748
Bowl revenues	894,877	-	-	-	-	894,877
	<u>11,308,048</u>	<u>2,205,915</u>	<u>1,317,413</u>	<u>4,939,680</u>	<u>24,772,859</u>	<u>44,543,915</u>
Total operating revenues						

University of Wyoming
Intercollegiate Athletics Program
Statement of Revenues and Expenses (Unaudited) (continued)
Year Ended June 30, 2020

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
Operating Expenditures						
Athletics student aid	2,562,819	407,222	365,714	3,401,403	105,716	6,842,874
Guarantees	625,000	418,871	50,500	30,678	-	1,125,049
Coaching salaries, benefits and bonuses paid by the University and related entities	4,505,519	1,393,827	703,394	2,192,173	-	8,794,913
Coaching salaries, benefits and bonuses paid by a third party	33,930	13,500	6,750	206,370	-	260,550
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	1,134,728	209,058	122,033	259,368	7,868,204	9,593,391
Support staff/administrative compensation, benefits and bonuses paid by a third party	6,500	12,200	500	9,200	47,269	75,669
Severance payments	-	223,968	-	-	-	223,968
Recruiting	393,251	136,856	58,741	114,241	-	703,089
Team travel	1,173,804	444,251	359,465	1,069,560	997	3,048,077
Sports equipment, uniforms and supplies	437,283	40,027	16,025	266,101	52,535	811,971
Game expenses	125,500	188,850	100,062	240,275	691,684	1,346,371
Fundraising, marketing and promotion	4,228	357	-	2,202	4,809,293	4,816,080
Spirit groups	-	-	-	-	116,854	116,854
Athletic facilities debt service, leases and rental fees	-	-	-	-	394,362	394,362
Direct overhead and administrative expenses	79,678	14,648	2,838	16,540	1,367,675	1,481,379
Indirect University support	-	-	-	-	519,208	519,208
Medical expenses and medical insurance	-	-	-	-	985,509	985,509
Memberships and dues	-	-	608	7,592	523,745	531,945
Student-athlete meals (non-travel)	55,703	31,950	8,066	29,271	666,992	791,982
Other operating expenses	143,375	61,102	44,165	122,381	1,113,249	1,484,272
Bowl expenses	869,271	-	-	-	-	869,271
Bowl expenses - coaching compensation/bonuses	241,132	-	-	-	-	241,132
	<u>12,391,721</u>	<u>3,596,687</u>	<u>1,838,861</u>	<u>7,967,355</u>	<u>19,263,292</u>	<u>45,057,916</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (1,083,673)</u>	<u>\$ (1,390,772)</u>	<u>\$ (521,448)</u>	<u>\$ (3,027,675)</u>	<u>\$ 5,509,567</u>	<u>\$ (514,001)</u>

University of Wyoming
Intercollegiate Athletics Program
Notes to the Statement of Revenues and Expenses
Year Ended June 30, 2020
(Unaudited)

Note 1: Summary of Presentation Policies

The accompanying Schedule of Revenues and Expenses presents only the transactions of athletics, which includes the activities of Cowboy Joe Club, an affiliated athletics organization under the University's control, and no other transactions for the University. Cowboy Joe Club activity is supervised by the Senior Associate Athletic Director for Development and Revenue Enhancement. The purpose of the Cowboy Joe Club is to promote the University by providing financial support. Athletics cash is maintained and accounted for within the University's pooled cash.

The accompanying statement of revenues and expenses has been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation is incurred.

For reporting purposes, the primary sports in which athletics participates are reported separately. All other sports have been combined and reported within the category "other sports." The administrative functions of athletics, which supports all sports, have been combined and reported within the category "non-program specific."

Note 2: Concentration of Donor Sources

Cowboy Joe Club is the single largest donor source to athletics with 100% of cash contributions of the total contributions for the year ended June 30, 2020. The cash contributions received from the Cowboy Joe Club represent gifts from various donors made for the benefit of athletics. The Foundation is the single largest source of athletics restricted endowment and investments income. The restricted endowments and investment income are used for various expenses for athletics. The total funds available by the Foundation for the benefit of athletics is \$874,043 as of June 30, 2020.

Note 3: Property, Plant and Equipment

Athletics-related assets are accounted for consistent with the University's policies for property, plant and equipment. Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Property, plant and equipment valued at \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements significantly increase the value or extend the expense of the structure are capitalized. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 50 years for building, 15 to 30 years for land and building improvements and infrastructure, and 3 to 7 years for equipment.

University of Wyoming
Intercollegiate Athletics Program
Notes to the Statement of Revenues and Expenses
Year Ended June 30, 2020
(Unaudited)

At June 30, 2020, athletic property, plant and equipment consisted of:

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020
Cost of capital assets				
Infrastructure	\$ 558,621	\$ -	\$ -	\$ 558,621
Land improvements	10,047,621	-	-	10,047,621
Buildings	166,515,452	1,396,373	-	167,911,825
Equipment	3,034,898	123,395	17,733	3,140,560
	<u>180,156,592</u>	<u>1,519,768</u>	<u>17,733</u>	<u>181,658,627</u>
Accumulated depreciation				
Infrastructure	545,498	1,640	-	547,138
Land improvements	6,103,335	656,911	-	6,760,246
Buildings	39,207,460	2,349,733	-	41,557,193
Equipment	2,228,438	259,166	17,733	2,469,871
	<u>48,084,731</u>	<u>3,267,450</u>	<u>17,733</u>	<u>51,334,448</u>
Net book value	<u>\$ 132,071,861</u>			<u>\$ 130,324,179</u>