

DRAFT 11/07/2018

Cowboy Joe Club

Independent Accountant's Report on the
Application of Agreed-upon Procedures

Year Ended June 30, 2018

Cowboy Joe Club
June 30, 2018

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**Independent Accountant's Report on the
Application of Agreed-upon Procedures**

Board of Trustees
University of Wyoming
Laramie, Wyoming

We have performed the procedures enumerated in the attachment to this report, which were agreed to by the University of Wyoming (the University), on the financial information of the Cowboy Joe Club as of and for the year ended June 30, 2018. The management of the University is responsible for the financial information of the Cowboy Joe Club. 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 in the attachment to this report for the purpose for which this report has been requested or for any other purpose.

The findings obtained are described in the attachment to this report.

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 the financial information of the Cowboy Joe Club. 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.

Denver, Colorado

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The procedures that we performed and our findings are as follows:

Cash

1. We footed the Cowboy Joe Club's June 30, 2018 bank account reconciliation for the accounts held at the University of Wyoming Foundation and Cowboy Joe Club's cash account and compared the balances to the WyoCloud general ledger. No differences were noted in our testing.

Accounts Receivable/Pledges Receivable

1. We obtained a detailed list of accounts receivable at June 30, 2018 and haphazardly selected 10 accounts to perform subsequent receipts testing for the period June 30, 2018 to August 15, 2018 to ascertain validity of the receivable. For the four receivable balances which were collected in this period, we agreed the receipt of cash to the bank deposit. For the remaining six balances not collected we inquired of management regarding collectability and noted all items selected are deemed collectible by management and were properly excluded from the allowance calculation.
2. We inspected 10 deposits, selected haphazardly, that were received subsequent to the year ended June 30, 2018 to determine if they were properly recorded as accounts receivable. We noted that two subsequent receipts were improperly excluded from accounts receivables for golf series pledges received in fiscal year 2018. The total of the two subsequent receipts was \$2,280. Management recorded a journal entry for these items.
3. We obtained the calculation for the allowance for uncollectible accounts at June 30, 2018 and agreed it to the amount recorded on the trial balance. No differences were noted in our testing.
4. We obtained a detailed list of pledges receivable for the most recent drive year and haphazardly selected 10 pledges to perform subsequent receipts testing. For the eight pledge receivable balances which were collected we agreed the receipt of cash to the bank deposit. For the remaining two balances not collected we inquired of management regarding collectability and noted all items selected are deemed collectible by management and were properly excluded from the allowance calculation.
5. We obtained a listing of Wildcatter Club suites and seats and compared the amounts of the accounts receivable, deferred revenue, and revenue to the amounts recorded by management in the trial balance, noting the amounts did not agree due to clerical errors in the listing. Management subsequently updated the listing and recorded a journal entry.
6. We haphazardly selected 10 new agreements from the Wildcatter Club suites/seats listing provided to us and agreed to contract, noting amount, number of seats, and number of years. We noted one contract in which the number of seats on the listing did not agree to the contract. Revenues were overstated by \$128,280. Management recorded a journal entry for this item.

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Life Insurance Policies

1. We obtained life insurance policies owned by the Cowboy Joe Club and compared the cash surrender values on policy statements to the amounts recorded on the general ledger. No differences were noted in our testing.

Corporate Stock and Other Assets

1. We noted no new gifts received or sold during the year, according to our review of the University of Wyoming Foundation reports, and thus we were not able to vouch for three gifts received or sold during the year.

Equipment and Autos

1. We obtained the depreciation schedule for additions and deletions during the year ended June 30, 2018 and traced depreciation expense for the year to the general ledger. No differences were noted in our testing.
2. We noted no additions during the year ended June 30, 2018, per review of the fixed asset schedule and discussion with the Assistant Athletic Director – Business Operations, and thus we were not able to agree three additions during the year to supporting documentation.

Accounts Payable

1. We obtained a listing of accounts payable at June 30, 2018, footed the listing, and agreed it to the general ledger. No differences were noted in our testing.
2. We reviewed expenditures over \$5,000 for the period June 30, 2018 through August 15, 2018 to identify any unrecorded payables and noted a total of \$94,041 of items payed after fiscal year 2018 that related to fiscal year 2018 expenditures. Management recorded a journal entry for these items.

Interfund Transactions

1. We obtained a detailed listing of interfund receivables and payables and ensured that the amounts balanced with the balances reported in the other funds. No differences were noted in our testing.

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Membership Revenue

1. We obtained the year-end report of cash memberships from the membership system, footed the report, and agreed the total amount to the general ledger. We noted the report from the membership did not agree to the trial balance by \$3,297. No adjustment was made for this difference.
2. We obtained a year-end report of gifts-in-kind memberships from the membership system, footed the report, and agreed the total amount to the general ledger. No differences were noted in our testing.
3. We determined that total gifts-in-kind revenue equaled the total gifts-in-kind expense on the general ledger.
4. We traced five memberships from the membership system to the general ledger. No differences were noted in our testing.

Cash Receipts – Membership

1. We selected one month (December 2017) at random and:
 - a. We inspected membership donation batches for the month and traced the amounts to the deposit receipts. We ensured the number of days between the batch date and the date of deposit was five days or less and noted several deposits greater than five days, due to the University of Wyoming being closed for the holidays.
 - b. We inspected the general ledger coding on the membership batches for the month and traced entries for the test month to the general ledger by looking at the activity detail report for the month. We vouched all the debits and credits in the membership related accounts in the Cowboy Joe Club and restricted funds to source documents and noted that one deposit in the amount of \$28,235.29 was not included in the general ledger. Management determined the amount was incorrectly posted to fiscal year 2017 and made a journal entry correcting this error.
2. We traced five credit entries in accounts under the “Membership” revenue grouping to the supporting documentation of cash receipt. No issues were noted in our testing.

Cash Receipts – Miscellaneous

1. We selected one month (June 2018) at random and:
 - a. We obtained the cash receipts recorded on the income transmittals, and agreed them to the deposit receipts, copies of checks/cash, and any attached documentation. We noted that two copies of checks, one in the amount of \$180 and another for \$380 were not

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included with the supporting documentation and we were unable to trace copies of these checks to the applicable deposit receipt.

- b. We obtained support for the cash receipts issued for the month and traced them to the income transmittals and deposit receipts. No issues were noted in our testing.
 - c. We inspected the general ledger coding on the income transmittals for the test month. No issues were noted in our testing.
2. We traced five credit entries in accounts under the “Fund Raising” revenue grouping to the supporting documentation of cash receipt. No issues were noted in our testing.
 3. We documented the procedures used for cash receipts through inquiry of the Cowboy Joe Club accountant, and reviewed the procedures for proper segregation of duties. We noted that there are three people involved in the cash receipting process.

Cash Disbursements

1. We selected one month (September 2017) and:
 - a. We traced a sample of five debit entries in accounts under the “Awards and Membership Benefits” expense grouping and five debit entries in accounts under the “Fund Raising Activities” expense grouping to supporting documentation to disbursement of cash. While all disbursements were properly supported, we noted that one of the five expenditures under the “Awards and Membership Benefits” expense and four of the five expenditures under the “Fund Raising Activities” expense grouping were incorrectly posted in fiscal year 2018, as the items related to fiscal year 2017 expenditures. No adjustment was made for these items.

Travel and Business Meal Expense Documentation

1. We selected one month (April 2018) and:
 - a. We selected one travel expense from the general ledger to vouch to support for the Athletic Director, Associate Athletic Director, and each of the three Cowboy Joe Club Development Officers and reviewed for propriety with travel and business meal expense policies and procedures, noting no unusual expenditures.
 - b. We selected one travel voucher to trace back to the general ledger for the Athletic Director, Associate Athletic Director, and each of the three Cowboy Joe Club Development Officers and reviewed for propriety with travel and business meal expense policies and procedures. We noted that one expense report did not agree to the general ledger detail. The mileage reimbursement on the expense report was \$105.35 however only \$100 was recorded in the general ledger.

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Gifts-In-kind

1. We selected one month (November 2017) and:
 - a. We obtained the membership batch reports and inspected general ledger coding, traced the amounts to the general ledger posting by comparing them to the activity detail report for the month. No issues were noted in our testing.
 - b. We traced a sample of five gifts-in-kind and five auto gift-in-kind donation entries to documentation in the donor's file. No issues were noted in our testing.

Income and Expenses

1. We obtained year-end balances for income and expenses and obtained explanations of the change from prior year for accounts with a change greater than 15% and \$5,000. Explanations provided appeared reasonable.
2. We obtained the annual auction revenues and expenses and obtained explanations of the change from prior year for accounts with a change greater than 15% and \$5,000. No items met scope for testing.
3. We obtained revenue and expenses from one golf tournament (Casper) and obtained explanations of the change in amounts from prior year with a change greater than 15% and \$5,000. No items met scope for testing.

Annual Filings

1. We determined that Form 990 was prepared and filed for the year ended June 30, 2017.
2. We determined that the annual corporate report was filed by reviewing the Wyoming Secretary of State website.

Board Minutes

1. We reviewed Board minutes for the year ended June 30, 2018 and traced actions reported and authorized to transactions reflected in the general ledger. No issues were noted in our testing.

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Endowment Funds

1. We obtained the Endowment accounts detail at year-end and traced the balances to the University of Wyoming Foundation report. We traced the amounts reported in the Cowboy Joe Club's general ledger for endowment accounts to the University of Wyoming Summary Foundation spreadsheet and to the University of Wyoming Foundation general ledger report. No issues were noted in our testing.
2. We obtained the agreements for 10 endowments. We verified that the gift was to the Club (versus the University of Wyoming Foundation) and ensured that the use of principal and interest was specified in the agreement. We noted that one endowment tested, the Ilsley, John P. and Helen L. Scholarship Endowment, was given to the University of Wyoming Foundation and was not named to the Cowboy Joe Club.
3. We noted that there were no additions to the endowment accounts during fiscal year 2018, per our review of the Foundation report, trial balance, and discussion with the Associate Athletic Director for Budgeting & Financial Management and therefore a journal entry was not required to be made by the Club.
4. We noted no activity in the unrestricted endowment accounts during fiscal year 2018, per our review of the trial balance and discussion with the Associate Athletic Director for Budgeting & Financial Management and therefore a journal entry was not required to be made by the Club.
 - a. We noted no interfund transfers of unrestricted investment income from the Club to the Endowment fund during fiscal year 2018.
 - b. We noted no voluntary additions of investment income transferred between the Club and the Endowment fund during fiscal year 2018.
5. We obtained the University of Wyoming Foundation's spreadsheet of investment activity for the Cowboy Joe Club for the year ended June 30, 2018 and traced the journal entries to the general ledger for the following items:
 - a. To record Realized Gains for True Endowments
 - b. To record Unrealized Gains for True Endowments
 - c. To record Realized Gains for Quasi Endowments
 - d. To record Unrealized Gains for Quasi Endowments

We also ensured interfund receivables and payables and interfund transfers balanced with other funds. No issues were noted in our testing.

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Restricted Funds

1. We footed the cash account balances at year-end and traced them to the University of Wyoming Foundation's report balances. No issues were noted in our testing.
2. We obtained the reconciliation of investment income to all of the University of Wyoming Foundation reports current fiscal year income less assessments for the year ended June 30, 2018. No issues were noted in our testing.
3. We reconciled WyoCloud transactions for the year ended June 30, 2018 by running a query on CJC_SCHOLARSHIPS_UW:
 - a. We reviewed cash balances at June 30, 2018, noting no unfunded negative cash balances (WyoCloud natural account 10001).
 - b. We reviewed scholarship expenses for the year on 10 scholarships and agreed to amounts recorded in the trial balance (WyoCloud natural account 40305). No issues were noted in our testing.
 - c. We inspected the Foundation transfers for the year and agreed to scholarship expenses in the trial balance (WyoCloud natural account 53002). No issues were noted in our testing.
4. We traced membership income on the general ledger to the annual membership reconciliation noting it did not agree by \$3,297. No adjustment was made for this difference.
5. We reviewed Steer A Year for unusual activity and obtained information for the following accounts:
 - a. Steers in inventory (account 130.21) at June 30, 2018, and traced amounts to general ledger. No issues were noted in our testing.
 - b. Steer A Year gain on sale (account 451.21) for the year ended June 30, 2018, and noted that the gain was calculated and recorded properly.
 - c. Steer A Year expenses (account 1601.21) for the year ended June 30, 2018 and traced amounts to the general ledger. No issues were noted in our testing.
6. We determined that interfund receivables and payables balanced with other funds.
7. We selected 10 interfund transfers and ensured that the transfers balanced with other funds. No issues were noted in our testing.

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8. We recalculated team fund balances starting with last year's ending balances per the general ledger, adding memberships and donations, less expenditures. We selected five sports teams for testing. We noted that the additions and expenses on the trial balance were understated by \$801 compared to the cheer team balance report. Management recorded an adjusting entry to correct this error.

In addition we selected five additions and five expenses and traced them to supporting documentation. No issues were noted in our testing.

University of Wyoming Operating Funds

1. We footed the University of Wyoming bank account reconciliations at June 30, 2018 and traced them to the WyoCloud report balance. No issues were noted in our testing.
2. We traced expenditures for the year ended June 30, 2018 to the WyoCloud report balances. No issues were noted in our testing.
3. We determined that interfund receivables and payables balanced with other funds.
4. We determined that interfund transfers balanced with other funds.
5. We traced the payroll liabilities at June 30, 2018 to the adjusting journal entry and the general ledger, if applicable, for vacation, part-time salaries and comp time. No issues were noted in our testing.

State Match

1. We obtained a listing of all revenue reports submitted during the fiscal year to the State of Wyoming related to state matching requirements and noted submission occurred in proper timeframe.
2. We selected one quarter and traced 10 donations from the listing to donor net and the corresponding deposit slip to ensure the deposits were recorded in the proper quarter. No issues were noted in our testing.

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Inquiries for Agreed-upon Procedures

We inquired of Tammy Rompola, Cowboy Joe Club Accountant, Rachael Hulet, Associate Athletic Director for Budgeting & Financial Management, and Randy Welniak, Senior Associate Athletic Director – Development & Revenue Enhancement about:

1. Any personal knowledge of fraud or suspected fraud.
2. Any allegations of fraud or suspected fraud made by employees, vendors, customers, or other persons.
3. Areas of operations, types of transactions, or accounts where fraud is more likely to exist.
4. Programs and controls Cowboy Joe Club has established or should establish to mitigate these fraud risks.
5. How management communicates its views on acceptable business practices and ethical behavior to employees.
6. Any other concerns or issues to discuss or have us address during our performance of procedures.
7. Anyone else recommended to interview.

No items of concern were noted from inquiries.