Addendum #2
RFP # 19089 for Audit Services
Additional answers not included in Addendum #1

1. Question: Please provide a copy of the most recently issued mid-year agreed-upon procedures report for WVU.
   Answer: We are unable to provide this information. Information is included as Addendum #2 - Attachment #4.

2. Question: Are the Oracle General Ledger systems leveraged at WVU and WVUP hosted at the schools or outsourced (i.e. cloud-based solution)?
   Answer: We are unable to provide this information. Oracle provides platform-as-a-service solution support for the general ledger system in a US based data center. WVU ITS provides software development and operational support.

3. Question: As mentioned in Section 4.3, “WVU undergoes a mid-year agreed-upon procedure annually to meet the interim reporting requirements defined by its Board of Governors.” Please provide us a copy of the most recent agreed upon procedures report and the timing of the completion of those procedures.
   Answer: We are not able to provide this information. Information is included as Addendum #2 - Attachment #1.
INDEPENDENT ACCOUNTANTS’ REPORT
ON APPLYING AGREED-UPON PROCEDURES

West Virginia University and
West Virginia University Research Corporation
Morgantown, West Virginia

We have performed the procedures enumerated below, which were agreed to by West Virginia University and West Virginia University Research Corporation (University, you or your) solely to assist you with respect to the procedures agreed upon for the six month period ending December 31, 2017. The University’s management is responsible for the following procedures. 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We obtained the bank reconciliations and statements for all bank accounts as of December 31, 2017 and January 31, 2018 for the University (excluding WVU Research, WVU Athletic Department Clearing Account, WVU Athletic Department Game Advance Account, WVU Mountainlair Advance Account, WVUIT Athletic Department account and OASIS bank accounts) and performed the following procedures:

   a. Using the December 31, 2017 bank reconciliation, we compared the reconciled bank balance to the general ledger as of December 31, 2017 for the above noted bank accounts. We noted no exceptions.

   b. We identified and selected checks over $1,000,000 that cleared the bank on each of the January 2018 bank statements. If the check was dated prior to January 1, 2018, we sighted that the check was on the outstanding check list and determined if the check was properly included in the December 31, 2017 bank reconciliation as an outstanding check. If the check was dated subsequent to the December 31, 2017 bank reconciliation, we scanned the list to determine if the check was properly not included in the December 31, 2017 bank reconciliation outstanding check list. We noted no exceptions.

   c. We identified and selected deposits over $1,000,000 that cleared the bank on the January 2018 bank statements. If the deposit was dated prior to January 1, 2018, we sighted that the deposit was on the deposit in transit list to determine if the deposit was included in the December 31, 2017 bank reconciliation as a deposit in transit. If the deposit was dated subsequent to December 31, 2017, we scanned the list to determine if the deposit was properly not included in the December 31, 2017 bank reconciliation as a deposit in transit. We noted no exceptions.

   d. We used the December 31, 2017 bank reconciliations to identify and select checks over $1,000,000 that were included on the outstanding check list but did not clear the January 2018 bank statement. With the identified checks, we obtained the supporting documentation to determine if it was dated prior to January 1, 2018. We noted no exceptions.
2. We selected capital asset additions greater than or equal to $2,000,000 from the schedule of additions provided by the University, excluding library and software additions, as they are capitalized at year-end. We noted there were five capital asset additions over $2,000,000 for the period of July 1, 2017 to December 31, 2017 and all related to building construction or renovation. We selected the largest invoices associated with each selected project to achieve a minimum of 65% of the dollar value of the project and determined, based on the University’s capitalization policy, if the amount should be included as a capital asset addition for the six-month period ended December 31, 2017. We noted no exceptions.

3. We recalculated the following balances in accordance with the “University’s Methodology for Certain Adjustments to the Quarterly Financial Statements FY 2018” (the Methodology) for the six months ended December 31, 2017, as supported by the applicable workpapers prepared by management, and agreed such amounts to the balances recorded in the unaudited financial statements. NOTE: We did not look at supporting documentation to ensure the numbers were accurate, but rather recalculated the balances to ensure they were reasonable.

   a. We noted the compensated absences accrual of $24,412,620 tied to our recalculated balance without exception. Additionally, the compensated absences accrual agreed to the unaudited financial statements at December 31, 2017. We noted no exceptions.

   b. We noted the $3,326,000 liability accrued relating to other post-employee benefits during the period from July 1, 2017 to December 31, 2017 tied to our recalculated balance without exception. In addition to that, the total liability for OPEB tied to the unaudited financial statements at December 31, 2017. We noted no exceptions.

4. We obtained management’s calculation of the unearned revenue for tuition and fees as of December 31, 2017. We recalculated the unearned revenue for tuition and fees as of December 31, 2017 as defined in the “University’s Methodology for Certain Adjustments to the Quarterly Financial Statements FY 2018” (the Methodology), as prepared by the University’s management, which details specific University policy for calculating these amounts. We recalculated the unearned revenue for (1) tuition and (2) fees as of December 31, 2017 and noted the two balances ($209,310,488 and $1,261,308, respectively) each tied to University’s calculation. We noted no exceptions.

5. We computed the difference between actual revenues and expenses reported on the unaudited financial statements for the six-month period ended December 31, 2017 and 2016. For any differences in revenues and expenses which were greater than or equal to $1,000,000 and 10% of the six-month period ended December 31, 2017 amounts, we then inquired of the department management regarding reason for the variances. Note: we did not vouch any documents, but rather ensured the explanations appeared reasonable. We found all variance descriptions to be reasonable. We noted no exceptions.

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 audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures. 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 West Virginia University and West Virginia University Research Corporation and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
February 21, 2018