

University of Wyoming
(A Component Unit of the State of Wyoming)
Independent Auditor's Report and Financial Statements
June 30, 2021 and 2020

University of Wyoming
(A Component Unit of the State of Wyoming)
June 30, 2021 and 2020

Contents

Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Financial Statements	
Statements of Net Position	18
University of Wyoming Foundation – Statements of Financial Position	20
Statements of Revenues, Expenses and Changes in Net Position	21
University of Wyoming Foundation – Statements of Activities	23
Statements of Cash Flows	24
Notes to Financial Statements	27
Required Supplementary Information	
Schedule of the University’s Proportionate Share of the Net Pension Liability Wyoming Retirement System Public Employees’ Pension Plan.....	95
Schedule of University Pension Contributions Wyoming Retirement System Public Employees’ Pension Plan.....	96
Schedule of the University’s Proportionate Share of the Net Pension Liability Wyoming Retirement System Law Enforcement Retirement Fund	97
Schedule of University Pension Contributions Wyoming Retirement System Law Enforcement Retirement Fund	98
Schedule of Changes in the University’s Total OPEB Liability and Related Ratios University of Wyoming Board Retirement.....	99
Schedule of the University’s Proportionate Share of the Total OPEB Liability State of Wyoming Employee Group Insurance Retiree Health Plan.....	100

Independent Auditor's Report

Board of Trustees
University of Wyoming
Laramie, Wyoming

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the University of Wyoming (the University), collectively a component unit of the State of Wyoming, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the University of Wyoming Foundation (the Foundation), the discretely presented component unit of the University. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Trustees
University of Wyoming

Opinions

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the 2020 beginning net position has been restated to correct certain errors. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

BKD, LLP

Denver, Colorado
November 18, 2021

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Overview

We are pleased to present this management's discussion and analysis (MD&A) for the University of Wyoming (the University or UW). The MD&A is intended to make the University's financial statements easier to understand and to communicate UW's financial situation in an open and accountable manner. This section of the financial report provides an objective discussion and analysis of the financial performance of the University for the fiscal years ended June 30, 2021 (FY 2021) and June 30, 2020 (FY 2020), with comparative information for the fiscal year ended June 30, 2019 (FY 2019). The MD&A provides an analysis of UW's financial activities based on currently known facts, decisions, or existing conditions. University management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, and related footnote disclosures.

The presented information relates to the financial activities of the University, and focuses on the financial condition and results of operations as a whole. The financial statements for the University of Wyoming Foundation (the Foundation), a legally separate organization whose operations benefit the University, is discretely presented within UW's financial statements. In addition to the Foundation, the University's financial statements include the financial activities of two blended component units: the Cowboy Joe Club and the Alumni Association.

Understanding the Financial Statements

Financial highlights are presented in this discussion and analysis to help your assessment of the University's financial activities. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements, which have the following parts:

- The ***Statements of Net Position*** present the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at a point in time (June 30, 2021 and 2020). Its purpose is to present a financial snapshot of the University. This statement aids readers in determining the assets available to continue the University's operations. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of UW is improving or deteriorating.
- The ***Statements of Revenues, Expenses and Changes in Net Position*** present the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time (the fiscal years ended June 30, 2021 and 2020). Its purpose is to assess UW's operating results.
- The ***Statements of Cash Flows*** present the University's cash receipts and payments during a period of time (the fiscal years ended June 30, 2021 and 2020). Its purpose is to assess UW's ability to generate net cash flows and meet its payment obligations as they come due.
- ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as Notes. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found. We suggest that you combine this financial analysis with relevant nonfinancial indicators to assess the overall health of the University.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Financial Highlights

Comparison of fiscal year 2021 to fiscal year 2020

The University's financial position at June 30, 2021, reflects the following changes versus the previous fiscal year ended June 30, 2020.

- Total Assets increased \$104.6 million to \$1,826.4 million at June 30, 2021 due to an \$82.3 million increase in the value of endowed investments and \$17.8 million of appropriation recorded in FY 2021 for Major Maintenance.
- Total Liabilities increased \$91.7 million to \$601.5 million primarily due to a \$79.7 million increase in the University's pension and other post-employment benefit liabilities which fluctuates based on the actuarial assumptions used to calculate the respective liabilities. In addition, there was a \$15.0 million increase in unearned revenue, the most significant increase related to \$8.7 million for Higher Education Emergency Relief Fund III revenue replacement that will be recognized in FY 2022 when the student portion of the award is expended.
- Deferred Outflows of Resources increased \$56.7 million to \$125.7 million due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.
- Deferred Inflows of Resources decreased \$16.2 million to \$70.4 million due to the purchase of Bison Run which eliminated the \$11.6 million service concession arrangement. There was also a \$4.8 million change in the actuarial assumption in the University's pension and other post-employment benefit liability.
- Net position increased \$85.8 million to \$1,280.2 million at June 30, 2021.

Changes to revenues and expenses comparing the fiscal years ending June 30, 2021 to June 30, 2020 were the following:

- Operating revenues decreased \$14.8 million to \$234.5 million for FY 2021, primarily due to \$9.3 million lower auxiliary revenue due to COVID-19, \$6.4 million lower tuition and fees due to COVID-19, and a \$4.6 million reduction to tuition and fees associated with higher scholarship allowance for FY 2021.
- Operating expenses increased \$33.3 million to \$594.8 million due to \$23.9 million of increased scholarship expenses associated with provisions of the CARES Act. These expenditures were recovered under the CARES Act.
- Nonoperating expenses increased \$18.7 million due to COVID-19 testing and PPE supplies in FY 2021. There was no comparable amount in FY 2020.
- Nonoperating revenues increased \$158.0 million to \$442.9 million. The increase is due to \$85.7 million of additional revenues received under provisions of the CARES Act and \$80.3 million of increased investment income, partially offset by \$6.8 million lower state appropriation.
- State appropriation for capital, gifts for capital, and additions to endowments increased \$9.5 million to \$25.3 million primarily due to the appropriation recorded in FY 2021 for Major Maintenance.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

- Overall financial results for FY 2021 were an increase in net position of \$85.8 million versus a \$15.0 million decrease in net position in FY 2020.

Other highlights for FY 2021 include:

- Capital expenditures for FY 2021 totaled \$125.9 million. Significant capital spending included \$47.3 million on the UW Science Initiative Building, \$17.5 million on the West Campus Energy Plant, and \$14.4 million on Bison Run.
- On June 1, 2021, the University issued \$63.0 million of bonds at a premium of \$9.8 million for net proceeds, after expenses, of \$72.1 million. Of the proceeds, \$59.4 million was used to advance refund existing debt and \$12.7 million was used in the purchase of Bison Run.
- In addition while not occurring in FY 2021, on August 17, 2021 the University issued \$203.9 million of bonds that will be used to finance construction of new dormitories, dining facility, and parking garage.

Comparison of fiscal year 2020 to fiscal year 2019

The University's financial position at June 30, 2020, reflects the following changes versus the previous fiscal year ended June 30, 2019.

- Total Assets decreased \$27.4 million to \$1,721.8 million at June 30, 2020.
- Total Liabilities decreased \$42.7 million to \$509.8 million due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.
- Deferred Outflows of Resources decreased \$18.7 million to \$69.0 million due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.
- Deferred Inflows of Resources increased \$38.8 million to \$86.6 million due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liability.
- Net position decreased \$15.0 million to \$1,194.4 million at June 30, 2020 as a result of FY 2020 activity and decreased \$27.2 million for a prior period adjustment – see Note 3.

Changes to revenues and expenses comparing the fiscal years ending June 30, 2020 to June 30, 2019 were the following:

- Operating revenues increased \$9.2 million to \$249.3 million for FY 2020, primarily due to \$4.1 million higher tuition, \$2.5 million higher other operating revenue, and \$2.2 million higher grant revenue.
- Operating expenses increased 2.3% or \$12.9 million to \$561.5 million due to \$10.6 million higher personnel expenses and \$8.6 million higher depreciation, offset by \$6.3 million lower other expenses.
- Nonoperating revenues decreased \$2.5 million to \$284.9 million.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

- State appropriation and gifts for capital and additions to endowments decreased \$37.5 million to \$15.8 million due to lower state appropriation for capital purposes. All remaining capital appropriations were recognized in FY 2019.
- Overall financial results for FY 2020 were a decrease in net position of \$15.0 million versus a \$28.6 million increase in net position in FY 2019.

Statements of Net Position

The Statement of Net Position is a snapshot of the University's financial resources at June 30, 2021. This statement presents:

- The fiscal resources of the University identified as assets;
- the use of net position that applies to future periods identified as deferred outflows of resources;
- the claims against those resources identified as liabilities;
- the acquisition of net position that applies to future periods identified as deferred inflows of resources;
- and the residual net resources available for future operations identified as net position.

The Statement of Net Position is prepared using the accrual basis of accounting and an accounting methodology similar to that used by private sector companies. Assets and liabilities are classified by liquidity as either current or noncurrent. Net position is classified in three basic categories: net investment in capital assets, restricted, or unrestricted. The Statement of Net Position presents information on all of the University's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The difference between these financial statement elements is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the strength of the financial position of the University. Consideration of other nonfinancial factors may be relied upon to assess the overall health of the University.

Restatement of Prior Year Financial Statements

Subsequent to the issuance of the University's 2020 financial statements, the University identified grants receivable was overstated by \$27.2 million due to errors in revenue recognition for the years ended June 30, 2018 and June 30, 2019. Accordingly, the 2020 beginning net position and grants receivable has been reduced \$27.2 million.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Condensed Statements of Net Position
(in millions)

	Fiscal Year		
	2021	2020	2019
Current assets	\$ 215.2	\$ 345.4	\$ 429.8
Noncurrent assets:			
Investments	429.1	266.9	258.9
Other assets	120.4	113.2	94.0
Capital assets, net of accumulated depreciation	1,061.7	996.3	966.5
Total Assets	<u>1,826.4</u>	<u>1,721.8</u>	<u>1,749.2</u>
Deferred outflows of resources - Pension & OPEB	123.6	66.7	87.3
Other deferred outflows	2.1	2.3	0.4
Total deferred outflows of resources	<u>125.7</u>	<u>69.0</u>	<u>87.7</u>
Total Assets and Deferred Outflows of Resources	<u>1,952.1</u>	<u>1,790.8</u>	<u>1,836.9</u>
Current liabilities	98.8	97.2	92.8
Noncurrent liabilities:			
Pension & OPEB	384.3	304.6	347.1
Other noncurrent liabilities	118.4	108.0	112.6
Total Liabilities	<u>601.5</u>	<u>509.8</u>	<u>552.5</u>
Deferred inflows of resources - Pension & OPEB	70.1	74.9	35.5
Deferred inflows of resources - other	0.3	11.7	12.3
Deferred inflows of resources	<u>70.4</u>	<u>86.6</u>	<u>47.8</u>
Total Liabilities and Deferred Inflows of Resources	<u>671.9</u>	<u>596.4</u>	<u>600.3</u>
Net Position:			
Net investment in capital assets	965.3	896.0	860.7
Restricted:			
Nonexpendable	306.6	224.3	221.9
Expendable	170.2	217.8	301.7
Unrestricted	(161.9)	(143.7)	(147.7)
Total Net Position	<u>\$ 1,280.2</u>	<u>\$ 1,194.4</u>	<u>\$ 1,236.6</u>

*FY 2020 information was updated to reflect the restatement; however, no adjustment was made to FY 2019.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Statements of Net Position

Comparison of fiscal year 2021 to fiscal year 2020

The University's financial position at June 30, 2021, reflects the following changes versus the previous fiscal year ended June 30, 2020.

Current assets decreased \$130.2 million to \$215.2 million at June 30, 2021. This decrease was driven by the following items:

- A \$61.0 million decrease in the net cash and short term investments balances. This decrease is offset by \$16.2 million higher restricted cash balance and \$74.5 million of long term investments in noncurrent assets. In FY 2021, a new investment strategy was implemented to invest in instruments with maturities greater than one year. As such, \$74.5 million of the portfolio was moved into longer term investments.
- A \$74.5 million decrease in the receivable balance from the state of Wyoming. The receivable for the state of Wyoming is lower due to payments received in FY 2021 for the Science Initiative Building. The receipt of these payments from the state of Wyoming were used to make payments to 3rd parties for the ongoing cost of the Science Initiative Building.

Other noncurrent assets and investments increased \$169.4 million to \$549.5 million. The increase was primarily driven by the following items:

- An \$82.3 million increase in long term investments which are held by the University of Wyoming Foundation.
- A \$74.5 million increase in other long term investments. As noted in the current assets section, in FY 2021 a new investment strategy was implemented that included instruments with maturities greater than 1 year that are classified as noncurrent assets.
- A \$16.2 million increase in restricted cash due to the timing of when restricted cash is received and when the associated payments occur for several ongoing capital projects.

Capital assets, net of accumulated depreciation, increased by \$65.4 million to \$1,061.7 million. Capital additions totaled \$125.9 million, partially offset by FY 2021 depreciation expenses of \$44.9 million and \$15.6 million of asset retirements, primarily due to the disposal of the asset recorded under the service concession arrangement.

Current liabilities increased by \$1.6 million to \$98.8 million. Unearned revenue increased \$15.0 million, the most significant increase related to \$8.7 million for Higher Education Emergency Relief Fund III that will be recognized in FY 2022. The increase was offset by an \$8.0 million decrease in deposits held in custody for others related to the termination of the service concession arrangement and the adoption of GASB Statement No. 84, *Fiduciary Activities* and an \$8 million decrease in payables to the state of Wyoming.

Noncurrent liabilities increased \$90.1 million to \$502.7 million. Changes to the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities account for \$79.7 million of the increase. Bonds payable increased \$7.2 million due to the new bonds issued which was used to retire existing debt and purchase of Bison Run.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Deferred Outflows of Resources increased \$56.7 million to \$125.7 million due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.

Deferred Inflows of Resources decreased \$16.2 million to \$70.4 million. The decrease was due to \$11.6 million associated with the purchase of Bison Run which eliminated the amount previously classified as a service concession agreement and a \$4.8 million decrease due to changes in the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.

The University's \$1,280.2 million net position at June 30, 2021 consists of the below components:

- Unrestricted net position at June 30, 2021 is negative (\$161.9 million). Unrestricted net position is comprised of \$174.3 million, which may be used to meet the University's ongoing obligations, less the University's negative unrestricted net position for pension and OPEB related items of totaling (\$336.2 million).
- Restricted net position was \$476.8 million, which is externally restricted by donor, grantor, or creditors.

Net investment in capital assets totaled \$965.3 million.

Comparison of fiscal year 2020 to fiscal year 2019

The University's financial position at June 30, 2020, reflects the following changes versus the previous fiscal year ended June 30, 2019.

Current assets decreased \$84.4 million to \$345.4 million at June 30, 2020. This decrease was driven by \$78.7 million lower receivable from the state of Wyoming. The receivable for the state of Wyoming is lower due to payment of \$73.8 million for the Engineering Education and Research Building (EERB).

Other noncurrent assets and investments increased \$27.2 million to \$380.1 million. The increase was driven by \$16.6 million higher long-term investments and restricted cash and \$11.0 million receivable from the state of Wyoming to reflect the estimated final payment date for the Science Initiative building in FY 2021.

Capital assets, net of accumulated depreciation, increased by \$29.8 million to \$996.3 million. Capital additions totaled \$84.1 million, partially offset by FY 2020 depreciation expenses of \$51.4 million and \$2.9 million of retirements.

Current liabilities increased by \$4.4 million to \$97.2 million. The increase is primarily related to an \$8 million payable to the state of Wyoming at June 30, 2020.

Noncurrent liabilities decreased \$47.2 million to \$412.6 million. Changes to the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities account for \$42.5 million of the decrease. Bonds payable decreased \$5.4 million due to normal debt service payments.

Deferred Outflows of Resources decreased \$18.7 million to \$69.0 million due to changes with the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.

Deferred Inflows of Resources increased \$38.8 million to \$86.6 million due to changes associated with the actuarial assumptions used to calculate the University's pension and other post-employment benefit liabilities.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

The University's \$1,194.4 million net position at June 30, 2020 consists of the below components:

- Unrestricted net position at June 30, 2020 is negative (\$143.7 million). Unrestricted net position is comprised of \$151.0 million, which may be used to meet the University's ongoing obligations, less the University's negative unrestricted net position for pension and OPEB related items of totaling (\$294.7 million).
- Restricted net position was \$442.1 million, which is externally restricted by donor, grantor, or creditors.
- Net investment in capital assets totaled \$896.0 million.
- Subsequent to the issuance of the University's 2020 financial statements, the University identified grants receivable was overstated by \$27.2 million due to errors in revenue recognition for the years ended June 30, 2018 and June 30, 2019. Accordingly, the 2020 beginning net position has been reduced \$27.2 million.

Statements of Revenues, Expenses and Changes in Net Position

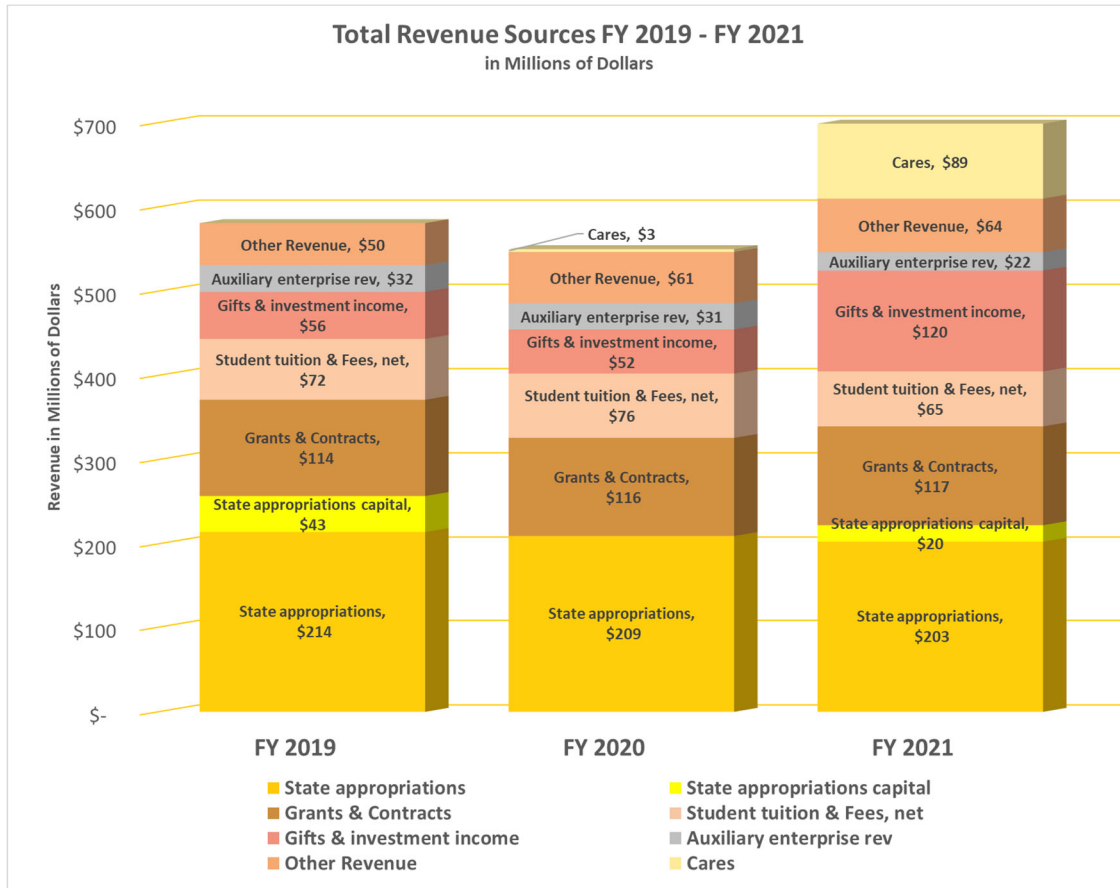
The statement of revenues, expenses and changes in net position present the financial activity of the University over the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. A key component of this statement is the differentiation between operating and nonoperating activities.

Condensed Statements of Revenues, Expenses and Changes in Net Position
(in millions)

	Fiscal Year		
	2021	2020	2019
Operating revenues	\$ 234.5	\$ 249.3	\$ 240.1
Operating expenses	(594.8)	(561.5)	(548.6)
Operating loss	(360.2)	(312.2)	(308.5)
Nonoperating revenue	442.9	284.9	287.4
Nonoperating expenses	(22.2)	(3.5)	(3.6)
Income (loss) before other revenue, expenses, gains & losses	60.5	(30.8)	(24.6)
State Appropriations restricted for capital purposes, capital gifts & additions to permanent endowments	25.3	15.8	53.2
Increase (Decrease) in Net Position	85.8	(15.0)	28.6
Net Position-beginning of year	1,194.4	1,236.6	1,208.0
Restatement to prior period		(27.1)	
Net Position beginning of year, as restated		1,209.4	
Net Position-End of Year	\$ 1,280.2	\$ 1,194.4	\$ 1,236.6

*The beginning net position balance was restated for FY 2020, no adjustment was made to FY 2019.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management’s Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020



Operating revenues are derived from tuition and fees, auxiliary activity, grants and contracts, and other operating revenues earned by providing goods and services to the various customers of the University.

Nonoperating revenues include investment income, state appropriations, Pell grant revenue, capital grants and gifts, and gains or losses on the disposal of assets. These revenues are not earned from the sale of goods and services and are considered nonoperating. Nonoperating expenses include COVID-19 expenses for testing and personal protective equipment, bond issuance expenses, and interest expense.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Revenues – Comparison of fiscal year 2021 to fiscal year 2020

The University's financial position at June 30, 2021, reflects the following revenue changes versus the previous fiscal year ended June 30, 2020.

Revenue from all sources, net of scholarship allowances, increased \$152.7 million to \$702.7 million for FY 2021.

Operating revenues decreased \$14.8 million to \$234.5 million for FY 2021, primarily due to \$9.3 million lower auxiliary revenue due to COVID-19, \$6.4 million lower tuition and fees due to COVID-19, and a \$4.6 million reduction to tuition and fees associated with higher scholarship allowance for FY 2021. The decrease is partially offset by \$3.5 million higher other operating revenue and \$1.8 million higher clinic revenue.

Reporting standards require tuition and fees to be shown net of scholarship allowances, which were \$45.8 million and \$41.2 million for FY 2021 and FY 2020, respectively. Scholarship allowances are those portions of tuition and fees that are paid by other revenues, primarily federal and state grants for financial aid and general institutional scholarships (see Note 1).

Nonoperating revenues increased \$158.0 million to \$442.9 million. The increase is due to \$85.7 million increase in revenues associated with the CARES Act and \$80.3 million of increased investment income. The increase was partially offset by \$6.8 million lower state appropriations.

State appropriation for capital, gifts for capital, and additions to endowments increased \$9.5 million to \$25.3 million primarily due to the appropriation recorded in FY 2021 for Major Maintenance.

Revenues – Comparison of fiscal year 2020 to fiscal year 2019

The University's financial position at June 30, 2020, reflects the following revenue changes versus the previous fiscal year ended June 30, 2019.

Net revenue from all sources, net of scholarship allowances, decreased \$30.7 million to \$550.0 million for FY 2020.

Operating revenues increased \$9.2 million to \$249.3 million. The increase is primarily due to \$4.1 million higher tuition, \$2.5 million higher other operating revenue, and \$2.2 million higher grant revenue.

Reporting standards require tuition and fees to be shown net of scholarship allowances, which were \$41.2 million and \$40.6 million for FY 2020 and FY 2019, respectively. Scholarship allowances are those portions of tuition and fees that are paid by other revenues, primarily federal and state grants for financial aid and general institutional scholarships (see Note 1).

Nonoperating revenues decreased \$2.5 million to \$284.9 million.

State appropriations for capital, gifts for capital, and additions to endowments decreased \$37.4 million to \$15.8 million due to lower state appropriation for capital purposes. All remaining capital appropriations for the Biennium 2019-2020 were recognized in FY 2019.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Expenses – Management's Analysis of Natural Expense Classifications

The following table illustrates expenses by natural classifications, which represents expenses by type, regardless of the program or service.

	Fiscal Years		
	2021	2020	2019
Compensation and benefits	\$ 361.5	\$ 348.5	\$ 337.2
Supplies and support services	141.1	132.9	143.2
Scholarships and aid	47.3	28.7	25.4
Depreciation	44.9	51.4	42.8
Subtotal Operating Expenses	\$ 594.8	\$ 561.5	\$ 548.6
COVID-19 Expenses*	18.2	-	-
Other Expenses	4.0	3.5	3.6
Subtotal Nonoperating Expenses	\$ 22.2	\$ 3.5	\$ 3.6
Total Expenses	\$ 617.0	\$ 565.0	\$ 552.2

*Contains \$2.1 million of compensation and benefits not in operating expenses.

Expenses – Comparison of fiscal year 2021 to fiscal year 2020

The University's financial position at June 30, 2021, reflects the following expense changes versus the previous fiscal year ended June 30, 2020.

Total expenses increased 9.2% or \$52.0 million to \$617.0 million in FY 2021.

Compensation and Benefits increased \$13.0 million or 3.7% to \$361.5 million. The increase was primarily driven by:

- \$5.2 million higher fringe benefits primarily related to increase in health insurance premiums.
- \$3.3 million higher accruals related to compensated absences.
- \$3.2 million of personnel costs reimbursed under the CARES Act.
- \$1.1 million due to expense incurred for retiree health insurance that the state paid during a rate holiday in FY 2020 and FY 2019.

Supplies and support services increased \$8.2 million or 6.2% to \$141.1 million. The increase was driven by \$16.2 million of expenses reimbursed under the CARES Act. These increased costs were partially offset by \$7.2 million of lower travel and hosting related expenses.

Scholarship and aid expense increased \$18.6 million to \$47.3 million. The increase was due to scholarships given out under provisions of the CARES Act. These increased expenditures were covered by funds received under the CARES Act.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Depreciation decreased \$6.5 million to \$44.9 million. The decrease is primarily due to additional depreciation recorded in FY 2020 relate to donated lab equipment.

COVID-19 Expenses – For FY 2021, \$18.2 million of expenses were categorized as non-operating expenses. These are the expenses directly related to mitigation of COVID-19. These expenses were for \$14.3 million of testing for COVID-19 and \$3.9 million for PPE to mitigate COVID-19 exposure and spread. These increased expenditures were covered by funds received under the CARES Act

Expenses – Comparison of fiscal year 2020 to fiscal year 2019

The University's financial position at June 30, 2020, reflects the following expense changes versus the previous fiscal year ended June 30, 2019.

Total expenses increased 2.3% or \$12.8 million to \$565.0 million in FY 2020.

- Compensation and benefits increased 3.4% or \$11.3 million to \$348.5 million. The increase was due to higher salary, wages, and associated fringe.
- Supplies and support services decreased 7.2% or \$10.3 million to \$132.9 million. The decrease was primarily driven by lower travel expenses and lower reversions.
- Scholarship and aid expenses increased \$3.3 million to \$28.7 million.
- Depreciation expense increased \$8.6 million to \$51.4 million in FY 2020 due to assets placed into service and depreciation commencing on these assets.

Statements of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the past fiscal year.

The primary cash received from operating activities includes tuition and fees, grant and gift revenues, and auxiliary revenue. Cash outlays for operations include payments for salaries, wages, benefits, supplies, and services.

Condensed Statements of Cash Flows
(in millions)

	Fiscal Years		
	2021	2020	2019
Cash provided by (used in):			
Operating activities	\$ (289.3)	\$ (253.0)	\$ (227.9)
Noncapital financing activities	336.4	271.8	270.8
Investing activities	53.8	(38.6)	41.5
Capital and related financing activities	(23.5)	(3.5)	(77.9)
Net increase (decrease) in cash	77.4	(23.3)	6.5
Cash and cash equivalents, beginning of the year	158.5	181.8	175.3
Cash and cash equivalents, End of the Year	\$ 235.9	\$ 158.5	\$ 181.8

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Comparison of fiscal year 2021 to fiscal year 2020

The University's cash flow for FY 2021, reflects the following changes versus the previous fiscal year.

Overall cash and cash equivalents increased \$77.4 million to \$235.9 million. The increase in FY 2021 is primarily related to changes in the mix of cash and cash equivalents versus the amount of short and long-term investments which are not counted as cash. Partially offsetting the increase in cash is a \$42.3 million decrease in non-foundation short and long term investment balances.

Comparison of fiscal year 2020 to fiscal year 2019

The University's cash flow for FY 2020, reflects the following changes versus the previous fiscal year.

Overall cash and cash equivalents decreased \$23.3 million to \$158.5 million. The decrease is primarily caused by \$25.8 million in increased spending versus FY 2019. Changes to capital and investing related cash flows versus FY 2019 largely offset each other. The decrease in cash associated with cash used in investing activities is offset by an increase in short-term investments which are not classified as cash.

Capital Activity

The University of Wyoming has long recognized that one of the critical factors in continuing the quality of academic and research programs and improving students' experience and environment, is a commitment to the development and renewal of its capital assets. Extraordinary funding by the Wyoming State Legislature, coupled with generous private donations continues to provide the opportunity for UW to make great strides toward the fulfillment of its Capital Facilities Plan.

Capital Assets
(in millions)

	Fiscal Years		
	2021	2020	2019
Buildings	\$ 1,155.3	\$ 1,145.6	\$ 1,129.5
Land and land improvements	46.4	45.2	42.2
Infrastructure	19.7	19.7	19.7
Construction in progress	145.3	66.0	35.3
Equipment	220.7	208.1	183.8
Library materials	28.3	29.5	30.8
Total cost of capital assets	1,615.7	1,514.1	1,441.3
Less accumulated depreciation	(554.0)	(517.8)	(474.8)
Capital Assets, net of depreciation	\$ 1,061.7	\$ 996.3	\$ 966.5

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

Comparison of fiscal year 2021 to fiscal year 2020

Capital Assets, net of depreciation increased \$65.4 million to \$1,061.7 million for FY 2021. The increase was primarily driven by \$125.9 million of capital spending in FY 2021. Significant capital spend included \$47.3 million on the UW Science Initiative Building, \$17.5 million on the West Campus Energy Plant, \$14.4 million on Bison Run, \$9.0 million related to utility relocation, and \$7.0 million on Harney Street Medical building. Reducing Capital Assets, net of depreciation, was \$44.9 million of annual depreciation. Also reducing Capital Assets, net of depreciation was \$15.6 million of asset retirements, which primarily relates to the disposal of the asset recorded under the service concession arrangement.

Comparison of fiscal year 2020 to fiscal year 2019

Capital Assets, net of depreciation increased \$29.8 million to \$996.3 million for FY 2020. The increase was primarily driven by \$84.1 million of capital spending in FY 2020. Significant capital spend included \$21.7 million on equipment, \$19.8 million on the UW Science Initiative Building, \$10.7 million on the West Campus Energy Plant, \$8.1 million on the Engineering and Education and Research Building, and \$4.5 million on Research Aircraft. Reducing Capital Assets, net of depreciation was \$51.4 million of annual depreciation and \$2.9 million of asset retirements.

Debt Activity

		Debt		
		(in millions)		
		Fiscal Years		
		2021	2020	2019
Revenue Bonds Payable	Current Portion	\$ 5.6	\$ 5.6	\$ 5.4
	Noncurrent Portion	75.6	68.4	74.5
Notes Payable	Current Portion	0.4	0.4	0.3
	Noncurrent Portion	3.1	3.1	3.5
Total		<u>\$ 84.7</u>	<u>\$ 77.5</u>	<u>\$ 83.7</u>

FY 2021 Activity

On June 1, 2021, \$40.9 million of 2021 Series A Bonds and \$22.1 million of 2021 Series B Bonds were issued. The 2021 Series A Bonds were issued at a premium of \$9.0 million and the 2021 Series B Bonds were issued at a premium of \$0.8 million. Proceeds, net of cost of issuance and underwriters discount, were \$49.5 million for the 2021 Series A Bonds and \$22.6 million for the 2021 Series B Bonds. The University received no net cash as part of the issuance of the bonds issuance. The full \$72.1 million of funds were used for the following:

- \$59.4 million was used to advance refund the 2010 Series B \$16.1 million, 2010 Series C \$18.0 million, 2011 Series B \$2.6 million, 2012 Series A \$18.3 million, and 2012 Series B \$3.3 million, and interest \$1.1 million for interest service.
- \$12.7 million was used in the acquisition of Bison Run.

Also on June 1, 2021, the regularly scheduled \$5.6 million principal payment was made on the existing debt prior to the new bond issuance and associated refunding of bonds.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2021 and 2020

FY 2020 and FY 2019 Activity

There was no new debt issued in FY 2020 or FY 2019. Total debt payable was \$77.5 million and \$83.7 million in FY 2020 and FY 2019. The yearly decrease reflects the annual amount of debt retired as part of regularly scheduled debt payments.

Economic Outlook

The University of Wyoming has enjoyed an enviable level of financial support from the state legislature for many years relative to most other public institutions of higher education. As the State of Wyoming's only public research higher education institution, UW has consistently received extraordinary, stable support from the Governor, the Wyoming Legislature, and friends (both individuals and corporations) from across the nation.

The State of Wyoming's revenue streams are volatile and the last three fiscal years have continued that trend. FY 2020 projected General Fund/Budget Reserve revenue was reduced by \$200.7 million in a special revenue projection issued in May 2020. Similar reductions were made to projected revenue for future fiscal years. In response, Governor Gordon implemented a number of cash saving measures and required state agencies including the University to reduce state appropriations by ten percent effective July 1, 2020 for FY 2021-2022. Although actual revenue collected by the state in FY 2020 exceeded projected revenue by \$173.9 million and revenue projections for the FY 2021-2022 biennium were revised upward in January 2021, the legislature formalized the Governor's recommended budget reductions in the 2021 legislative session.

Although the revised FY 2021-2022 biennium revenue forecast released in October 2021 appears substantially more positive and adds a projected \$823 million or 35% to the funds available in traditional accounts, it still remains unlikely the University will receive significant recurring additional state funding due to concerns that the current elevated pricing environment in commodities markets is unsustainable. It is very important to keep in mind that state revenue for FY 2021-2022 is still projected to be lower than the previous biennium but that drop is very manageable compared to the fiscal cliff projected in May of 2020.

During fiscal year 2021, S & P Global Ratings affirmed the University of Wyoming's AA- credit rating. The rating outlook was revised from stable to negative in April 2021. The overall rating of AA- with a negative outlook is based on the following factors: 1) UW's role as the state's only four-year public higher education institution, 2) relatively steady student demand and some geographic diversity with the student draw, 3) enrollment pressure in fall 2020 as a result of uncertainties related to COVID-19, 4) budgetary pressure in fiscal 2021 with a significant cut in state support and pressure on to the revenue streams such as tuition and auxiliaries, and 5) significant additional debt planned for early fiscal 2022.

Requests for Information

This financial report is designed to provide a general overview of the University of Wyoming's finances. If you have questions regarding any of the information provided in this report, or if you have a request for additional financial information regarding the University, please contact the Associate Vice President for Finance, University of Wyoming, Department 3314, 1000 E. University Avenue, Laramie, WY 82071. Requests for copies of the 2021 financial statements for the University of Wyoming Foundation should be also addressed to the Associate Vice President for Finance at the address provided above.

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Net Position
June 30, 2021 and 2020
(in thousands)

	2021	2020 As Restated
Assets		
Current Assets		
Cash and cash equivalents	\$ 135,598	\$ 74,381
Short-term investments	16,090	138,285
Grants receivable, net	31,525	23,302
Student accounts receivable, net	4,035	3,895
Receivable from the State of Wyoming	12,005	86,535
Other receivables, net	6,811	8,697
Current portion of student loans receivable, net	2,300	2,300
Inventories	3,662	4,030
Prepaid expenses and other current assets	3,195	3,947
Total current assets	215,221	345,372
Noncurrent Assets		
Restricted cash	100,272	84,078
Long-term investments	429,092	266,902
Receivable from the State of Wyoming	-	11,000
Student loans receivable, net	20,070	18,200
Capital assets, net	1,061,668	996,292
Total noncurrent assets	1,611,102	1,376,472
Total assets	1,826,323	1,721,844
Deferred Outflows of Resources		
Deferred loss on refunding	270	356
Asset retirement obligation	1,843	1,979
Pension related	9,384	9,559
Other postemployment benefit related	114,232	57,082
Total deferred outflows of resources	125,729	68,976
Total assets and deferred outflows of resources	1,952,052	1,790,820

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Net Position (continued)
June 30, 2021 and 2020
(in thousands)

	2021	2020 As Restated
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	21,975	19,674
Payable to the State of Wyoming	-	8,000
Payroll and related liabilities	30,765	28,309
Unearned revenue	21,035	6,016
Deposits held in custody for others	193	8,206
Current portion of revenue bonds payable	5,575	5,580
Current portion of note payable	385	365
Current portion of accrued compensated absences	13,428	14,734
Current portion of other postemployment benefits	5,400	6,300
Total current liabilities	98,756	97,184
Noncurrent Liabilities		
Accrued compensated absences	33,763	29,791
U.S. government loans refundable	3,662	4,434
Revenue bonds payable	75,644	68,428
Note payable	3,060	3,112
Asset retirement obligation	2,250	2,250
Net pension liability	78,139	82,465
Other postemployment benefit liability	306,229	222,114
Total noncurrent liabilities	502,747	412,594
Total liabilities	601,503	509,778
Deferred Inflows of Resources		
Pension related	18,518	15,688
Other postemployment benefit related	51,570	59,177
Deferred gain on refunding	284	150
Service concession arrangement	-	11,629
Total deferred inflows of resources	70,372	86,644
Net Position		
Net Investment in Capital Assets	965,276	896,020
Restricted For		
Nonexpendable	306,614	224,274
Expendable		
Scholarships, research, instruction and other	48,391	31,962
Loans	22,273	18,316
Capital projects	94,808	162,914
Debt service	4,711	4,608
Unrestricted	(161,896)	(143,696)
Total net position	\$ 1,280,177	\$ 1,194,398

University of Wyoming Foundation
(A Component Unit of the University of Wyoming)
Statements of Financial Position
June 30, 2021 and 2020
(in thousands)

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 2,021	\$ 1,085
Investments	877,984	643,296
Pledges receivable, net	13,551	20,742
Other receivables	84	515
Marian H. Rochelle Gateway Center, at cost, net of accumulated depreciation	24,639	25,406
Property and equipment, at cost, net of accumulated depreciation	<u>1,480</u>	<u>1,560</u>
Total assets	<u>\$ 919,759</u>	<u>\$ 692,604</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 3,221	\$ 4,796
Grand Rental Property loan interest	14	-
High Altitude loan interest payable	2	3
High Altitude line of credit	513	1,975
Grand Avenue property loan	5,410	5,600
Due to others	<u>329,609</u>	<u>245,997</u>
Total liabilities	<u>338,769</u>	<u>258,371</u>
Net Assets		
Without donor restrictions		
Undesignated	37,148	20,117
Designated by the Board for operating reserve	-	233
Designated by the Board for endowment	17,336	12,531
Invested in property and equipment, net of related debt	<u>21,393</u>	<u>26,966</u>
	75,877	59,847
With donor restrictions		
Perpetual in nature	445,479	313,028
Purpose restrictions	<u>59,634</u>	<u>61,358</u>
Total net assets	<u>580,990</u>	<u>434,233</u>
Total liabilities and net assets	<u>\$ 919,759</u>	<u>\$ 692,604</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020 As Restated
Operating Revenues		
Tuition and fees (net of scholarship allowances of \$45,801 and \$41,212 for 2021 and 2020, respectively)	\$ 65,294	\$ 76,336
Grants and contracts (net of allowance of \$3,401 and \$0 for 2021 and 2020, respectively)	117,299	116,452
Sales and services of educational activities	485	1,021
Auxiliary enterprise charges (net of scholarship allowances of \$3,769 and \$5,295 for 2021 and 2020, respectively)	21,855	31,169
Clinic revenues	12,274	10,444
Other operating revenues	17,333	13,852
Total operating revenues	234,540	249,274
Operating Expenses		
Instruction	152,396	153,270
Research	91,066	80,787
Public service	58,982	58,934
Academic support	42,391	36,509
Student services	16,016	17,826
Institutional support	73,846	71,758
Operation and maintenance of plant	42,321	33,616
Scholarships	31,075	7,191
Auxiliary enterprises	41,758	50,175
Depreciation	44,925	51,390
Total operating expenses	594,776	561,456
Operating loss	(360,236)	(312,182)

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Revenues, Expenses and Changes in Net Position (continued)
Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020 As Restated
Nonoperating Revenues (Expenses)		
State appropriations	202,693	209,451
Gifts	26,424	25,471
Mineral royalty	21,365	21,365
Federal nonoperating revenues	8,756	9,793
COVID-19 funding revenues	88,968	3,307
COVID-19 expenses	(18,235)	-
Investment income	91,413	11,096
Interest expense	(3,315)	(3,493)
Bond issuance costs	(681)	-
Gain on disposal of capital assets	10	1,217
Other nonoperating revenues	3,340	3,201
Net nonoperating revenues (expenses)	420,738	281,408
Income (loss) before other revenues, expenses, gains and losses	60,502	(30,774)
State appropriations restricted for capital purposes	19,554	-
Capital gifts	3,184	8,307
Additions to permanent endowments	2,539	7,479
Net increase (decrease) in net position	85,779	(14,988)
Net Position, Beginning of Year, as Previously Reported	1,194,398	1,236,554
Adjustments applicable to prior periods (Note 3)		(27,168)
Net Position, Beginning of Year, as Restated		1,209,386
Net Position, End of Year	\$ 1,280,177	\$ 1,194,398

University of Wyoming Foundation
(A Component Unit of the University of Wyoming)

Statements of Activities
Years Ended June 30, 2021 and 2020
(in thousands)

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions and state match	\$ 243	\$ 32,246	\$ 32,489	\$ 5	\$ 32,450	\$ 32,455
University of Wyoming	762	2,858	3,620	859	2,125	2,984
Assessments	8,166	(8,166)	-	7,086	(7,086)	-
Net return on investments	19,062	212,443	231,505	1,052	22,358	23,410
Change in value of charitable remainder trusts	-	492	492	-	(821)	(821)
Increase (decrease) in cash surrender value of life insurance policies	-	1	1	-	(1)	(1)
Net assets released from/ applied to restrictions						
Satisfaction of program restrictions	112,841	(112,841)	-	39,640	(39,640)	-
Permanent program restriction	-	-	-	(11)	11	-
Other revenue	-	3,694	3,694	-	952	952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	141,074	130,727	271,801	48,631	10,348	58,979
Expenses and Losses						
Program services	114,513	-	114,513	33,124	-	33,124
Fundraising	6,409	-	6,409	6,121	-	6,121
General and administrative	4,122	-	4,122	3,976	-	3,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	125,044	-	125,044	43,221	-	43,221
Change in Net Assets	16,030	130,727	146,757	5,410	10,348	15,758
Net Assets						
Beginning of year	59,847	374,386	434,233	54,437	364,038	418,475
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
End of year	\$ 75,877	\$ 505,113	\$ 580,990	\$ 59,847	\$ 374,386	\$ 434,233
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Cash Flows
Years Ended June 30, 2021 and 2020
(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Tuition and fees	\$ 64,759	\$ 76,440
Research contracts and grants (operating revenue)	125,941	110,506
Sales of services of educational activities	1,332	1,461
Sales of services of auxiliary enterprises	21,914	29,159
Clinic revenues	11,871	10,289
Payments to suppliers	(147,055)	(141,329)
Payments to employees	(342,064)	(341,457)
Payments for scholarships and fellowships	(31,075)	(7,191)
Loans issued to students and employees	(7,337)	(7,938)
Collection of loans to students and employees	2,240	2,464
Increase (decrease) in deposits held for others	(1,948)	733
Other operating receipts	12,141	13,864
	<u>(289,281)</u>	<u>(252,999)</u>
Net cash used in operating activities		
Cash Flows from Noncapital Financing Activities		
State appropriations (noncapital)	205,383	206,680
Gifts and grants for other than capital purposes	29,115	30,707
Mineral royalty	21,365	21,365
Federal Pell Grant revenue	8,756	9,793
Direct lending receipts	30,558	36,704
Direct lending disbursements	(30,558)	(36,704)
COVID-19 funding revenues	87,877	2,629
COVID-19 expenses	(18,235)	-
Repayment of excess cash in Perkins loan fund to U.S. government	(772)	(1,295)
Other noncapital financing receipts	2,567	1,894
Proceeds from Paycheck Protection Program (PPP) loan	365	-
	<u>336,421</u>	<u>271,773</u>
Net cash provided by noncapital financing activities		
Cash Flows from Capital and Related Financing Activities		
State appropriations for capital	93,554	76,075
Proceeds from capital debt	4	-
Deposits to escrow for the purchase of Bison Run	(1,782)	-
Principal payments on bonds and notes payable	(5,976)	(5,710)
Interest payments on bonds and notes payable	(4,336)	(3,900)
Gifts and grants for capital purposes	3,127	560
Acquisition and construction of capital assets	(112,823)	(75,014)
Proceeds from sale of capital assets	3,922	4,057
Interest subsidy on capital debt	773	391
	<u>(23,537)</u>	<u>(3,541)</u>
Net cash used in capital and related financing activities		

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Cash Flows (continued)
Years Ended June 30, 2021 and 2020
(in thousands)

	<u>2021</u>	<u>2020</u>
Cash Flows from Investing Activities		
Purchases of investments	(126,787)	(356,954)
Proceeds from sales of investments	166,492	302,683
Additions to permanent endowments	2,539	7,479
Interest and dividends	<u>11,564</u>	<u>8,241</u>
Net cash provided by (used in) investing activities	<u>53,808</u>	<u>(38,551)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	77,411	(23,318)
Cash and Cash Equivalents, Beginning of Year	<u>158,459</u>	<u>181,777</u>
Cash and Cash Equivalents, End of Year	<u>\$ 235,870</u>	<u>\$ 158,459</u>
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position		
Cash and cash equivalents, current	\$ 135,598	\$ 74,381
Restricted cash, noncurrent	<u>100,272</u>	<u>84,078</u>
	<u>\$ 235,870</u>	<u>\$ 158,459</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statements of Cash Flows (continued)
Years Ended June 30, 2021 and 2020
(in thousands)

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash		
Used in Operating Activities		
Operating loss	\$ (360,236)	\$ (312,182)
Adjustments to Reconcile Operating Loss		
to Net Cash Used in Operating Activities		
Depreciation expense	44,925	51,390
Noncash expenses	4,118	6,297
Decrease (increase) in assets and deferred outflows of resources		
Receivables, net	1,603	(5,465)
Student loans receivable, net	(5,307)	(5,779)
Inventories	368	(348)
Prepaid expenses and other assets	750	(391)
Deferred outflows of resources - pension related	176	15,134
Deferred outflows of resources - OPEB related	(57,150)	5,525
Deferred outflows of resources - asset retirement obligation	135	(1,979)
Increase (decrease) in liabilities and deferred inflows of resources		
Accounts payable and accrued liabilities, including payroll	4,461	(3,688)
Unearned revenue	6,328	(1,753)
Deposits held in custody for others	(6,231)	733
Asset retirement obligation	-	2,250
U.S. government loans refundable	-	65
Accrued compensated absences	2,667	255
Net pension liability	(4,326)	(20,778)
OPEB liability	83,216	(21,642)
Deferred inflows of resources - pension related	2,829	10,780
Deferred inflows of resources - OPEB related	(7,607)	28,577
	<u>70,955</u>	<u>59,183</u>
Net cash used in operating activities	<u>\$ (289,281)</u>	<u>\$ (252,999)</u>
Noncash Investing, Capital and Financing Activities		
Accounts payable incurred for capital assets	\$ 11,770	\$ 11,474
Unrealized loss (gain) on investments	(79,699)	495
Amortization of deferred gain and loss on refundings	(60)	(58)
Amortization of bond premiums	399	465
Amortization of service concession arrangement	474	517
Cancellation of service concession arrangement	11,155	-
Acquisition of Bison Run via debt proceeds	(12,667)	-
Bond issuance costs paid directly from bond proceeds	(681)	-
Escrow funded from bond proceeds for debt payoff	(59,440)	-
Donated capital assets	57	7,747

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The University of Wyoming (the University) is a public land grant research university dedicated to serving as a statewide resource for accessible and affordable higher education of the highest quality, rigorous scholarship, technology transfer, economic and community development, and responsible stewardship of the state's cultural, historical, and natural resources. The University is committed to outreach and service that extend our human talent and technological capacity to serve the people in our communities, our state, the nation, and the world.

Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB), consists of the University as the primary government, and organizations for which the University is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. For financial reporting purposes, the University is a component unit of the State of Wyoming and is included in the basic financial statements of the State of Wyoming.

The University is governed by a 12-member Board of Trustees appointed by the Governor.

Component Units

The financial reporting entity consists of the primary government, as well as its discretely presented component unit, the University of Wyoming Foundation (the Foundation) and its blended component units, the Cowboy Joe Club and the Alumni Association. The Foundation is a legally separate, tax-exempt organization supporting the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The 36-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The Foundation is a private not-for-profit organization that reports its financial results under the Financial Reporting for Not-for-Profit Organizations and Accounting for Contributions Received and Contributions Made Topics of the FASB Accounting Standards Codification (ASC). As such, certain presentation features are different from GASB presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the University's notes to the financial statements. Separate financial statements for the Foundation can be obtained from the Foundation's Administrative Office at 222 South 22nd Street, Laramie, Wyoming 82070.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

In addition to the Foundation, the University includes two blended component units in the reporting entity. The Cowboy Joe Club is a component unit of the University because it is organized for the purpose of supporting University athletic programs and is managed by the University Athletic Department. Although it is a legally separate organization, it is reported as a blended component unit of the University. The Alumni Association is a component unit of the University because they share common management and financial dependence. Although it is a legally separate organization, it is reported as a blended component unit of the University. Condensed financial information for the blended component units follows (in thousands):

Condensed Statement of Net Position - 2021

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Assets					
Current assets	\$ 204,934	\$ 9,935	\$ 352	\$ -	\$ 215,221
Noncurrent assets	541,184	1,330	6,920	-	549,434
Capital assets, net of accumulated depreciation	<u>1,061,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,061,668</u>
Total assets	<u>1,807,786</u>	<u>11,265</u>	<u>7,272</u>	<u>-</u>	<u>1,826,323</u>
Deferred Outflows of Resources	<u>125,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,729</u>
Liabilities					
Current liabilities	97,863	867	26	-	98,756
Noncurrent liabilities	<u>502,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>502,747</u>
Total liabilities	<u>600,610</u>	<u>867</u>	<u>26</u>	<u>-</u>	<u>601,503</u>
Deferred Inflows of Resources	<u>70,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,372</u>
Net Position					
Net investment in capital assets	965,276	-	-	-	965,276
Restricted net position	476,797	-	-	-	476,797
Unrestricted net position	<u>(179,541)</u>	<u>10,398</u>	<u>7,247</u>	<u>-</u>	<u>(161,896)</u>
Total net position	<u>\$ 1,262,532</u>	<u>\$ 10,398</u>	<u>\$ 7,247</u>	<u>\$ -</u>	<u>\$ 1,280,177</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Condensed Statement of Revenues, Expenses and Changes in Net Position - 2021

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Operating Revenues					
Operating revenues	\$ 212,207	\$ 5,000	\$ -	\$ -	\$ 217,207
Other operating revenue	15,697	1,461	175	-	17,333
Total operating revenues	227,904	6,461	175	-	234,540
Operating Expenses					
Operating expenses	546,840	1,762	1,249	-	549,851
Depreciation	44,925	-	-	-	44,925
Total operating expenses	591,765	1,762	1,249	-	594,776
Operating Loss	(363,861)	4,699	(1,074)	-	(360,236)
Nonoperating Revenues	417,246	1,870	1,622	-	420,738
State Appropriations Restricted for Capital Purposes	19,554	-	-	-	19,554
Capital Gifts	3,184	-	-	-	3,184
Additions to Permanent Endowments	2,539	-	-	-	2,539
Transfers Between Entities	2,512	(3,313)	801	-	-
Increase in Net Position	81,174	3,256	1,349	-	85,779
Net Position, Beginning of Year	1,181,358	7,142	5,898	-	1,194,398
Net Position, End of Year	\$ 1,262,532	\$ 10,398	\$ 7,247	\$ -	\$ 1,280,177

Condensed Statement of Cash Flows - 2021

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Net Cash Provided By (Used in)					
Operating activities	\$ (292,341)	\$ 742	\$ (1,004)	\$ 3,322	\$ (289,281)
Noncapital financing activities	334,662	1,288	832	(361)	336,421
Capital and related financing activities	(23,556)	19	-	-	(23,537)
Investing activities	53,623	(101)	286	-	53,808
Change Cash and Cash Equivalents	72,388	1,948	114	2,961	77,411
Cash and Cash Equivalents, Beginning of Year	144,959	6,423	229	6,848	158,459
Cash and Cash Equivalents, End of Year	\$ 217,347	\$ 8,371	\$ 343	\$ 9,809	\$ 235,870

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Condensed Statement of Net Position - 2020

	University (a)	Cowboy Joe Club	Alumni Association	Eliminations	Total
Assets					
Current assets	\$ 337,382	\$ 7,753	\$ 237	\$ -	\$ 345,372
Noncurrent assets	373,569	894	5,717	-	380,180
Capital assets, net of accumulated depreciation	996,292	-	-	-	996,292
Total assets	<u>1,707,243</u>	<u>8,647</u>	<u>5,954</u>	<u>-</u>	<u>1,721,844</u>
Deferred Outflows of Resources	<u>68,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,976</u>
Liabilities					
Current liabilities	95,623	1,505	56	-	97,184
Noncurrent liabilities	412,594	-	-	-	412,594
Total liabilities	<u>508,217</u>	<u>1,505</u>	<u>56</u>	<u>-</u>	<u>509,778</u>
Deferred Inflows of Resources	<u>86,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,644</u>
Net Position					
Net investment in capital assets	896,020	-	-	-	896,020
Restricted net position	442,074	-	-	-	442,074
Unrestricted net position	(156,736)	7,142	5,898	-	(143,696)
Total net position	<u>\$ 1,181,358</u>	<u>\$ 7,142</u>	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ 1,194,398</u>

(a) As restated

Condensed Statement of Revenues, Expenses and Changes in Net Position - 2020

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Operating Revenues					
Operating revenues	\$ 232,582	\$ 2,803	\$ 37	\$ -	\$ 235,422
Other operating revenue	12,748	860	244	-	13,852
Total operating revenues	<u>245,330</u>	<u>3,663</u>	<u>281</u>	<u>-</u>	<u>249,274</u>
Operating Expenses					
Operating expenses	506,476	2,365	1,225	-	510,066
Depreciation	51,390	-	-	-	51,390
Total operating expenses	<u>557,866</u>	<u>2,365</u>	<u>1,225</u>	<u>-</u>	<u>561,456</u>
Operating Loss	<u>(312,536)</u>	<u>1,298</u>	<u>(944)</u>	<u>-</u>	<u>(312,182)</u>
Nonoperating Revenues	278,988	1,489	931	-	281,408
State Appropriations Restricted for Capital Purposes	-	-	-	-	-
Capital Gifts	8,307	-	-	-	8,307
Additions to Permanent Endowments	7,479	-	-	-	7,479
Transfers Between Entities	2,707	(3,383)	676	-	-
Increase (Decrease) in Net Position	(15,055)	(596)	663	-	(14,988)
Net Position, Beginning of Year, as Restated	<u>1,196,413</u>	<u>7,738</u>	<u>5,235</u>	<u>-</u>	<u>1,209,386</u>
Net Position, End of Year	<u>\$ 1,181,358</u>	<u>\$ 7,142</u>	<u>\$ 5,898</u>	<u>\$ -</u>	<u>\$ 1,194,398</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Condensed Statement of Cash Flows - 2020

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Net Cash Provided By (Used in)					
Operating activities	\$ (253,651)	\$ (1,806)	\$ (948)	\$ 3,406	(252,999)
Noncapital financing activities	269,907	1,578	987	(699)	271,773
Capital and related financing activities	(3,541)	-	-	-	(3,541)
Investing activities	(38,767)	119	97	-	(38,551)
Change Cash and Cash Equivalents	(26,052)	(109)	136	2,707	(23,318)
Cash and Cash Equivalents, Beginning of Year	171,011	6,532	93	4,141	181,777
Cash and Cash Equivalents, End of Year	<u>\$ 144,959</u>	<u>\$ 6,423</u>	<u>\$ 229</u>	<u>\$ 6,848</u>	<u>\$ 158,459</u>

There are no separately issued financial statements of the Cowboy Joe Club or Alumni Association.

Related Organization

The Board of Trustees is responsible for appointing the members of the Board of Directors of the University of Wyoming Research Corporation d/b/a Western Research Institute (WRI). However, the University's accountability does not extend beyond the appointments and there is no fiscal accountability between the University and WRI. The Board of Trustees approved to divest WRI from the University on September 17, 2020.

Basis of Accounting and Presentation

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows of resources and deferred outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The University considers all liquid investments with original maturities of three months or less to be cash equivalents. As of June 30, 2021 and 2020, cash equivalents consisted primarily of money market accounts with brokers and assets held in local government investment pools.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Restricted Cash

Restricted cash include amounts for which the use is constrained either through external restrictions or imposition by law. Restricted purposes include gifts and endowments, debt or state funded construction projects, and debt service reserves.

Investments and Investment Income

Investments held at the State, Foundation and in local government investment pools are reported at the net asset value (NAV) per share based upon how the fund is valued. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market prices.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and charges for auxiliary enterprise services provided to students, faculty and staff. Accounts receivable are recorded net of estimated uncollectible amounts.

The receivable from the State of Wyoming consists of funds restricted for capitals projects and state appropriations used for students and operations.

The University has receivables from the Foundation included in other receivables on the statements of net position. Amounts due from the Foundation were \$1,673,000 and \$3,735,000 for the years ended June 30, 2021 and 2020, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method. Livestock inventory is stated at estimated net realizable value.

Loans to Students

The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans is \$31,268,000 and \$32,316,000 at June 30, 2021 and 2020, respectively. This amount is netted against loans to students.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Capital Assets

Capital assets are recorded at historical cost at the date of purchase or for donated assets, acquisition value at the date of donation. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements with costs exceeding \$50,000 that significantly increase the value or extend the useful life of the structure are capitalized. Certain bulk purchases of items that individually do not exceed \$5,000 but collectively are greater than \$5,000, are capitalized and depreciated over an estimated blended life of the items. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the University:

Land improvements	10-30 years
Buildings	50 years
Infrastructure	10-30 years
Furniture, fixtures and equipment	3-10 years
Library materials	10 years

The University evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The University will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event, or change in circumstance, is outside the normal life cycle of the capital asset. The University will recognize an impairment loss when the University considers a capital asset impaired, and will recognize the capital asset at the lower of carrying value or fair value. There were no impairment losses recognized for the year ended June 30, 2021. The University recognized a loss of \$560,000 for the year ended June 30, 2020 due to a change in the useful life of a building as it was disposed to construct a new building.

Deferred Outflows of Resources and Deferred Inflows of Resources

The University reports the consumption of net position that is applicable to a future period as deferred outflows of resources. Deferred outflows of resources as of June 30, 2021 and 2020 consists of deferred losses on previous debt refundings, an asset retirement obligation, and items related to the University's pension and other postemployment retirement benefit plans.

The University reports an acquisition of net position that is applicable to a future period as deferred inflows of resources. Deferred inflows of resources as of June 30, 2021 and 2020 consists of deferred gains on previous debt refundings, a service concession arrangement and items related to the University's pension and other postemployment retirement benefit plans.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Compensated Absences

University policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statements of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue

Unearned revenue represents unearned student tuition, fees, and room and board. It also includes advanced ticket sales for athletics and advances on grants and contract awards for which the University has not met all of the applicable eligibility requirements.

Notes Payable

Notes payable consist of energy performance agreements with an original value of \$5,000 or more. Such agreements provide that any commitments beyond the current year are contingent upon funds being appropriated for such purposes. It is reasonably assured that such funds will be renewed in the normal course of business and, therefore, are treated as noncancelable for financial reporting purposes.

Cost-sharing Defined Benefit Pension Plan

The University participates in the Wyoming Retirement System Public Employees Retirement Fund and the Wyoming Retirement System Law Enforcement Retirement Fund, cost-sharing multiple-employer defined benefit pension plans (the Plans). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Defined Benefit Other Postemployment Benefit Plans

The University has a single-employer defined benefit other postemployment benefit (OPEB) plan; the University also participates in a multiple-employer defined benefit other postemployment benefit plan (collectively, the OPEB Plans). For purposes of measuring the total OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Asset Retirement Obligation

The University reports an asset retirement obligation associated with a materials license with the U.S. Nuclear Regulatory Commission (NRC) for the use of byproduct and special nuclear materials. The liability was determined based on the amount the University is required to set aside for future decommissioning as determined by the NRC. The materials license expires in 2035.

Net Position

Net position of the University is classified in four components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the University, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the University, such as permanent endowments. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted. The University endeavors to make the most efficient and effective use of resources and evaluates expenditures as to the appropriate use of restricted versus unrestricted funds.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises and (3) interest on student loans.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, appropriations, and other revenue sources. The University also uses the classification criteria of GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, for guidance in determining nonoperating revenues.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statements of revenues, expenses and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, are recorded as nonoperating revenues and other governmental grants are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance. The allowances on tuition and fees and housing for the year ended June 30, 2021, were

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

\$45,801,000 and \$3,769,000, and for the year ended June 30, 2020, were \$41,212,000 and \$5,295,000, respectively.

Collections

The University has collections of rare manuscripts and works of art that it does not capitalize for financial reporting purposes. These collections adhere to the University's policy to (a) maintain them for public exhibition, education or research, (b) protect, keep unencumbered, care for and preserve them, and (c) require proceeds from their sale to be used to acquire other collection items. Collections maintained in this manner are charged to operations at time of purchase rather than capitalized.

COVID-19 Funding

The spread of the SARS-CoV-2 virus and the incident of COVID-19 impacted and disrupted the University's operations over the past year. Adhering to public safety measures and government mandates resulted in limited or cancelled events and activities, including changes to how the University delivered educational and related auxiliary services during fiscal year 2021. The University returned to on-campus and normal operations and activities in the fall of 2021.

The full financial impact of the COVID-19 pandemic to the University cannot be reasonably estimated at this time because of the uncertainties and disruptions caused by COVID-19. There may be short and long-term implications to the University's operations.

The federal government relief funds were created to help offset revenue losses and expense increases that colleges and universities faced because of COVID-19. The relief funds received from the federal government are considered a subsidy and are recorded as nonoperating revenue in the statements of revenues, expenses and changes in net position. In regard to the COVID-19 expenses, the University allocated them as follows:

- (1) If the expenses incurred were part of the University's normal operations, they are recorded in the respective category of operating expenses;
- (2) All other expenses are recorded as nonoperating expenses.

The University received \$218,000 in Provider Relief Funds in addition to the following programs:

Higher Education Emergency Relief Funds (HEERF)

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) created HEERF to provide financial relief to students and institutions impacted by the COVID-19 pandemic. The *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSAA) and the *American Rescue Plan* (ARP) provided additional rounds of HEERF (II and III) funds to schools. The HEERF funds contained two components, an institutional award and a student aid award. The student aid portion is distributed to students in the form of emergency financial aid grants to generally cover any component of the cost of attendance for the distribution of education or emergency costs that arose due to the COVID-19 pandemic.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The University applied for and received \$35,753,000 in HEERF funding, consisting of \$19,717,000 in institutional aid and \$16,036,000 in student aid. The institutional portion can be used for multiple items, but primarily to cover lost revenue, defray and pay for expenses related to the disruption of campus operations due to COVID-19, and reimburse for costs associated with a transition to a distance education environment. As of June 30, 2021, the unexpended portion of all funding tranches was \$10,581,000.

The following cumulative amounts have been awarded as of June 30, 2021 and 2020 (in thousands):

	2021			2020		
	Student Portion	Institutional Portion	Total	Student Portion	Institutional Portion	Total
Awarded						
HEERF I	\$ -	\$ -	\$ -	\$ 3,307	\$ 3,307	\$ 6,614
HEERF II	3,307	7,240	10,547	-	-	-
HEERF III	9,422	9,170	18,592	-	-	-
	\$ 12,729	\$ 16,410	\$ 29,139	\$ 3,307	\$ 3,307	\$ 6,614

The following amounts have been recorded as nonoperating revenue – COVID-19 funding revenue in the financial statements for the years ended June 30, 2021 and 2020 (in thousands):

	2021			2020		
	Student Portion	Institutional Portion	Total	Student Portion	Institutional Portion	Total
Awarded						
HEERF I	\$ -	\$ 2,628	\$ 2,628	\$ 3,307	\$ -	\$ 3,307
HEERF II	3,307	7,240	10,547	-	-	-
HEERF III	-	-	-	-	-	-
	\$ 3,307	\$ 9,868	\$ 13,175	\$ 3,307	\$ -	\$ 3,307

In 2021, \$8,690,000 of institutional funds were expended for HEERF III lost revenues; however, those revenues cannot be recognized as revenue until the student portion has been expended (i.e., an eligibility requirement). As such, those funds are reported as part of unearned revenues in the statements of net position.

Coronavirus Relief Funds (CRF)

The *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) created the CRF program to provide financial relief to entities impacted by the COVID-19 pandemic. The University received \$75,575,000 in CRF funds from the State of Wyoming in 2021, which was used to provide student scholarships, testing, personal protective equipment, cleaning, technology upgrades, and Pedagogical support.

Income Taxes

As a state institution of higher education, the income of the University is generally exempt from federal income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the University is subject to federal income tax on any unrelated business taxable income.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Reclassifications and Revisions

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation. The reclassifications had no effect on the change in net position.

Certain immaterial revisions have been made to the 2020 financial statements:

- (1) Revised footnote 1 amounts reported for Cowboy Joe Club and Alumni Association for consistency with the reporting for the University. For Cowboy Joe Club, \$3,663,000 of operating revenues was reported in nonoperating revenues and \$77,000 of operating expenses was reported in nonoperating revenues. For Alumni Association, \$185,000 of operating expenses was reported in other operating revenue and \$931,000 of nonoperating revenues was reported in other operating revenues. These revisions did not have a significant impact on the footnote disclosure.
- (2) Revenue was revised on the statements of revenues, expenses and changes in net position in the amount of \$678,000 from the grants and contract line item in operating revenues to COVID-19 funding revenues in nonoperating revenues. In addition, the classification of these revenues has been revised in the statements of cash flows to adjust the reconciliation of operating loss to net cash used in operating activities.
- (3) Revenue was revised on the statements of revenues, expenses and changes in net position in the amount of \$4,069,000 from the investment income line item in nonoperating revenues to additions to permanent endowments in nonoperating revenues. In addition, additions to permanent endowments line item was added to the statements of cash flows and the amount was reduced from the interest and dividends line item.

Note 2: Change in Accounting Principle

In 2021, the University implemented GASB No. 84, *Fiduciary Activities*, which provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and requires the University to include fiduciary fund financial statements for material fiduciary activities.

In addition, the University implemented paragraphs 4 and 5 of GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, which provides guidance to increase consistency, comparability, and reduce costs related to the reporting of certain fiduciary component units.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The University determined that none of its pension or OPEB plans meet the definition of a fiduciary component unit or fiduciary activity. The University identified activities that meet the definition of a custodial fund. The assets in these funds are held for 90 days or less and the University has elected to follow the paragraph 19 exception which allows business-type activities to report the assets with a corresponding liability (i.e., deposits held in custody for others) in the statements of net position. Items previously included as part of deposits held in custody for others which do not meet the definition of a custodial fund were moved into the University's general operations in fiscal year 2021.

The adoption of the above standards had no impact to beginning net position or change in net position as of June 30, 2021 and 2020. The activity of the deposits held in custody for others was reclassified to be reported as part of operating activities on the statement of cash flows in accordance with GASB No. 84.

Note 3: Restatement of Prior Year Financial Statements

Subsequent to the issuance of the University's 2020 financial statements, the University identified grants receivable was overstated by \$27,168,000 due to errors in revenue recognition for the years ended June 30, 2018 and June 30, 2019.

The table below shows the impact of these items on beginning net position as of the earliest period presented (in thousands):

	2020
Beginning net position, as previously presented	\$ 1,236,554
Correction of error - grants	(27,168)
Beginning net position, as restated	\$ 1,209,386

The restatement did not impact the change in net position as of June 30, 2020.

Note 4: Deposits, Investments and Investment Return

Wyoming Statute 9-4-817 authorizes agencies of the state to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest. Alternatively, a depository may pledge conventional real estate mortgages and notes connected with mortgages at a ratio of one and one-half to one (1½:1) of the value of public funds secured by the securities.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

University investment policy specifies that investments are limited to those allowed by Wyoming Statute 9-4-831 for public entities. Per University investment policy item IX.D, portfolio duration will be managed in coordination with the cash flow needs of the University. Funds needed to satisfy operating cash flows of the University will be invested in securities and funds that mature in less than one year. Funds not needed to satisfy operating cash flows can be invested in a portfolio where the maximum maturity of any one security may not exceed one hundred twenty (120) months. At any given time, the proportion of the portfolio invested in securities with a maturity greater than sixty (60) months shall not exceed 10% of the total portfolio. The investment policy can be found at the following link: http://www.uwyo.edu/regs-policies/_files/docs/regulations-2018/uw_reg_7-7_approved_11-15-18.pdf.

It is the policy of the University to invest endowment funds under a memorandum of agreement with the University of Wyoming Foundation. Investment goals for these funds are designed to achieve donor objectives, protect assets from excessive risk, provide program income and growth of the endowment and preserve the purchasing power of both the principal and the income. The Foundation's Board of Directors reviews and establishes limits on market segment investment concentration, maximum investment in any company, and maximum share of portfolio per manager.

The University also has investments managed by the State of Wyoming Treasurer's Office. These investments are managed under the State of Wyoming Master Investment Policy.

The University has funds on deposit with the Wyoming State Treasurer's pooled investments. Deposits with the State Treasurer's pooled investments are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments. The University's participation in the pooled investments and mutual funds may indirectly expose it to risks associated with using, holding or writing derivatives. However, specific information about any such transactions is not available to the University. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

The University also has funds on deposit with Wyoming Government Investment Fund (WGIF). Shares of WGIF are offered exclusively to Wyoming government entities. WGIF offers eligible participants two investment pool options, of which the University participates in the WGIF Liquid Asset Series. This money market series enables participants to pool their short-term funds for a common investment, offering competitive interest rates and complete liquidity. WGIF reports its investments at net asset value (NAV). The investments with WGIF are investments subject to credit risk categorization and the degree of risk and rate of return depends on the underlying portfolio. WGIF is a statutory trust organized and existing under the laws of the State of Wyoming. The Fund's investment objective is to provide a means for all participants to achieve a high rate of return while preserving capital and maintaining liquidity. The Fund seeks to attain its investment objective through professionally managed investment programs with the investment policies. The Fund will not borrow money or incur indebtedness or make a leveraged investment except as a temporary measure to facilitate the transfer of funds to a participant. The Fund will not invest in "derivatives," including high risk mortgage backed securities. The Fund will only invest in securities which are permitted investments for Wyoming governmental entities. The Fund does not have any limitations or restrictions on participant withdrawals. In addition, the University opened an individually managed portfolio with WGIF in fiscal year 2021.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The University's deposit policy for custodial credit risk requires compliance with the provisions of state law.

As of June 30, 2021, the carrying amount of the University's demand deposits in financial institutions was \$10,864,000 and the bank balances were \$13,070,000. As of June 30, 2020, the carrying amount of the University's demand deposits in financial institutions was \$9,629,000 and the bank balances were \$10,945,000. All deposits exceeding FDIC coverage of \$250,000 were collateralized by the depository institution as outlined in the State Statutes.

As of June 30, 2021 and 2020, the University had \$198,000 within the demand deposits for the Reclamation Ecology Endowment.

As of June 30, 2021 and 2020, the University had \$23,364,000 and \$23,919,000, respectively, on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

As of June 30, 2021 and 2020, the University had \$17,356,000 and \$16,953,000, respectively, on deposit with the Foundation. Detailed information on the Foundation's pooled cash and investments is available from the Foundation.

Investments

The University may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in equity securities.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the University's investment policy limits its investment portfolio from being invested in a portfolio as follows:

- (1) Funds needed to satisfy operating cash flows of the University will be invested in securities and funds that mature in less than one year. In general, the index used to judge the performance will be the three-month U.S. Treasury Bill. The portfolio's weighted average maturity shall not exceed 90 days. All securities shall have a maximum maturity of 365 days.
- (2) Funds not needed to satisfy operating cash flows, or core funds, of the University can be invested in a portfolio where the maximum maturity of any one security may not exceed one hundred twenty (120) months. At any given time, the proportion of the portfolio invested in securities with a maturity greater than sixty (60) months shall not exceed 10% of the total portfolio. The money market mutual funds are presented as an investment with a maturity of less than one year because the average maturity of the funds is less than one year. The effective duration of the account can be no greater than the duration of the Bloomberg Barclays U.S. Aggregate Bond Index by more than 0.5 years.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, the University had the following investments, maturities, and quality ratings (in thousands):

Investment Type	2021			2020		
	Fair Value	Weighted Average Maturity in Years	Quality Rating	Fair Value	Weighted Average Maturity in Years	Quality Rating
Local Government Investment Pool	\$ 184,167	0.10	AAAm	\$ 107,800	0.15	AAAm
U.S. Government Sponsored						
Enterprise Notes	4,438		AA+	53,038	0.2	AAA to AA+
Commercial Paper	6,999		A-1	40,965	0.3	A-1
Corporate Notes	11,868	2.82 (a)	BBB to AA+	-	N/A	N/A
Foreign Notes	13,998		AAA	-	N/A	N/A
U.S. Treasury Notes	53,251		N/A	44,282	0.4	N/A
	<u>\$ 274,721</u>			<u>\$ 246,085</u>		

- (a) The funds are held in a WGIF managed portfolio. The weighted average maturity is only available for the combined portfolio and not by individual investment type as previously reported.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University does not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the University’s name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the University’s investment in a single issuer. The University places no limit on the amount that may be invested in U.S. Treasuries and securities guaranteed by the U.S. government, U.S. federal government agency or instrumentality, repurchase agreements collateralized by the U.S. government or U.S. federal government agencies and mortgage-backed securities, and collateralized time and demand deposits collateralized by the U.S. government or U.S. federal government agencies and mortgage-backed securities. The University places a 50% limit on the amount that may be invested in commercial paper and bankers’ acceptances combined, money market mutual funds, local government investment pools, and investment grade corporate bonds. The University places a 30% limit on the amount that may be invested in U.S. agency and instrumentality mortgage-backed securities and U.S. government agencies callable securities. As of June 30, the University’s percentage of investments in bonds in relation to total investments were:

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Issuer	2021		2020	
	Amount	Percentage of Total Investments	Amount	Percentage of Total Investments
Freddie Mac	\$ 372	0.4%	\$ 22,992	16.6%
Federal Home Loan Discount Note	-	-	4,021	2.9%
Fannie Mae	4,066	4.5%	-	-
Inter-American Development Bank	-	-	8,029	5.9%
Federal Home Loan Bank	-	-	17,996	13.0%
Commercial Paper	6,999	7.7%	40,965	29.7%
Corporate Notes	11,868	13.1%	-	-
Foreign Notes	13,998	15.5%	-	-
United States Treasury Notes	53,251	58.8%	44,282	31.9%
Total	<u>\$ 90,554</u>	<u>100.0%</u>	<u>\$ 138,285</u>	<u>100.0%</u>

University of Wyoming Investments Held by the Foundation

University-owned endowment funds are held by the Foundation for investment purposes. The investment committee, following the Prudent Expert Rule, carries out the Foundation’s investment policy. The Prudent Expert Rule states that a fiduciary shall manage the portfolio “with the care, skill, prudence and diligence, under circumstances then prevailing, and that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and like aims.” External managers have been hired to invest in the following asset classes: equities, fixed income, absolute return, private equity/venture capital, hedged equity and real estate. A long-term target asset allocation strategy has been implemented to achieve required returns while minimizing risk. All investment vehicles selected must be in compliance with the laws of the State of Wyoming, Internal Revenue Code prohibitions on self-dealing or vehicles that would jeopardize the carrying out of the exempt purpose of the Foundation and restrictions on Unrelated Business Taxable Income.

As of June 30, 2021 and 2020, the University of Wyoming pooled investments held by the Foundation had a value of \$306,095,000 and \$223,751,000, respectively.

Interest rate risk: The Foundation has no formal policy addressing interest rate risk.

Credit risk: The high yield and fixed income bond mutual fund investments are not rated.

Custodial credit risk: The Foundation does not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the Foundation’s name.

Concentration of credit risk: The Foundation’s investment policy limits concentrations as follows:

1. The initial investment in any one issuer should not exceed 10% of a manager’s portfolio (with the exception of U.S. government securities);
2. The investment with any one issuer should not exceed 15% of a manager’s portfolio (with the exception of U.S. government securities);

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

3. No purchases of securities of the portfolio manager's organization or of any firm with controlling interest in said organization are to be made.

See Note 16 for additional information on the Foundation.

University of Wyoming Investments Held by the State of Wyoming

The Master Investment Policy (the Policy) sets forth a 'road map' on how the investment program should be run. The Policy spells out what can and cannot be done, roles and responsibilities, acceptable transactions, prohibited transactions and performance expectations on its managed funds. State statutes, as incorporated into the Policy, authorize the state to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government; bonds issued by Wyoming agencies or political subdivisions; corporate notes, bonds and debentures; commercial paper; banker's acceptances; loans specifically identified by statutes; and other securities specifically authorized by the legislature. The State Loan Investment Board (the Board) reviews the Policy annually. This Board is comprised of the state's five elected officials.

Those managing the state's investment program are governed in part by the prudent investor rule contained in the State's Uniform Prudent Investor Advisor Act. This rule states in part:

“[a] Trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust.”

The Policy further states investments or groups of investments shall not be evaluated in isolation but in the context of the entire investment portfolio and as part of an overall investment strategy of the trust or fund from which the investment is derived, consistent with the policies for such trust or fund established under statute by the board.

State statutes allow monies in the permanent funds to be invested in common stock of United States corporations not to exceed fifty-five percent (55%). It is a primary goal of the state's Master Investment Policy to obtain an optimal asset allocation for Wyoming's investments to take full advantage of this new authority. This includes determining the optimal division of an investment portfolio among available asset classes, factoring in such elements as risk and return as central to the overall financial planning and investment management. Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations.

The State of Wyoming's permanent funds are not registered with the SEC as an investment company.

The University investments held by the State Treasurer's Office were \$35,697,000 and \$34,694,000 as of June 30, 2021 and 2020, respectively.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The State of Wyoming's investment pool is subject to the following risks:

Interest rate risk: Interest rate risk is the exposure that the fair value of the state's fixed income investments fluctuate in response to changes in market interest rates. An element of interest rate risk are those securities which are 'highly sensitive' to changes in interest rates. The state has no formal policy with respect to managing interest rate risk within its Master Investment Policy; however, the Policy does provide guidance relative to safety, liquidity and yield using the following criteria:

- Funds are analyzed by asset class including cash to determine if securities need to be purchased or sold.
- Future needs are determined and current positions are reviewed.
- Economic, market and interest rate assumptions are considered.
- Securities are selected based on market value, price and availability.
- Trades are executed to raise cash, to shift maturity, to change asset mix, to enhance yield and to improve quality.

Credit risk: Credit risk is the risk the issuer will not fulfill its obligation to the holder of the investment. The minimum credit ratings for investment debt securities as provided in the state's Master Investment Policy for fixed income managers are A1 or equivalent for commercial paper, BBB- for long-term corporate debt, BBB- for mortgage fixed income securities, BBB- for mortgage backed securities, and BBB- for asset-backed securities. Either Standard and Poor's, Fitch, or Moody's ratings are acceptable. If the issue is rated by all three rating agencies, the middle rating will apply. If the issue is rated by two rating agencies, the lower rating will apply. N/R indicates that the investment is not rated. Legislatively authorized investments represent those investments the Treasurer has been directed to invest in by the Legislature and/or approved by the Legislature.

Foreign currency risk: Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. This risk disclosure applies only to investments that are denominated in foreign currencies. The state's Master Investment Policy does not provide a policy for foreign currency diversification.

Custodial credit risk: The state does not have any custodial credit risk exposure.

Concentration of credit risk: The Wyoming State Treasurer's fixed income portfolio contains fixed income securities in government agency securities. These agency securities hold a rating of AA+. While the state's Master Investment Policy sets limits for concentration of investments, it provides that U.S. agency bonds are eligible without limitation.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Following is a reconciliation of cash and investments to the statements of net position (in thousands):

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 119	\$ 158
Cash in bank - demand deposits at carrying value	10,666	9,431
Demand deposit for Reclamation Ecology Endowment	198	198
Deposits with State Treasurer	23,364	23,919
Deposits with Foundation	<u>17,356</u>	<u>16,953</u>
Total deposits	<u>51,703</u>	<u>50,659</u>
University investments	90,554	138,285
Local government investment pool	184,167	107,800
Investments held by Foundation	306,095	223,751
Investments held by State Treasurer	35,697	34,694
Investment in real estate	193	193
Other long-term investments	<u>12,643</u>	<u>8,264</u>
Total investments	<u>629,349</u>	<u>512,987</u>
Total deposits and investments	<u>\$ 681,052</u>	<u>\$ 563,646</u>
Cash and investments per statement of net position		
Cash and cash equivalents	\$ 135,598	\$ 74,381
Restricted cash	100,272	84,078
Short-term investments	16,090	138,285
Long-term investments	<u>429,092</u>	<u>266,902</u>
	<u>\$ 681,052</u>	<u>\$ 563,646</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 5: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The University holds \$25,866,000 in Level 1 investments in corporate and foreign notes for the year ended June 30, 2021.

The University holds \$64,688,000 and \$138,285,000, respectively, in Level 2 investments in U.S. government securities and commercial paper for the years ended June 30, 2021 and 2020.

The University also holds \$184,167,000 and \$107,800,000, respectively, in WGIF Liquid Asset Series, \$35,697,000 and \$34,694,000, respectively, in investments with the State of Wyoming and \$306,095,000 and \$223,751,000, respectively, with the Foundation for the years ended June 30, 2021 and 2020. The University's investments held with the state, the Foundation and WGIF Liquid Asset Series represent equity in the respective pools and are valued using the equivalent to net asset value. Therefore, these investments are not included in the fair value hierarchy.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 6: Student Loans Receivable, Accounts Receivable, Pledges Receivable, Accounts Payable and Accrued Liabilities

Student loans receivable, accounts receivable and pledges receivable at June 30, were as follows (in thousands):

	2021			
	Gross Receivable	Allowance	Net Receivable	Current Portion
Student accounts receivable	\$ 6,594	\$ (2,559)	\$ 4,035	\$ 4,035
Receivable from the State of Wyoming	12,005	-	12,005	12,005
Grants receivable	34,926	(3,401)	31,525	31,525
Student loans receivable	53,638	(31,268)	22,370	2,300
Pledges receivable	1,873	(118)	1,755	1,755
Other accounts receivable	5,735	(679)	5,056	5,056
	<u>\$ 114,771</u>	<u>\$ (38,025)</u>	<u>\$ 76,746</u>	<u>\$ 56,676</u>

	2020 As Restated			
	Gross Receivable	Allowance	Net Receivable	Current Portion
Student accounts receivable	\$ 6,323	\$ (2,428)	\$ 3,895	\$ 3,895
Receivable from the State of Wyoming	97,535	-	97,535	86,535
Grants receivable	23,302	-	23,302	23,302
Student loans receivable	52,816	(32,316)	20,500	2,300
Pledges receivable	1,695	(151)	1,544	1,544
Other accounts receivable	7,753	(600)	7,153	7,153
	<u>\$ 189,424</u>	<u>\$ (35,495)</u>	<u>\$ 153,929</u>	<u>\$ 124,729</u>

Accounts payable and accrued liabilities at June 30, were as follows (in thousands):

	2021	2020
Amounts owed to vendors	\$ 21,050	\$ 19,158
Other accrued liabilities	925	516
	<u>\$ 21,975</u>	<u>\$ 19,674</u>
Total accounts payable and accrued liabilities	<u>\$ 21,975</u>	<u>\$ 19,674</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 7: Capital Assets

Capital assets activity for the years ended June 30, was (in thousands):

	Balance June 30, 2020	Additions	Transfers	Retirements	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 12,958	\$ 1,302	\$ -	\$ -	\$ 14,260
Land improvements	2,624	-	-	-	2,624
Construction in progress	66,035	87,707	(4,073)	(4,306)	145,363
	<u>81,617</u>	<u>89,009</u>	<u>(4,073)</u>	<u>(4,306)</u>	<u>162,247</u>
Total capital assets not being depreciated	<u>\$ 81,617</u>	<u>\$ 89,009</u>	<u>\$ (4,073)</u>	<u>\$ (4,306)</u>	<u>\$ 162,247</u>
Other capital assets					
Infrastructure	\$ 19,741	\$ -	\$ -	\$ -	\$ 19,741
Land improvements	29,550	-	-	-	29,550
Buildings	1,145,571	21,743	4,073	(16,130)	1,155,257
Furniture, fixtures and equipment	208,140	14,033	-	(1,599)	220,574
Library materials	29,467	1,066	-	(2,223)	28,310
	<u>1,432,469</u>	<u>36,842</u>	<u>4,073</u>	<u>(19,952)</u>	<u>1,453,432</u>
Total other capital assets	<u>1,432,469</u>	<u>36,842</u>	<u>4,073</u>	<u>(19,952)</u>	<u>1,453,432</u>
Less accumulated depreciation for					
Infrastructure	(14,076)	(355)	-	-	(14,431)
Land improvements	(18,549)	(1,700)	-	-	(20,249)
Buildings	(318,444)	(21,947)	322	4,932	(335,137)
Furniture, fixtures and equipment	(150,772)	(18,092)	(322)	1,553	(167,633)
Library materials	(15,953)	(2,831)	-	2,223	(16,561)
	<u>(517,794)</u>	<u>(44,925)</u>	<u>-</u>	<u>8,708</u>	<u>(554,011)</u>
Total accumulated depreciation	<u>(517,794)</u>	<u>(44,925)</u>	<u>-</u>	<u>8,708</u>	<u>(554,011)</u>
Other capital assets, net	<u>\$ 914,675</u>	<u>\$ (8,083)</u>	<u>\$ 4,073</u>	<u>\$ (11,244)</u>	<u>\$ 899,421</u>
Capital asset summary					
Capital assets not being depreciated	\$ 81,617	\$ 89,009	\$ (4,073)	\$ (4,306)	\$ 162,247
Other capital assets, at cost	1,432,469	36,842	4,073	(19,952)	1,453,432
	<u>1,514,086</u>	<u>125,851</u>	<u>-</u>	<u>(24,258)</u>	<u>1,615,679</u>
Total cost of capital assets	<u>1,514,086</u>	<u>125,851</u>	<u>-</u>	<u>(24,258)</u>	<u>1,615,679</u>
Less accumulated depreciation	<u>(517,794)</u>	<u>(44,925)</u>	<u>-</u>	<u>8,708</u>	<u>(554,011)</u>
Capital assets, net	<u>\$ 996,292</u>	<u>\$ 80,926</u>	<u>\$ -</u>	<u>\$ (15,550)</u>	<u>\$ 1,061,668</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	Balance June 30, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 10,363	\$ 2,595	\$ -	\$ -	\$ 12,958
Land improvements	2,624	-	-	-	2,624
Construction in progress	35,314	56,675	(25,863)	(91)	66,035
	<u>48,301</u>	<u>59,270</u>	<u>(25,863)</u>	<u>(91)</u>	<u>81,617</u>
Total capital assets not being depreciated	<u>\$ 48,301</u>	<u>\$ 59,270</u>	<u>\$ (25,863)</u>	<u>\$ (91)</u>	<u>\$ 81,617</u>
Other capital assets					
Infrastructure	\$ 19,741	\$ -	\$ -	\$ -	\$ 19,741
Land improvements	29,194	296	60	-	29,550
Buildings	1,129,520	1,094	17,130	(2,173)	1,145,571
Furniture, fixtures and equipment	183,781	20,873	8,673	(5,187)	208,140
Library materials	30,770	2,519	-	(3,822)	29,467
	<u>1,393,006</u>	<u>24,782</u>	<u>25,863</u>	<u>(11,182)</u>	<u>1,432,469</u>
Total other capital assets	<u>1,393,006</u>	<u>24,782</u>	<u>25,863</u>	<u>(11,182)</u>	<u>1,432,469</u>
Less accumulated depreciation for					
Infrastructure	(13,702)	(374)	-	-	(14,076)
Land improvements	(16,850)	(1,699)	-	-	(18,549)
Buildings	(296,560)	(23,495)	-	1,611	(318,444)
Furniture, fixtures and equipment	(130,873)	(22,875)	-	2,976	(150,772)
Library materials	(16,828)	(2,947)	-	3,822	(15,953)
	<u>(474,813)</u>	<u>(51,390)</u>	<u>-</u>	<u>8,409</u>	<u>(517,794)</u>
Total accumulated depreciation	<u>(474,813)</u>	<u>(51,390)</u>	<u>-</u>	<u>8,409</u>	<u>(517,794)</u>
Other capital assets, net	<u>\$ 918,193</u>	<u>\$ (26,608)</u>	<u>\$ 25,863</u>	<u>\$ (2,773)</u>	<u>\$ 914,675</u>
Capital asset summary					
Capital assets not being depreciated	\$ 48,301	\$ 59,270	\$ (25,863)	\$ (91)	\$ 81,617
Other capital assets, at cost	1,393,006	24,782	25,863	(11,182)	1,432,469
	<u>1,441,307</u>	<u>84,052</u>	<u>-</u>	<u>(11,273)</u>	<u>1,514,086</u>
Total cost of capital assets	<u>1,441,307</u>	<u>84,052</u>	<u>-</u>	<u>(11,273)</u>	<u>1,514,086</u>
Less accumulated depreciation	<u>(474,813)</u>	<u>(51,390)</u>	<u>-</u>	<u>8,409</u>	<u>(517,794)</u>
Capital assets, net	<u>\$ 966,494</u>	<u>\$ 32,662</u>	<u>\$ -</u>	<u>\$ (2,864)</u>	<u>\$ 996,292</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 8: Long-term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, (in thousands):

	2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and notes payable					
Revenue bonds payable	\$ 71,645	\$ 63,040	\$ 63,870	\$ 70,815	\$ 5,575
Premium	2,363	9,752	1,711	10,404	-
Note payable	3,477	365	397	3,445	385
Total bonds and note payable	<u>77,485</u>	<u>73,157</u>	<u>65,978</u>	<u>84,664</u>	<u>5,960</u>
Other noncurrent liabilities					
Accrued compensated absences	44,525	15,348	12,682	47,191	13,428
U.S. government loans refundable	4,434	-	772	3,662	-
Asset retirement obligation	2,250	-	-	2,250	-
Total other noncurrent liabilities	<u>51,209</u>	<u>15,348</u>	<u>13,454</u>	<u>53,103</u>	<u>13,428</u>
Total long-term liabilities	<u>\$ 128,694</u>	<u>\$ 88,505</u>	<u>\$ 79,432</u>	<u>\$ 137,767</u>	<u>\$ 19,388</u>
	2020				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and notes payable					
Revenue bonds payable	\$ 77,010	\$ -	\$ 5,365	\$ 71,645	\$ 5,580
Premium	2,828	-	465	2,363	-
Note payable	3,822	-	345	3,477	365
Total bonds and note payable	<u>83,660</u>	<u>-</u>	<u>6,175</u>	<u>77,485</u>	<u>5,945</u>
Other noncurrent liabilities					
Accrued compensated absences	44,271	15,048	14,794	44,525	14,734
U.S. government loans refundable	5,664	65	1,295	4,434	-
Asset retirement obligation	-	2,250	-	2,250	-
Total other noncurrent liabilities	<u>49,935</u>	<u>17,363</u>	<u>16,089</u>	<u>51,209</u>	<u>14,734</u>
Total long-term liabilities	<u>\$ 133,595</u>	<u>\$ 17,363</u>	<u>\$ 22,264</u>	<u>\$ 128,694</u>	<u>\$ 20,679</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Revenue bonds payable consist of the following at June 30, 2021 (in thousands):

	Authorized and Issued	Interest Rates	Bonds Outstanding June 30, 2021
Facilities Improvement Revenue Bonds			
Series 2010 B (d)	\$ 19,730	4.10% - 5.22%	\$ -
Series 2010 C (h)	18,000	5.80%	-
Series 2011 B (e)	7,680	2.05% - 4.00%	-
Series 2012 A (a)	29,600	3.125% - 5.00%	1,415
Series 2012 B (f)	10,055	2.00% - 5.00%	1,030
Facilities Refunding Revenue Bonds			
Series 2016 A (b)	7,620	1.00% - 5.00%	5,330
Series 2021 A (c)	40,895	2.00% - 5.00%	40,895
Series 2021 B (g)	22,145	2.00%	22,145
	<u>\$ 155,725</u>		<u>70,815</u>
Premium			<u>10,404</u>
			<u>\$ 81,219</u>

Maturities and interest on bonds payable for the next five years and thereafter is as follows (in thousands):

	Principal	Interest	Total
2022	\$ 5,575	\$ 2,657	\$ 8,232
2023	5,825	2,412	8,237
2024	6,005	2,211	8,216
2025	6,220	2,001	8,221
2026	6,480	1,783	8,263
2027-2031	31,670	4,738	36,408
2032-2036	4,660	945	5,605
2037-2041	3,045	479	3,524
2042-2043	1,335	60	1,395
	<u>\$ 70,815</u>	<u>\$ 17,286</u>	<u>\$ 88,101</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Revenue Bonds Payable – Series A

- (a) On July 25, 2012, the University issued \$29,600,000 of Series A bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 3.125% to 5.00% and principal payments are due in annual installments, which began June 1, 2013. Principal maturities began June 1, 2013, and continue until 2032. Proceeds from the issuance of these bonds were used (a) to fund the renovation and construction of a performing arts complex and certain renovations and improvements to other University residence halls and recreation centers (b) to advance refund a portion of the outstanding Series 2005 revenue bonds. The bonds are secured by the net revenues available for debt service of the University.

In fiscal year 2021, \$18,305,000 of the bonds outstanding were advanced refunded by the Series 2021B refunding bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments. As a result, the refunded portion of the bonds is considered to be defeased and the liability for this portion of the bonds has been removed from the statements of net position. If at any time the available proceeds in the escrow account are not sufficient to make the payment due to bondholders, the University will provide funds to make up the deficit. The refunded bonds are callable on June 1, 2022. A portion of the Series 2012A bonds maturing in fiscal year 2022 totaling \$1,415,000 were not refunded.

- (b) On October 26, 2016, the University issued \$7,620,000 of Series A bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 1.00% to 5.00% and principal payments are due in annual installments, which began June 1, 2017. Principal maturities began June 1, 2017, and continue until 2031. Proceeds from the issuance of these bonds were used to advance refund all or a portion of the outstanding Facilities Improvement Revenue Bonds, Series 2011A. The bonds are secured by the net revenues available for debt service of the University.
- (c) On June 1, 2021, the University issued \$40,895,000 of Series A bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 2.00% to 5.00% and principal payments are due in annual installments, which begin June 1, 2022. Principal maturities begin June 1, 2022, and continue until 2043. Proceeds from the issuance of these bonds were used to advance refund all of the outstanding Facilities Improvement Revenue Bonds, Series 2010B, 2010C, and 2011B and the purchase of Bison Run Village (see Note 13). The bonds are secured by the net revenues available for debt service of the University. The University completed the refunding to decrease its future debt service payments by a total of \$15,541,000, which resulted in net present value savings of \$14,201,000. The reacquisition price of the refunded debt exceeded the net carrying value of the old debt by \$270,023 (i.e., accounting loss) which will be deferred and amortized over the remaining life of the old or new debt, whichever is shorter.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Revenue Bonds Payable – Series B

- (d) On May 12, 2010, the University issued \$19,730,000 of Series B bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 4.10% to 5.22% and principal payments are due in annual installments, which began June 1, 2011. Principal maturities began June 1, 2017, and continue until 2027. Proceeds from the issuance of these bonds were used to construct a new residence building, visual arts building, and make improvements to existing facilities. The University has pledged revenues from the related facilities, net of specified expenses, to repay the Series B bonds. The bonds are payable solely from the facilities revenues and are payable through June 1, 2027. The bonds are taxable direct payment Build America Bonds and are expected to pay a subsidy to the University of \$5.1 million over the term of the bonds. The University received a subsidy of \$330,000 and \$347,000, respectively, for the years ended June 30, 2021 and 2020, which is recorded as other nonoperating revenue on the statements of revenues, expenses and changes in net position.

In fiscal year 2021, the 2010B series were current refunded by the Series 2021A refunding bonds. The net proceeds were used to pay off the bonds on the July 1, 2021 call date. As a result, the bonds are considered to be defeased and the liability has been removed from the statements of net position.

- (e) On November 18, 2011, the University issued \$7,680,000 of Series B bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 2.05% to 4.00% and principal payments are due in annual installments, which began June 30, 2015. Principal maturities began June 30, 2015, and continue until 2024. Proceeds from the issuance of these bonds were used to purchase, erect, alter, and improve facilities specifically located at the University of Wyoming/Casper College Center located in Casper Wyoming. The University has pledged revenues from the related facilities, net of specified expenses, to repay the Series B bonds. The bonds are payable solely from the facilities revenues and are payable through June 30, 2024.

In fiscal year 2021, the 2011B series were current refunded by the Series 2021A refunding bonds. The net proceeds were used to pay off the bonds on the July 1, 2021 call date. As a result, the bonds are considered to be defeased and the liability has been removed from the statements of net position.

- (f) On July 25, 2012, the University issued \$10,055,000 of Series B bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 2.00% to 5.00% and principal payments are due in annual installments, which began June 1, 2016. Principal maturities began June 1, 2016, and continue until 2025. Proceeds from the issuance of these bonds were used (a) to fund the renovation and construction of a performing arts complex and certain renovations and improvements to other University residence halls and recreation centers (b) to advance refund a portion of the outstanding Series 2005 revenue bonds. The University has pledged revenues from the related facilities, net of specified expenses, to repay the Series B bonds. The bonds are payable solely from the facilities revenues.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

In fiscal year 2021, \$3,345,000 of the bonds outstanding were advanced refunded by the Series 2021B refunding bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments. As a result, the refunded portion of the bonds is considered to be defeased and the liability for this portion of the bonds has been removed from the statements of net position. If at any time the available proceeds in the escrow account are not sufficient to make the payment due to bondholders, the University will provide funds to make up the deficit. The refunded bonds are callable on June 1, 2022. A portion of the Series 2012B bonds maturing in fiscal year 2022 totaling \$1,030,000 were not refunded.

- (g) On June 1, 2021, the University issued \$22,145,000 of Series B bonds. The bonds bear interest, payable semi-annually in December and June, at a rate of 2.00% and principal payments are due in annual installments, which begin June 1, 2023. Principal maturities begin June 1, 2023, and continue until 2032. Proceeds from the issuance of these bonds were used to advance refund a portion of the outstanding Series 2012A and 2012B revenue bonds. The University has pledged revenues from the related facilities, net of specified expenses, to repay the Series B bonds. The bonds are payable solely from the facilities revenues. The University completed the refunding to decrease its future debt service payments by a total of \$2,758,000, which resulted in net present value savings of \$2,617,000. The reacquisition price of the refunded debt was less than the net carrying value of the old debt by \$148,342 (i.e., accounting gain) which will be deferred and amortized over the remaining life of the old or new debt, whichever is shorter.

Revenue Bonds Payable – Series C

- (h) On May 12, 2010, the University issued \$18,000,000 of Series C bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 5.80% and principal payments are due in a lump-sum payment on June 1, 2030. Principal maturity is June 1, 2030. Proceeds from the issuance of these bonds were used (a) to construct a new residence building, visual arts building, and make improvements to existing facilities (b) to advance refund a portion of the outstanding Facilities Improvement Revenue Bonds, Series 2001. The University has pledged revenues from the related facilities, net of specified expenses, to repay the Series C bonds. The bonds are payable solely from the facilities revenues and are payable through June 1, 2030. The bonds are taxable direct payment Build America Bonds and are expected to pay a subsidy to the University of \$8.4 million over the term of the bonds. The University received a subsidy of \$443,000 and \$442,000, respectively, for the years ended June 30, 2021 and 2020, which is recorded as other nonoperating revenue in the statements of revenues, expenses and changes in net position.

In fiscal year 2021, the 2010C series were current refunded by the Series 2021A refunding bonds. The net proceeds were used to pay off the bonds on the July 1, 2021 call date. As a result, the bonds are considered to be defeased and the liability has been removed from the statements of net position.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

State of Wyoming – University Revenue Bond Supplemental Coverage Program

In 2011, the Wyoming State Legislature enacted legislation, set forth in W.S. §9-4-1003 (the Supplemental Coverage Program Act), establishing a program to provide supplemental coverage for the repayment of certain of the University’s revenue bonds (the Supplemental Coverage Program). Such supplemental Coverage Program Act was subsequently amended by the legislature on March 15, 2019. Such amended removed the time limitation for issuance of bonds as well as reduced the University’s debt service coverage ratio requirement for participation in the program to a level of at least 1:1 coverage. Pursuant to the provisions of such Supplemental Coverage Program Act, upon the failure of the University to make full payment of the debt service required on certain participating bonds, the State shall make full payment due from Federal Mineral Royalties, if available. This program applies to both the Series 2012 and 2021 bonds.

Net Pledged Revenue

The University has pledged future facilities revenues, net of specified operating expenses, to repay the principal currently outstanding, revenue series bonds issued from 2010 to 2021. Proceeds from the bonds provided financing for facilities improvement, renovation, and construction. The bonds are payable solely from the net revenues derived directly or indirectly from the operation and use of the facilities or any part thereof and are payable through 2043. Annual principal and interest payments on the bonds are expected to require approximately 29.02% and 27.82% of net pledged revenues as of June 30, 2021 and 2020, respectively. The total principal and interest remaining to be paid on the bonds as of June 30, 2021 and 2020 is \$88,101,000 and \$94,099,000, respectively. The total principal and interest paid for the current year and total net pledged revenues were \$9,150,000 and \$24,502,000, respectively, for the year ended June 30, 2021 and \$9,161,000 and \$32,924,000, respectively, for the year ended June 30, 2020. Details of the total net pledged and related ratios are shown on the following tables (in thousands):

	2021	2020
Gross Pledged Revenue		
Sales		
Merchandise	\$ 9,324	\$ 15,181
Rents and fees		
Residence hall and apartment rent	6,603	9,320
Fees and games	1,255	1,824
Student fees	594	758
Nonenterprise revenue		
Government royalties	21,365	21,365
Miscellaneous	5,161	7,566
Investment income	2,963	5,759
Total revenue	47,265	61,773

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operation and Maintenance Expenses		
Cost of sales	5,901	7,412
Operating expenses		
Advertising	24	25
Contractual services	226	555
Parts and supplies	719	1,044
Rent	368	523
Repairs and maintenance	659	1,178
Salaries	6,005	7,251
Salaries - benefits	2,628	2,605
Support services	9	62
Travel	18	55
Utilities	2,584	3,395
Miscellaneous	2,674	3,914
Depreciation	948	830
	<u>22,763</u>	<u>28,849</u>
Pledged net revenue	<u>24,502</u>	<u>32,924</u>
Maximum Annual Debt Service Requirement (Fiscal Year 2026 and 2021, respectively)		
Principal	6,480	5,580
Interest	1,783	3,570
	<u>8,263</u>	<u>9,150</u>
Excess of net pledged revenue over maximum annual debt service requirement	<u>\$ 16,239</u>	<u>\$ 23,774</u>
Percentage of net pledged revenue to maximum annual debt service requirement	297%	360%
Percentage of net pledged revenue to debt service requirement for fiscal year ending June 30	268%	359%

Notes Payable

The University has recorded notes payable in conjunction with building improvements and equipment related to energy performance contracts. The interest rate on the notes payable is 2.83%.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The outstanding notes payable from direct borrowings related to energy performance contracts contain provisions regarding the event of a default or unavailability of funds by the University. In the event of a default, the lender may accelerate and recover from the University any and all amounts currently due and interest portions of payments accrued to the actual payment date to be due and take possession of the equipment. The note payable will terminate upon the earliest of the following events: expiration of the agreement, exercise of the option to purchase the equipment, default, or the payment of all payments authorized or required to be paid during the duration of the agreement. The financial consequences are limited to the amount of payments still due within the current fiscal period and the value of the equipment at the time of default.

Future minimum payments under notes payable are as follows for the year ended June 30, 2021 (in thousands):

	Principal	Interest	Total
2022	\$ 385	\$ 84	\$ 469
2023	407	73	480
2024	430	61	491
2025	452	49	501
2026	430	36	466
2027-2028	976	35	1,011
	\$ 3,080	\$ 338	\$ 3,418

In addition, on June 4, 2021, the University received a loan in the amount of \$365,000 pursuant to the Paycheck Protection Program (PPP) for Wyoming Public Media. Under the PPP loans are eligible to be forgiven if the proceeds were used for payroll and other non-payroll expenses. The University anticipates using all of the proceeds to make eligible payments, and therefore expects substantially all of the loan to be forgiven in fiscal year 2022. If the loan is not forgiven, Wyoming Public Media will be required to make monthly payments of \$9,000 with the first payment due November 5, 2022 and the final payment due June 5, 2026. The loan accrues interest at a rate of 1%.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 9: Pension Plans

Employee Defined Benefit Retirement Plans

The following tables summarize each of the University's Wyoming Retirement System plans recorded in the financial statements for the years ended June 30, respectively (in thousands):

2021				
Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Public Employee Pension Plan	\$ 77,760	\$ 9,004	\$ 17,912	\$ 4,907
Law Enforcement Plan	379	380	606	63
Total	<u>\$ 78,139</u>	<u>\$ 9,384</u>	<u>\$ 18,518</u>	<u>\$ 4,970</u>

2020				
Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Public Employee Pension Plan	\$ 81,997	\$ 9,041	\$ 15,005	\$ 10,776
Law Enforcement Plan	468	518	683	155
Total	<u>\$ 82,465</u>	<u>\$ 9,559</u>	<u>\$ 15,688</u>	<u>\$ 10,931</u>

Public Employee Pension Plan Description

University employees have the option to elect to participate in the Wyoming Retirement System (WRS) Public Employee Pension Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Wyoming Retirement System. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plans by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at <http://retirement.state.wy.us/home/index.html>.

Benefits Provided

The Public Employees Plan provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. W.S. 9-3-454 prohibits benefit changes, including cost of living adjustments, unless the plan is 100% funded.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Retirement benefits: Two tiers of retirement benefits were established for participants of this Plan. Members who join WRS by August 31, 2012 are in Tier 1, while members who join on or after September 1, 2012 are in Tier 2.

- Tier 1: the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. Formula for retirement equals 2.125% of employee's Final Average Salary for each year of credited service for the first 15 years of service credit plus 2.25% of Final Average Salary for any years of service credit exceeding 15 years. This amount is reduced by 5.0% per year that the employee is under age 60.
- Tier 2: the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. Formula for retirement equals 2.000% of employee's Final (5-year) Average Salary for each year of credited service. This amount is reduced by 5.0% per year that the employee is under age 65.

All employees may also retire upon normal retirement on the basis that the sum of the member's age and service is at least 85. Members retiring with a combined age and service of at least 85 receive an unreduced benefit. Employees hired prior to July 1, 1981 may be entitled to benefits earned under a different formula.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's Benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement. The benefit payment is a lump-sum equal to two times the employee contributions with interest. If the employee is vested, the beneficiary can elect, in lieu of this lump-sum, to receive a monthly annuity equal to the actuarial equivalent of the retirement benefit that would be due the employee.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Contributions

Eligible employees and the University are required to contribute to the Plan at a rate set by Wyoming Statute. The contributions requirements are established under Wyoming Statute 9-3-412 and 413. Employees are required to contribute 9.00% and 8.75%, respectively, for the years ended June 30, 2021 and 2020, of their annual pay. The University's contractually required contribution rate for the years ended June 30, 2021 and 2020 was 9.12% and 8.87%, respectively, of covered payroll. Per statute, employers are allowed to subsidize all or part of the employee contributions. For both years, the University has elected to contribute an additional 5.57% on behalf of eligible employees. Although paid by the University, for the purposes of recording the net pension liability these additional contributions are considered to be employee contributions. For the years ended June 30, 2021 and 2020, contractually required contributions to the pension plan from the University were \$6,173,000 and \$5,698,000, respectively.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2021 and 2020, the University reported a liability of \$77,760,000 and \$81,997,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, for the years ended June 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2020 and 2019, respectively. Standard update procedures were used to roll forward the total pension liability to December 31, 2020 and 2019. The University's proportion of the net pension liability was based on the University's contributions to the Plan for the calendar year associated with the above measurement dates above, relative to the total contributions of participating employers of the Plan. At December 31, 2020, the University's proportion was 3.578%, which was an increase of 0.089% from its proportion measured as of December 31, 2019. At December 31, 2019, the University's proportion was 3.489%, which was an increase of 0.142% from its proportion measured as of December 31, 2018.

For the years ended June 30, 2021 and 2020, the University recognized pension expense of \$4,907,000 and \$10,776,000, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,478	\$ 676
Changes of assumptions	483	-
Net difference between projected and actual earnings on pension plan investments	-	17,048
Changes in proportion and differences between the University's contributions and proportionate share of contributions	3,862	188
University's contributions subsequent to the measurement date	<u>3,181</u>	<u>N/A</u>
Total	<u>\$ 9,004</u>	<u>\$ 17,912</u>
	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,617
Changes of assumptions	2,890	-
Net difference between projected and actual earnings on pension plan investments	-	12,235
Changes in proportion and differences between the University's contributions and proportionate share of contributions	3,260	1,153
University's contributions subsequent to the measurement date	<u>2,891</u>	<u>N/A</u>
Total	<u>\$ 9,041</u>	<u>\$ 15,005</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

As of June 30, 2021, the University reported \$3,181,000 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021, related to pensions will be recognized in pension expense as follows (in thousands):

Year ending June 30,		
2022	\$	(3,429)
2023		(188)
2024		(6,533)
2025		(1,939)
		<u>(12,089)</u>
	\$	<u>(12,089)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020 and 2019, actuarial valuations were determined using the following actuarial assumptions and other inputs:

Actuarial Valuation	January 1, 2020	January 1, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	2.25%
Salary Increases	2.5 to 6.5%, including inflation	2.5 to 6.5%, including inflation
Payroll growth rate	2.50%	2.50%
Cost of living increase	0.00%	0.00%
Investment rate of return	7.00%	7.00%

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality table, projected with scale MP-2017. To allow for an appropriate margin of improved mortality prospectively, the postretirement mortality rates incorporate no set back of one year with a 100% multiplier for males and an 88% multiplier for females and the preretirement mortality rates incorporate no set back with a 100% multiplier for males and a 100% multiplier for females.

The actuarial assumptions used in the January 1, 2020 and 2019 valuations were based on the results of an actuarial experience study for the five year period ended December 31, 2016.

Changes in Assumptions – Refer to the above table for changes between the measurement dates included in this report. As of the January 1, 2019 actuarial valuation, the only change from the prior valuation was a decrease in salary increases from 4.75% to 8.75%, including inflation.

Changes in benefits – Senate File 0089 (Senate Enrolled Act 24) provides that for new hires after July 1, 2019, the death benefit for inactive and non-vested members would be the member account balance and not double the member account balance. In addition, Senate File 0090 (Senate Enrolled Act 25) provides that effective July 1, 2019 interest will no longer accrue to member accounts who are not actively employed and not vested in their plan.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Expected Geometric Rate of Return	Expected Arithmetic Rate of Return
Cash	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private market	9.50%	4.53%	5.82%
Total	<u>100%</u>	<u>3.82%</u>	<u>5.23%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7% for the 2020 and 2019 measurement dates. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The University's proportionate share of the net pension liability has been calculated using a discount rate of 7%. The following presents the University's proportionate share of the net pension liability calculated using a discount rate 1% higher (8%) and 1% lower (6%) than the current rate (in thousands).

	1% Decrease (6%)	Current Measurement Period Discount Rate (7%)	1% Increase (8%)
Proportionate Share of Net Pension Liability	<u>\$ 121,841</u>	<u>\$ 77,760</u>	<u>\$ 40,974</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report which can be obtained at <http://retirement.state.wy.us/home/index.html>.

Payable to the Pension Plan

As of June 30, 2021 and 2020, the University reported a payable of \$572,000 and \$529,000, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2021 and 2020.

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2021 and 2020

There were no changes subsequent to the December 31, 2020 measurement date that impacts this plan.

Wyoming Law Enforcement Retirement Fund Plan Description

University campus police officers have the option to elect to participate in the Wyoming Retirement System (WRS) Law Enforcement Retirement Fund (the Fund), a cost-sharing multiple-employer defined benefit pension plan. The Fund is administered by the Wyoming Retirement System. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plans by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at <http://retirement.state.wy.us/home/index.html>.

Benefits Provided

The Plan statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. W.S. 9-3-454 prohibits benefit changes, including cost of living adjustments, unless the plan is 100% funded.

Retirement benefits: Participants of the Fund may retire at age 60 with four or more years of service as a law enforcement officer or any age with at least 20 years of service as a law enforcement officer. Early retirement benefits are payable to any law enforcement officer who has at least four but less than 20 years of service and are at least age 50. Early retirement benefits are actuarially reduced by 5% per year before age 60. Formula for retirement equals 2.50% of employee's highest five-year average salary for each year of credited service, not to exceed 75.0% of final average salary.

Any employee who has left employment with four or more years of service, and who has not withdrawn accumulated contributions, is eligible to receive the above benefit or can elect to receive a lump-sum refund of contributions with interest. An employee who terminates with less than four years of service is only eligible for the lump-sum benefit.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Disability Benefits: Disability benefits received depend on if the disability occurs while on duty or off duty.

- **Duty Disability** – There are no age or service eligibility requirements. Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties resulting from an individual and specific act, the type of which would normally occur only while employed as an employee, or as otherwise defined under W.S. 9-3-432(h). Upon retirement the monthly disability retirement benefit is 62.5% of the final salary.
- **Non-Duty Disability** – Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of disability equal to 50% of the final salary.

Disability benefits are payable for the life of the member or until death.

Survivor's Benefits: Certain surviving dependents receive benefits as follows:

- If the death occurs in the line of duty the benefit received is 62.5% of member's final actual salary is payable to the surviving spouse plus 6% of the member's final actual salary for each unmarried child under 18. Payment shall not exceed the member's final actual salary.
- If the death occurs not in the line of duty the benefit received is 50% of the member's final actual salary payable to the surviving spouse plus 6% of the member's final actual salary for each unmarried child under 18. Payment shall not exceed 100% of the member's final actual salary.

Contributions

Eligible campus police officers and the University are required to contribute to the Fund at a rate set by Wyoming Statute. The contributions requirements are established under Wyoming Statute 9-3-412 and 413. Employees are required to contribute 8.6% of their annual pay. The University's contractually required contribution rate for the years ended June 30, 2021 and 2020 was 8.6% of covered payroll. Per statute, employers are allowed to subsidize all or part of the employee contributions. The University has elected to contribute an additional 8.6% on behalf of eligible employees. Although paid by the University, for the purposes of recording the net pension liability these additional contributions are considered to be employee contributions. For the years ended June 30, 2021 and 2020, contractually required contributions to the pension plan from the University were \$91,000 and \$73,000, respectively.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2021 and 2020, the University reported a liability of \$379,000 and \$468,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, for the years ended June 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2020 and 2019, respectively. Standard update procedures were used to roll forward the total pension liability to December 31, 2020 and 2019. The University's proportion of the net pension liability was based on the University's contributions to the Plan for the calendar year associated with the measurement dates above, relative to the total contributions of participating employers of the Plan. At December 31, 2020, the University's proportion was 0.556%, which was an increase of 0.013% from its proportion measured as of December 31, 2019. At December 31, 2019, the University's proportion was 0.543%, which was a decrease of 0.001% from its proportion measured as of December 31, 2018.

For the years ended June 30, 2021 and 2020, the University recognized pension expense of \$63,000 and \$155,000, respectively. At June 30, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 94	\$ 20
Changes of assumptions	224	338
Net difference between projected and actual earnings on pension plan investments	-	242
Changes in proportion and differences between the University's contributions and proportionate share of contributions	17	6
University's contributions subsequent to the measurement date	45	N/A
Total	\$ 380	\$ 606

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 83	\$ 39
Changes of assumptions	389	467
Net difference between projected and actual earnings on pension plan investments	-	167
Changes in proportion and differences between the University's contributions and proportionate share of contributions	11	10
University's contributions subsequent to the measurement date	35	N/A
Total	\$ 518	\$ 683

As of June 30, 2021, the University reported \$45,000 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021 related to pensions will be recognized in pension expense as follows (in thousands):

Year ending June 30,	
2022	\$ (32)
2023	(77)
2024	(137)
2025	(25)
	\$ (271)

Actuarial Assumptions

The total pension liability in the actuarial valuations for each measurement date presented were determined using the following actuarial assumptions and other inputs:

Actuarial Valuation	January 1, 2020	January 1, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	2.25%
Salary Increases	4.75 to 8.75%, including inflation	4.75 to 8.75%, including inflation
Payroll growth rate	2.50%	2.50%
Cost of living increase	0.00%	0.00%
Investment rate of return	7.00%	7.00%

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality table, projected with scale MP-2017. To allow for an appropriate margin of improved mortality prospectively, the postretirement mortality rates incorporate no set back of one year with a 100% multiplier for males and an 88% multiplier for females and the pre-retirement mortality rates incorporate no set back with a 100% multiplier for males and a 100% multiplier for females.

The actuarial assumptions used in the January 1, 2020 and 2019 valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2016.

Changes in Assumptions – Refer to the above table for changes between the measurement dates included in this report. As of the January 1, 2019 actuarial valuation, there were no changes in assumptions from the prior measurement date.

Changes in benefits – Senate File 0089 (Senate Enrolled Act 24) provides that for new hires after July 1, 2019, the death benefit for inactive and non-vested members would be the member account balance and not double the member account balance. In addition, Senate File 0090 (Senate Enrolled Act 25) provides that effective July 1, 2019 interest will no longer accrue to member accounts who are not actively employed and not vested in their plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Geometric Rate of Return	Long-term Expected Arithmetic Rate of Return
Cash	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private market	9.50%	4.53%	5.82%
Total	<u>100%</u>	<u>3.82%</u>	<u>5.23%</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the 2020 and 2019 measurement dates. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The University's proportionate share of the net pension liability has been calculated using a discount rate of 7.00%. The following presents the University's proportionate share of the net pension liability calculated using a discount rate 1% higher (8%) and 1% lower (6%) than the current rate (in thousands).

	1% Decrease (6%)	Current Measurement Period Discount Rate (7%)	1% Increase (8%)
Proportionate Share of Net Pension Liability	\$ 1,002	\$ 379	\$ (130)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report which can be obtained at <http://retirement.state.wy.us/home/index.html>.

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2020

There were no changes subsequent to the December 31, 2020 measurement date that impacts this plan.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Employee Defined Contribution Retirement Plan

Eligible University employees may elect to participate in the Teachers Insurance and Annuity Association (TIAA) defined contribution plan instead of WRS. The TIAA plan is an Internal Revenue Code Section 401(a) governmental profit sharing plan and as a private defined contribution plan, is portable to other institutions and states. The plan provisions are established by the Board of the University of Wyoming. Contribution rates to the plan mirror the contribution requirements set by state statute which for Fiscal Year 2021 was 18.12% and is comprised of 9.00% to be contributed by the employee and 9.12% by the employer and for Fiscal Year 2020 was 17.62% and is comprised of 8.75% to be contributed by the employees and 8.87% by the employer. Per statute employers are allowed to subsidize all or part of the employee contributions. For both years, the University has elected to contribute an additional 5.57%, respectively, on behalf of eligible employees. Contributions to the plan are fully vested and nonforfeitable. Employer contributions for the years ended June 30, 2021 and 2020 were \$20,024,000 and \$18,998,000, respectively.

Note 10: Other Retirement Plans

University of Wyoming Deferred Compensation Plan

The University offers employees the opportunity to voluntarily participate in the University of Wyoming 457(b) Deferred Compensation Plan. The purpose of the plan is to provide deferred compensation for eligible employees. The plan is created in accordance with Internal Revenue Code Section 457. The plan allows employees to defer a portion of their salary until future years. The employer may also contribute to the plan without reduction to the participant's salary. The deferred amounts are not available to the employees until termination, plan termination, the participant has amounts separately held in a rollover account and, if elected in the adoption agreement: the calendar year in which the participant attains age 70-1/2, or in the event of an unforeseeable emergency. Employer contributions during fiscal years 2021 and 2020 were \$156,000.

University of Wyoming 403(b) Plan

University of Wyoming 403(b) Plan employees may also participate in the 403(b) Contribution Retirement Plan, a defined contribution plan. The purpose of the plan is to provide deferred compensation for eligible employees. The plan is created in accordance with Internal Revenue Code Section 403(b). The plan allows employees to defer a portion of their salary until future years. The employer may also contribute to the plan without reduction to the participant's salary. The participant's distributions may not be made earlier than the earliest date on which the participant has a severance from employment, dies, becomes disabled, or attains age 59-1/2. During fiscal years 2021 and 2020, the University contributed \$326,000 and \$327,000, respectively.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 11: Other Postemployment Benefit Plans

The University participates in two other postemployment benefit plans (OPEB). The following tables summarize each of the University’s OPEB plans and the respective activity recorded in the financial statements for the years ended June 30 (in thousands):

2021				
Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
University of Wyoming Board Retirement Plan	\$ 17,306	\$ 4,604	\$ 350	\$ 1,182
State of Wyoming Employee Group Insurance Retiree Health Plan	<u>294,323</u>	<u>109,628</u>	<u>51,220</u>	<u>22,956</u>
Total	<u>\$ 311,629</u>	<u>\$ 114,232</u>	<u>\$ 51,570</u>	<u>\$ 24,138</u>
2020				
Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
University of Wyoming Board Retirement Plan	\$ 14,164	\$ 1,792	\$ 491	\$ 910
State of Wyoming Employee Group Insurance Retiree Health Plan	<u>214,250</u>	<u>55,290</u>	<u>58,686</u>	<u>18,001</u>
Total	<u>\$ 228,414</u>	<u>\$ 57,082</u>	<u>\$ 59,177</u>	<u>\$ 18,911</u>

University of Wyoming Board Retirement Plan Description

The University contributes to the University of Wyoming Board Retirement Plan (the OPEB Plan), a single-employer defined benefit other postemployment benefit (OPEB) plan covering substantially all employees. The OPEB Plan is administered by the University. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the plan is funded on a “pay-as-you-go” basis. Benefit provisions are contained in University Regulation 5-2 and were established and can be amended by action of the University’s governing body.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Benefits Provided

The OPEB Plan provides health and life insurance benefits to eligible retirees and their dependents. Benefits are provided through the statewide employee group insurance plan. The benefits covered by the OPEB Plan are as follows:

- Any employee who has (1) completed 25 years of full-or-part-time benefitted service with the University or (2) has attained the age of 60 with 15 years of services with 10 consecutive years of uninterrupted service immediately preceding the date of retirement qualifies for Board Retirement. The benefits provided to board retirees vary based on the following tiers:
 - Any employee who qualified for board retirement who retired prior to July 1, 2016 or who is eligible for board retirement as of July 1, 2016 with consecutive service from July 1, 2016 through the date of retirement will receive the following benefits:
 - Conversion of up to 960 hours of accrued sick leave to a state contribution for group health insurance or payment for one-half (1/2) of the current sick leave balance as of the employee's termination date, not to exceed 480 hours. If the Board Retiree elects to convert the 960 hours of accrued sick leave to a state contribution for group health insurance, the conversion rate is 1.5 months of coverage for each 40 hours of accrued sick leave. The amount of the contribution shall be equal to the employer's contribution for the coverage the employee had while employed reduced by the amount of any state-funded health insurance contributions for the retiree. If the employee dies, the sick leave conversion benefit shall be transferred to the surviving spouse. A rehired Board Retiree who has received this benefit previously is not eligible to receive this benefit again.
 - Payment for half the premium for state life insurance, if elected, for the remainder of the retiree's life. The employee's spouse or surviving spouse is not eligible for this benefit.
 - Any employee who qualifies for board retirement subsequent to July 1, 2016 will receive the following benefits:
 - Payment for half the premium for state life insurance, if elected, for the remainder of the retiree's life. The employee's spouse or surviving spouse is not eligible for this benefit.
- In addition, any long-term employee who is not eligible for board retirement, as defined above, and who either (1) retired prior to July 1, 2016 with 15 years of University service including at least 10 consecutive years of uninterrupted service immediately preceding the date of retirement or (2) retire after July 1, 2016 with continuous service from July 1, 2016 through the date of retirement, and who have completed 15 years of University service with at least 10 consecutive years of uninterrupted service immediately preceding July 1, 2016 shall receive the following benefit:

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

- Conversion of up to 960 hours of accrued sick leave to a state contribution for group health insurance or payment for one-half (1/2) of the current sick leave balance as of the employee’s termination date, not to exceed 480 hours. If the Board Retiree elects to convert the 960 hours of accrued sick leave to a state contribution for group health insurance, the conversion rate is 1.5 months of coverage for each 40 hours of accrued sick leave. If the employee dies, the sick leave conversion benefit shall be transferred to the surviving spouse. A rehired Board Retiree who has received this benefit previously is not eligible to receive this benefit again. The amount of the contribution shall be equal to the employer’s contribution for the coverage the employee had while employed reduced by the amount of any state-funded health insurance contributions for the retiree. If the retiree dies before the full amount of this benefit is paid, the balance of the benefit shall be transferred to the surviving spouse as a contribution toward state group health insurance payments. A rehired retiree who has received the conversion of up to 960 hours of accrued sick leave previously is not eligible to receive this benefit again.

As of the June 30, 2021 actuarial valuation, there are 2,938 active employees of which 792 active employees are currently eligible for board retirement benefits and 735 retirees participating in the plan, respectively. As of the July 1, 2018 actuarial valuation, there were 2,813 active employees of which 805 active employees were currently eligible for board retirement benefits and 742 retirees participating in the plan, respectively.

After July 1, 2016, if an employee does not meet any of the criteria defined above, they are not eligible for converting their sick leave balance for health insurance premiums.

Total OPEB Liability

The University’s total OPEB liability of \$17,306,000 and \$14,164,000 was measured as of June 30, 2021 and 2020 for the years ended June 30, 2021 and 2020, respectively, and was determined by actuarial valuation as of June 30, 2021 and July 1, 2018, respectively. Standard update procedures were used to roll-forward the total OPEB liability to June 30, 2020.

The total OPEB liability in the actuarial valuations for each measurement date presented were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise noted:

Measurement Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.00%	2.00%
Discount rate	2.16%	2.21%
Salary increases	3.50%	3.50%
Health care cost trend rates	7.25% for pre-Medicare medical and 6.25% for post-65 medical; both decreasing 0.25% per year until reaching the ultimate trend rate of 4.0%	5.5% for pre-Medicare medical and 4.5% for post-65 medical; both decreasing 0.5% per year until reaching the ultimate trend rate of 4.5%

The discount rate was based on Bond Buyer 20-Bond GO Index.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Mortality rates were based on the PUB-2010 mortality table with generational scale MP-2020 for the June 30, 2021 measurement date and RP-2014 Generational Table projected using Scale MP-18, applied on a gender specific basis for the June 30, 2020 measurement date.

Changes in Assumptions – Refer to the above table for changes between the measurement dates included in this report. The rollforward valuation to the June 30, 2020 measurement date did not change the inflation rate, the discount rate decreased from 3.5% to 2.21%, and the health care trend rates and mortality rates were updated.

Changes in the Total OPEB Liability

Changes in the total OPEB liability are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 14,164	\$ 14,419
Changes for the year		
Service cost	294	292
Interest	309	480
Differences between expected and actual experience	927	-
Changes in assumptions or other inputs	2,605	946
Benefit payments	<u>(993)</u>	<u>(1,973)</u>
Net change in total OPEB liability	<u>3,142</u>	<u>(255)</u>
Balance, end of year	<u>\$ 17,306</u>	<u>\$ 14,164</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability of the University has been calculated using a discount rate of 2.16%. The following presents the total OPEB liability using a discount rate 1% higher (3.16%) and 1% lower (1.16%) than the current discount rate (in thousands).

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(1.16%)</u>	<u>Rate</u>	<u>(3.16%)</u>
		<u>(2.16%)</u>	
University's total OPEB liability	\$ 18,714	\$ 17,306	\$ 16,026

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The total OPEB liability of the University has been calculated using health care cost trend rates of 7.25% for pre-Medicare medical and 6.25% for post-65 medical. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates (in thousands).

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase</u>
University's total OPEB liability	\$ 15,852	\$ 17,306	\$ 18,944

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2021 and 2020, the University recognized OPEB expense of \$1,182,000 and \$910,000, respectively. At June 30, 2021 and 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 2,991	\$ 350
Difference between expected and actual experience	<u>1,613</u>	<u>-</u>
Total	<u>\$ 4,604</u>	<u>\$ 350</u>
	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 830	\$ 491
Difference between expected and actual experience	<u>962</u>	<u>-</u>
Total	<u>\$ 1,792</u>	<u>\$ 491</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021, related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended June 30		
2022	\$	579
2023		579
2024		661
2025		712
2026		720
Thereafter		<u>1,003</u>
	<u>\$</u>	<u>4,254</u>

State of Wyoming Employee Group Insurance Retiree Health Plan Description

The University contributes to the State of Wyoming Employee Group Insurance Retiree Health Plan (the Health Plan), a multiple-employer defined-benefit other postemployment benefit (OPEB) plan covering substantially all State of Wyoming employees of participating state agencies. The Health Plan is administered by the State of Wyoming Employee Group Insurance. The Health Plan’s assets are not accumulated in a qualified trust that meets the criteria of paragraph 4 of GASB Statement No. 75 and is funded on a pay-as-you-go basis and no assets are segregated or restricted to a trust for pre-funding the obligations of the Health Plan. Benefit provisions are contained in the plan document and were established and can be amended by action of the State of Wyoming Legislature. The Health Plan does not issue a separate report; however, additional information on the Health Plan can be obtained from the State of Wyoming’s Comprehensive Annual Financial Report which is available at the following link: <http://sao.wyo.gov/publications>.

Benefits Provided

Any employee of a participating agency is eligible for retiree coverage under the group insurance plan at premium rates established by Employee Group Insurance (EGI), provided that:

1. The employee had coverage in effect under the plan for at least one year just prior to termination; and
2. The employee is eligible to receive a retirement benefit under the Wyoming Retirement System; and either:
 - a. Has attained age 50 with at least four years of service credit as an employee of one of the employing entities participating in the plan, or
 - b. Has at least 20 years of service credit as an employee of one of the employing entities participating in the plan if a participant in the WRS Law Enforcement Retirement Fund or 25 years of service credit if a participant in the WRS Public Employees’ Pension Plan.

Coverage continues for life provided the applicable premiums are paid. Surviving spouses are allowed to continue coverage after the retiree’s death provided they were covered at the time of death.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021 and 2020, the University reported a liability of \$294,323,000 and \$214,250,000 for its proportionate share of the total OPEB liability, respectively. The total OPEB liability was measured as of June 30, 2020 and 2019, for the years ended June 30, 2021 and 2020, respectively, using actuarial valuations as of those dates. The University's proportion of the total OPEB liability was based on a projection of the University's share of expected benefit payments to the OPEB Plan relative to the expected benefit payments of all participating employers, actuarially determined. At June 30, 2020, the University's proportion was 22.53%, which was a decrease of 0.12% from its proportion measured as of June 30, 2019. At June 30, 2019, the University's proportion was 22.65%, which was a decrease of 0.46% from its proportion measured as of June 30, 2018.

For the years ended June 30, 2021 and 2020, the University recognized OPEB expense of \$22,956,000 and \$18,001,000, respectively. At June 30, 2021 and 2020, the University reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,070	\$ 25,751
Changes of assumptions or other inputs	63,020	21,086
Changes in proportion and differences between contribution recognized and proportionate share of contributions	6,825	4,383
Benefit payments subsequent to the measurement date	4,713	N/A
	<u>\$ 109,628</u>	<u>\$ 51,220</u>
	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,210	\$ 29,538
Changes of assumptions or other inputs	1,658	25,282
Changes in proportion and differences between contribution recognized and proportionate share of contributions	7,944	3,866
Benefit payments subsequent to the measurement date	4,478	N/A
	<u>\$ 55,290</u>	<u>\$ 58,686</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

As of June 30, 2021, the University reported \$4,713,000 as deferred outflows of resources related to OPEB resulting from University benefit payments subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2021, will be recognized in OPEB expense as follows:

Year ended June 30		
2022	\$	6,581
2023		6,581
2024		6,581
2025		6,581
2026		6,581
Thereafter		<u>20,790</u>
	<u>\$</u>	<u>53,695</u>

Actuarial Assumptions

The total OPEB liability in the actuarial valuations for each measurement date were determined using the following actuarial assumptions, applied to all periods included in the measurements, unless otherwise noted:

Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation	2.25%	2.50%
Salary increases	2.5-8.5%	2.5-8.5%
Health care cost trend rates	7.2% for pre-Medicare medical and 7.6% for post-65 medical; both decreasing on an annual year until reaching the ultimate trend rate of 4.5%	7.2% for pre-Medicare medical and 7.6% for post-65 medical; both decreasing on an annual year until reaching the ultimate trend rate of 4.5%
Discount rate	2.21%	3.51%

Mortality rates were based on the RP-2014 combined, as appropriate with adjustments for mortality improvements based on MP-2017 for pre- and post-termination rates.

The actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of an actuarial experience study of the Wyoming Retirement System for the five year period ended December 31, 2016.

Changes in Assumptions – Refer to the above table for changes between the measurement dates included in this report. As of the June 30, 2019 valuation, the inflation rate increased from 2.25% to 2.5%, the discount rate changed from 3.87% to 3.5%, salary increases were updated to 2.5% to 8.5% from 2.5% to 6.5%, and health care trend cost rates decreased from 7.6% to 7.2% for pre-Medicare medical and 8.1% to 7.6% for post-65 medical both decreasing on an annual basis until a 4.5% trend rate, and mortality tables did not change.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Discount Rate

As the plan is unfunded the health plan has no fiduciary net position to make future benefit payments. Therefore, a 20-year tax-exempt municipal bond rate of 2.21% and 3.51% obtained from the Bond Buyer General Obligation 20-Municipal Bond Index was applied to determine the total OPEB liability as of June 30, 2021 and 2020, respectively.

Sensitivity of the University's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The University's proportionate share of the total OPEB liability has been calculated using a discount rate of 2.21%. The following presents the University's proportionate share of the total OPEB liability calculated using a discount rate 1% higher (3.21%) and 1% lower (1.21%) than the current discount rate (in thousands).

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
University's total OPEB liability	\$ 366,902	\$ 294,323	\$ 239,599

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The University's proportionate share of the total OPEB liability has been calculated using health care trend rates of 7.2% for pre-Medicare medical and 7.6% for post-65 medical. The following presents the University's proportionate share of the total OPEB liability calculated using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates (in thousands).

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
University's total OPEB liability	\$ 241,395	\$ 294,323	\$ 367,537

Note 12: Risk Management

The University is exposed to various risks of loss including torts, thefts of, damage to, or destruction of assets and educators' liability. The University has purchased commercial insurance for these risks that include insurance for property and liability. Settlements have not exceeded insurance coverage in any of the last three fiscal years. The uninsured risk retention or deductible per occurrence ranges from \$5,000 to \$150,000 for liability and from \$1,000 to \$250,000 for property, depending on the type of liability or property involved.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

Following is a reconciliation of the unpaid claims liability for the past two years (in thousands).

	2021	2020
Unpaid claims, beginning of year	\$ 750	\$ 750
Claims incurred	146	397
Claims paid	(146)	(397)
Unpaid claims, end of year	\$ 750	\$ 750

The University participates in the State of Wyoming employee medical, life and dental insurance program that is co-administered with a third-party health provider/claim service company. The state self-insures medical and dental costs and assumes all the risk for claims incurred by plan participants. The state does not retain any risk of loss for the life insurance plan as the insurance provider assumes all the risk for claims incurred by participants.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The state contributes \$955 per month for a single participant, \$1,907 for a participant plus his/her spouse, \$1,453 for a participant plus children, \$2,185 per participating family, or \$1,102 for married couples both of which are employed by the University or another state agency for insurance premiums for covered participants towards these plans for the year ended June 30, 2021. The state contributes \$833 per month for a single participant, \$1,660 for a participant plus his/her spouse, \$1,267 for a participant plus children, \$1,900 per participating family, or \$950 for married couples both of which are employed by the University or another state agency for insurance premiums for covered participants towards these plans for the year ended June 30, 2020. Participants are responsible for paying premium charges in excess of this amount.

The University participates in a long-term disability program. Effective June 1, 2017, employees pay all premiums. The University does not retain any risk of loss for the long-term disability program as the insurance carrier assumes all the risk for claims incurred by participants.

The University also participates in two State of Wyoming risk management programs: Workers' Compensation Act and Unemployment Compensation Act. Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. This Act requires the University to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. Amounts paid to the State for workers' compensation during fiscal year 2021 and 2020 were \$771,000 and \$1,183,000, respectively.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. The University pays the State expense reimbursement for unemployment claims brought against the University. Changes in the balance of claims liability for the past two years are as follows (in thousands):

	2021	2020
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	280	74
Claims paid	(280)	(74)
Unpaid claims, end of year	\$ -	\$ -

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Note 13: Service Concession Arrangement

On July 1, 2011, the University entered into an agreement with a not-for-profit entity under which the not-for-profit agreed to finance, construct and operate a 332-bed student housing facility, Bison Run Village, on land owned by the University. The not-for-profit is entitled to the rent collected during the 32-year operations period. At the end of the arrangement, title of the building and operations of the student housing facility reverts to the University. The University had an option purchase the building for a purchase price of the outstanding debt at any time of the operations period. The building was placed into service in August 2012 and the University reported the Bison Run Village as a capital asset with a carrying value of \$11,629,000 and a related deferred inflow of resources of \$11,629,000 for the year ended June 30, 2020. On June 1, 2021, the University purchased Bison Run Village, with the issuance of Facilities Refunding Revenue Bonds Series 2021A. The purchase price was \$14,448,000.

The University had subsequently entered into a separate management agreement with the not-for-profit and was managing the facility on its behalf, until it was purchased.

Note 14: Commitments and Contingencies

Claims and Litigation

The University is currently involved in various claims and pending legal actions related to matters arising from the ordinary conduct of business. The University administration believes the ultimate disposition of the actions will not have a material effect on the financial statements of the University.

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Construction Commitments

The University has entered into agreements with various contractors for the construction of buildings. The total amount of contracts entered into by the University as of June 30, 2021 and 2020 is \$63,873,000 and \$108,633,000, respectively.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Investments

The University invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of net position.

Note 15: Current Economic Uncertainties

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operation and cash flows for the University. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 16: University of Wyoming Foundation, Inc.

Financial Statements

University of Wyoming Foundation, Inc. (the Foundation) is a legally separate, tax-exempt entity. The Foundation's primary function is to raise and hold funds to support the University and its programs. The board of the Foundation is self-perpetuating and consists of graduates and friends of the University.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are restricted by donors for the benefit of the University. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements, in accordance with applicable GASB pronouncements.

During the years ended June 30, 2021 and 2020, the Foundation provided \$114,423,000 and \$33,124,000 of support to the University, respectively, through distributions and University gift and investment allocations. Complete financial statements of the Foundation may be obtained from its Administrative Office at the following address: 222 South 22nd Street, Laramie, Wyoming 82070.

The Foundation as a nonprofit organization reports under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC Topic 958). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's statements in the University's financial reporting entity for these differences.

The financial statements of the Foundation are presented in accordance with the provisions of the FASB ASC 958.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Fair Value Investments

The Foundation utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Fair value measurements are categorized as Level 3 when a significant amount of price or other inputs that are considered to be unobservable are used in their valuations. The three levels of the fair value hierarchy are as follows:

- Level 1** Pricing inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2** Pricing inputs are other than quoted prices in active markets for identical assets, but the inputs are either directly or indirectly observable as of the reporting date, and fair value is determined through models or other valuation methodologies.
- Level 3** Pricing inputs are not observable for the investment and include situations in which there is little, if any market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

Investments

The Foundation, the Cowboy Joe Club, the Associated Students of the University of Wyoming (ASUW), and the University endowments are participants in a joint venture whereby certain assets are pooled for investment purposes. The Foundation manages the assets of the pool and maintains separate accounts for each participant. Investment income, gains, and losses and expenses of the pool are allocated to each participant based on their share of ownership of the pool. At June 30, 2021 and 2020, approximately 93% and 94% of the total investments are included in the pool, respectively.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The summarized investments of the Foundation at June 30, 2021 and 2020 are as follows (in thousands):

	June 30, 2021				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
Investments at fair value					
Fixed Income					
Cash and cash equivalents	\$ 65,173	\$ 65,173	\$ -	\$ -	\$ -
Emerging Markets Debt	24,915	24,915	-	-	-
Investment Grade Bonds	100,013	29,573	-	-	70,440
Opportunistic Credit	24,571	24,571	-	-	-
Equity					
Developed Foreign Equity	53,223	53,223	-	-	-
Emerging Markets Equity	77,011	77,011	-	-	-
US Large Cap Equity	113,494	113,494	-	-	-
US Mid Cap Equity	35,794	35,794	-	-	-
US Small Cap Equity	19,270	-	-	-	19,270
Hedge Funds					
Event Driven	3,443	-	-	5	3,438
Fixed Income	8,561	-	-	-	8,561
Global Macro	16,372	-	-	-	16,372
Long/Short Equity	11,281	-	-	65	11,216
Multi-Strategy	198	-	-	198	-
Private Equity					
Buyout	125,708	-	-	55,472	70,236
Private Debt	12,066	-	-	-	12,066
Venture Capital	93,428	-	6,400	51,389	35,639
Real Assets					
Infrastructure	20,126	-	-	-	20,126
Natural Resources	15,341	-	-	-	15,341
Real Estate	47,146	-	10,000	-	37,146
Cryptocurrency Investments					
UWF BTC	2,017	2,017	-	-	-
	<u>\$ 869,151</u>	<u>\$ 425,771</u>	<u>\$ 16,400</u>	<u>\$ 107,129</u>	<u>\$ 319,851</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	June 30, 2020				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
Investments at fair value					
Fixed Income					
Cash and cash equivalents	\$ 49,680	\$ 49,680	\$ -	\$ -	\$ -
Emerging Markets Debt	22,611	22,611	-	-	-
Investment Grade Bonds	31,850	31,850	-	-	-
Opportunistic Credit	21,104	21,104	-	-	-
Special Opportunity Acquisition	34,164	34,164	-	-	-
Equity					
Developed Foreign Equity	50,597	50,597	-	-	-
Emerging Markets Equity	61,911	61,911	-	-	-
US Large Cap Equity	92,494	92,494	-	-	-
US Small Cap Equity	13,088	-	-	-	13,088
Hedge Funds					
Event Driven	10,140	-	-	14	10,126
Fixed Income	14,856	-	-	6,339	8,517
Global Macro	36,309	-	-	-	36,309
Long/Short Equity	33,013	-	-	215	32,798
Multi-Strategy	301	-	-	274	27
Private Equity					
Buyout	75,375	-	-	338	75,037
Private Debt	10,047	-	-	-	10,047
Venture Capital	19,493	-	-	-	19,493
Real Assets					
Infrastructure	16,825	-	-	-	16,825
Natural Resources	10,465	-	-	-	10,465
Real Estate	27,446	-	-	-	27,446
	<u>\$ 631,769</u>	<u>\$ 364,411</u>	<u>\$ -</u>	<u>\$ 7,180</u>	<u>\$ 260,178</u>

In addition to the total investments at fair value, the Foundation held investment assets at cost or present value in the amount of \$8,831,000 and \$11,525,000 at June 30, 2021 and 2020, respectively, making total investments \$877,984,000 and \$643,296,000, respectively.

Total assets held under split-interest agreements at June 30, 2021 and 2020 included in the above table are \$9,915,000 and \$7,138,000, respectively.

The following table summarizes the changes in value of Level 3 investments for the fiscal years ended June 30, 2021 and 2020 (in thousands):

	2021	2020
Beginning market value	\$ 7,180	\$ 1,237
Reclassifications	106,273	9,097
Transfer out	(4,340)	(186)
Realized gains	3,042	169
Unrealized gains (losses)	(5,026)	(3,137)
Ending market value	<u>\$ 107,129</u>	<u>\$ 7,180</u>

At June 30, 2021 and 2020, the NAV, unfunded commitments, and redemption rules of certain Level 3 investments are as follows (in thousands):

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Asset Class	Unfunded Commitments	Net Asset Value June 30, 2021	Net Asset Value June 30, 2020	Redemption Frequency	Redemption Notice Period
Fixed Income					
Investment Grade Bonds (a)	\$ -	\$ 70,440	\$ -	Daily	N/A
Equity					
US Small Cap Equity (b)	-	19,270	13,088	Quarterly	60-90 days
Hedge Funds					
Event Driven (c)	-	3,438	10,126	Quarterly	65 days
Fixed Income (d)	-	8,561	8,517	Varies	45-60 days
Global Macro (e)	-	16,372	36,309	Varies	90 days
Long/Short Equity (f)	-	11,216	32,798	Monthly	30 days
Multi-Strategy (g)	-	-	27	Varies	90 days
Private Equity (h)					
Buyout	52,008	70,236	75,037	None	N/A
Private Debt	4,297	12,066	10,047	None	N/A
Venture Capital	29,110	35,639	19,493	None	N/A
Real Assets (i)					
Infrastructure	6,073	20,126	16,825	None	N/A
Natural Resources	13,230	15,341	10,465	None	N/A
Real Estate	22,498	37,146	27,446	None	N/A
	<u>\$ 127,216</u>	<u>\$ 319,851</u>	<u>\$ 260,178</u>		

- (a) Investment grade bonds includes an investment in a special purpose acquisition company, which is a publicly traded company created for the purpose of acquiring or merging with an existing company.
- (b) U.S. equities include publicly traded U.S. stocks; an investment in a privately held bank holding company; and a fund that may invest in vehicles including equity-related, hybrid, and credit securities that are traded publicly and privately in U.S. and non-U.S. markets.
- (c) Event driven hedge funds includes investments in hedge funds that focus on a range of events. These events include Activist; Distressed – Non-Control; Long-Short Credit; Long-Short Equity; and Merger (Risk) Arbitrage. These funds have limited transparency and the valuations have been estimated using the practical expedient provided by the manager. The term for these investments ranges from 60 to 90 days.
- (d) Fixed income hedge fund investments include hedge funds that tend to focus on mispricing within credit instruments. The investments have limited transparency to underlying securities. The investments are valued using significant unobservable inputs. Appropriate due diligence is performed to rely on the manager’s NAV as a practical expedient for fair value. The term for these investments ranges from 60 to 90 days.
- (e) Global macro hedge funds include investments in hedge funds that focus on macroeconomic conditions, speculating on the direct effect of interest rates, currencies, precious metals, commodities, and indices, often utilizing various degrees of leverage. The valuations have been estimated using the practical expedient provided by the manager. The term for these investments ranges from 30 to 90 days.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

- (g) Long/short equity hedge funds includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stakes, and from a net long position to a net short position. The investments contain exposure in the U.S. market, but will also take advantage of investment opportunities in Europe, Asia and emerging markets. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. As of June 30, 2021 and 2020, all of the lock-up periods have expired for these investments. However, some of the investments have terms that make full liquidity unavailable at the Foundation's report date.
- (h) Multi-strategy hedge funds include a multi-strategy investment focused on analyzing the probability-adjusted returns of individual securities and assets and capturing the alpha in mispriced assets/securities across conventional and alternative financial strategies. Management initiates long and short positions targeting solid absolute risk-adjusted returns. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. As of June 30, 2021 and 2020, all lock-up periods have expired. However, some of the investments have terms that make full liquidity unavailable at the Foundation's report date.
- (i) Private equity funds focus on buyout, growth equity, distressed debt, or venture capital. These investments are not readily redeemable, but a secondary market does exist. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The term of these investments are five to twelve years.
- (j) Real assets are private equity type funds that focus on infrastructure, natural resources, and real estate primarily focused in the U.S. These investments are not readily redeemable, but a secondary market does exist. The nature of the investments in this category is that distributions are received through the liquidation of the underlying assets in the fund. The terms of these investments are five to twelve years.

The Foundation has entered into various split interest agreements, including charitable lead annuity trusts, charitable remainder unitrusts, and charitable gift annuities; whereby the Foundation serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2021 and 2020 with a fair value of \$11,411,000 and \$10,063,000, respectively.

The Foundation holds various investments related to startup companies. No cash was paid for these investments, as they were obtained as consideration in exchange for the use of University facilities and personnel, as well as licensing considerations. The investments are held on behalf of, and in trust for, the University of Wyoming. Due to the nature of these investments and their underlying businesses, it would be impractical to perform or ascertain a business valuation as of June 30, 2021 and 2020, and therefore, no value has been assigned to these investments as of June 30, 2021 and 2020. The Foundation is entitled to custodial fees ranging from 0.5% to 2.5% of all future dividends, distributions, or other cash or assets derived from these investments, with the remainder being transferred to the University of Wyoming.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

The components of investment return for the years ended June 30, 2021 and 2020 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
Dividends and interest	\$ 5,820	\$ 4,805
Net realized gains	50,829	12,651
Net unrealized gains	184,005	13,479
Investment management fees	<u>(9,149)</u>	<u>(7,525)</u>
Total investment return	231,505	23,410
Gross endowment distribution	<u>(20,658)</u>	<u>(20,835)</u>
Net investment return	<u>\$ 210,847</u>	<u>\$ 2,575</u>

Pledges Receivable

Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Foundation. Pledges which will not be received in the subsequent year have been discounted using an estimated rate of return which could be earned if such contributions had been made in the current year.

Due to the nature of these pledges, significant increases and decreases in net assets may occur. These significant fluctuations can arise as contributions are recognized as support in the fiscal period in which they are pledged, but the expenses incurred with such contributions occur in a different fiscal period. Total promises to give were as follows at June 30, (in thousands):

	<u>2021</u>	<u>2020</u>
Due within 1 year	\$ 11,594	\$ 13,799
Due 1 to 5 years	3,931	8,541
Due 5 years and later	<u>30</u>	<u>403</u>
	15,555	22,743
Less allowance for uncollectible pledges	(1,683)	(1,678)
Less discount to present value	<u>(321)</u>	<u>(323)</u>
Total pledges receivable	<u>\$ 13,551</u>	<u>\$ 20,742</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Building, Property and Equipment

Property and equipment consists of the following as of June 30, (in thousands):

	2021	2020
Marian H. Rochelle Gateway Center	\$ 30,070	\$ 30,070
Furniture and equipment	6,206	5,938
	36,276	36,008
Less accumulated depreciation	(10,157)	(9,042)
	\$ 26,119	\$ 26,966

During the years ended June 30, 2021 and 2020, depreciation expense of \$1,121,000 and \$1,539,000, respectively, was recognized.

Endowments

Total managed endowments at the Foundation were \$816,087,000 and \$589,056,000 at June 30, 2021 and 2020, respectively. Included in these totals were custodial endowments totaling \$306,095,000 and \$223,701,000 at June 30, 2021 and 2020, respectively.

The managed endowments at June 30, 2021 and 2020 consist of 1,646 and 1,589 individual funds, respectively, established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Foundation’s governing board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the governing board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing board appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing board of the Foundation had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required by law. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30, (in thousands):

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Donor-restricted endowment funds	\$ -	\$ 445,479	\$ 445,479
Board-designated endowment funds	<u>17,336</u>	<u>-</u>	<u>17,336</u>
Total endowed net assets	<u>\$ 17,336</u>	<u>\$ 445,479</u>	<u>\$ 462,815</u>

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Donor-restricted endowment funds	\$ -	\$ 313,028	\$ 313,028
Board-designated endowment funds	<u>12,531</u>	<u>-</u>	<u>12,531</u>
Total endowed net assets	<u>\$ 12,531</u>	<u>\$ 313,028</u>	<u>\$ 325,559</u>

Changes in endowment net assets for the year ended June 30, (in thousands):

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment net assets, beginning of year	\$ 12,531	\$ 313,028	\$ 325,559
Investment return	4,974	127,059	132,033
Contributions	503	22,422	22,925
Appropriation of endowment assets for expenditure	(477)	(11,711)	(12,188)
Manager and administrative fees	<u>(195)</u>	<u>(5,319)</u>	<u>(5,514)</u>
Balance, June 30, 2021	<u>\$ 17,336</u>	<u>\$ 445,479</u>	<u>\$ 462,815</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

	2020		
	Unrestricted	Temporarily Restricted	Total Endowment
Endowment net assets, beginning of year	\$ 12,464	\$ 302,334	\$ 314,798
Investment return	736	13,667	14,403
Contributions	180	13,265	13,445
Appropriation of endowment assets for expenditure	(617)	(11,486)	(12,103)
Manager and administrative fees	(232)	(4,752)	(4,984)
Balance, June 30, 2020	<u>\$ 12,531</u>	<u>\$ 313,028</u>	<u>\$ 325,559</u>

Fund with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in net assets without donor restrictions were \$0 and \$15,000 as of June 30, 2021 and 2020, respectively. The deficiencies in 2020 resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions from donor restrictions and continued appropriations for certain programs that were deemed prudent by the Foundation's governing board.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods as well as board-designated funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current year interest and dividends. With consultation from its investment consultant, the Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Foundation's governing board meets at least quarterly and more often, if needed, to discuss investment matters to ensure the best possible return, consistent with the preservation of principal, is achieved.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2021 and 2020

Spending Policy

The Foundation Board has adopted a spending policy that makes a distribution based on the weighted average method, and new endowments are restricted from having a payout for one year. For fiscal years 2021 and 2020, the distribution method uses a calculation with 40% based on a 3.5% spending rate of the December market value, and 60% based on the prior year distribution with an inflation adjustment increase of 2.0%.

Liquidity and Availability of Resources

The Foundation receives, manages, and invests gifts on behalf of the University of Wyoming. Funds are transferred to the University of Wyoming once funds are needed to cover expenses. To meet the University of Wyoming's current and future needs, the Foundation's investment portfolio is structured to maintain adequate liquidity while providing investments earnings to grow the endowment. The Foundation's operations are funded by both the support from the University, and by the administrative fees charged to the investment portfolio.

The following schedule outlines the financial assets available at June 30 (in thousands):

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,021	\$ 1,085
Investments	877,984	643,296
Pledges receivable	13,551	20,742
Other receivables	<u>84</u>	<u>515</u>
Financial assets at year end	893,640	665,638
Less funds unavailable for general expenditure within one year due to contractual or donor-imposed restrictions	<u>505,113</u>	<u>374,386</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 388,527</u>	<u>\$ 291,252</u>

Note 17: Subsequent Events

On August 17, 2021, the University issued \$203,990,000 of Series C bonds. The bonds bear interest, payable semi-annually in December and June, at rates of 4.00% to 5.00% and begin in fiscal year 2022. Principal maturities begin June 1, 2024, and continue until 2051. Proceeds from the issuance of these bonds will be used to finance construction of new dormitories, dining facility, and parking garage.

Required Supplementary Information

University of Wyoming
(A Component Unit of the State of Wyoming)

Schedule of the University's Proportionate Share of the Net Pension Liability
Wyoming Retirement System Public Employees' Pension Plan
Last 10 Fiscal Years*
(in thousands)

June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the NPL as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	3.577874813%	\$ 77,760	\$ 65,701	118.35%	79.24%
2020	3.489337403%	\$ 81,997	\$ 61,099	134.20%	76.83%
2019	3.346975985%	\$ 101,926	\$ 57,845	176.21%	69.17%
2018	3.299100317%	\$ 75,198	\$ 58,135	129.35%	76.35%
2017	3.498329500%	\$ 84,572	\$ 58,513	144.54%	73.42%
2016	3.528810328%	\$ 82,198	\$ 63,031	130.41%	73.40%
2015	3.406134378%	\$ 60,108	\$ 58,818	102.19%	79.08%
2014	3.440915250%	\$ 52,364	\$ 57,758	90.66%	81.10%

Information above is presented as of the measurement date for the respective reporting periods

*Information is not currently available for years prior to 2014. Additional years will be displayed as they become available.

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of University Pension Contributions
Wyoming Retirement System Public Employees' Pension Plan
Last 10 Fiscal Years*
(in thousands)

June 30	Statutorily Required Contributions	Contributions Related to the Statutory Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 6,173	\$ 6,173	\$ -	\$ 67,687	9.12%
2020	\$ 5,698	\$ 5,698	\$ -	\$ 64,853	8.79%
2019	\$ 5,161	\$ 5,161	\$ -	\$ 60,165	8.58%
2018	\$ 4,783	\$ 4,783	\$ -	\$ 57,155	8.37%
2017	\$ 5,003	\$ 5,003	\$ -	\$ 59,778	8.37%
2016	\$ 5,410	\$ 5,410	\$ -	\$ 64,634	8.37%
2015	\$ 4,612	\$ 4,612	\$ -	\$ 60,527	7.62%
2014	\$ 3,714	\$ 3,714	\$ -	\$ 52,158	7.12%

Information above is presented as of the University's fiscal year for the respective reporting periods.

*Information is not currently available for years prior to 2014. Additional years will be displayed as they become available.

Notes to Schedule:

Benefit changes. Effective for fiscal year 2020, the death benefit for inactive and non-vested members would be the member account balance and not double the member account balance and interest will no longer accrue to member accounts who are not actively employed and not vested in the plan.

Changes of assumptions. Effective for fiscal year 2020, the salary increases were reduced from a range of 4.75% to 8.75% including inflation to 2.5% to 6.5% including inflation. Effective for fiscal year 2019, the inflation rate was reduced to 2.25% from 3.25%. The payroll growth rate was reduced to 2.50% from 4.25%. The investment rate of return was reduced to 7.00% from 7.75%. The mortality table changed to RP-2014 Healthy Annuitant Mortality, fully generational, projected with Scale MP-2017 from RP-2000 Combined Mortality Table, generational projected with Scale BB.

University of Wyoming
(A Component Unit of the State of Wyoming)

Schedule of the University's Proportionate Share of the Net Pension Liability
Wyoming Retirement System Law Enforcement Retirement Fund
Last 10 Fiscal Years*
(in thousands)

June 30	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the NPL as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.556205100%	\$ 379	\$ 931	40.69%	91.82%
2020	0.542774800%	\$ 468	\$ 820	57.07%	89.05%
2019	0.544250900%	\$ 1,317	\$ 934	141.02%	71.22%
2018	0.570902500%	\$ 491	\$ 898	54.68%	71.22%

Information above is presented as of the measurement date for the respective reporting periods

*Prior to Fiscal Year 2018, this Plan was deemed immaterial to the University, and as such, it has not been recorded prior to that Fiscal Year. Information is not currently available for years prior to 2018. Additional years will be

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of University Pension Contributions
Wyoming Retirement System Law Enforcement Retirement Fund
Last 10 Fiscal Years*
(in thousands)

June 30	Statutorily Required Contributions	Contributions Related to the Statutory Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
2021	\$ 91	\$ 91	\$ -	\$ 1,054	8.60%
2020	\$ 73	\$ 73	\$ -	\$ 850	8.60%
2019	\$ 75	\$ 75	\$ -	\$ 876	8.57%
2018	\$ 74	\$ 74	\$ -	\$ 865	8.60%

Information above is presented as of the University's fiscal year for the respective reporting periods.

*Prior to Fiscal Year 2018, this Plan was deemed immaterial to the University, and as such, it has not been recorded prior to that Fiscal Year. Information is not currently available for years prior to 2018. Additional years will be

Notes to Schedule:

Benefit changes. Effective for fiscal year 2020, the death benefit for inactive and non-vested members would be the member account balance and not double the member account balance and interest will no longer accrue to member accounts who are not actively employed and not vested in the plan.

Changes of assumptions. Effective for fiscal year 2019, the inflation rate was reduced to 2.25% from 3.25%. The payroll growth rate was reduced to 2.50% from 4.25%. The investment rate of return was reduced to 7.00% from 7.75%. The mortality table changed to RP-2014 Healthy Annuitant Mortality, fully generational, projected with Scale MP-2017 from RP-2000 Combined Mortality Table, generational projected with Scale BB.

University of Wyoming
(A Component Unit of the State of Wyoming)

Schedule of Changes in the University's Total OPEB Liability and Related Ratios
University of Wyoming Board Retirement
Last 10 Fiscal Years*
(in thousands)

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 294	\$ 292	\$ 314	\$ 320	\$ 308
Interest	309	480	525	572	1,168
Changes of benefit terms	-	-	-	-	(16,753)
Differences between expected and actual experience	927	-	1,284	-	-
Changes of assumptions or other inputs	2,605	946	2	(278)	(739)
Benefit payments	(993)	(1,973)	(1,906)	(1,741)	(1,955)
Net Change in Total OPEB Liability	3,142	(255)	219	(1,127)	(17,971)
Total OPEB Liability - Beginning	14,164	14,419	14,200	15,327	33,298
Total OPEB Liability - Ending	<u>\$ 17,306</u>	<u>\$ 14,164</u>	<u>\$ 14,419</u>	<u>\$ 14,200</u>	<u>\$ 15,327</u>
Covered-Employee Payroll	\$ 193,959	\$ 190,210	\$ 183,778	\$ 236,707	\$ 228,864
Total OPEB Liability as a Percentage of Covered-Employee Payroll	8.92%	7.71%	7.85%	6.00%	6.70%

This schedule is presented as of the measurement date for the fiscal year.

*Information is currently not available for years prior to 2017. Additional years will be displayed as they become available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Benefit changes. Effective for fiscal year 2017, amounts presented reflect the elimination of the benefit for conversion of the sick leave balance to health insurance payments for those employees who did not meet the criteria as of July 1, 2016.

Changes of assumptions. Effective for fiscal year 2021, the discount rate was changed from 2.21% in 2020 to 2.16% in 2021. The mortality improvement scale was updated from MP-2018 to MP-2020 and the health care cost trends were updated. Effective for fiscal year 2020, the discount rate was changed from 3.5% in 2019 to 2.21% in 2020. Effective for fiscal year 2019, the discount rate was changed from 3.87% in 2018 to 3.50% in 2019. The retirement and termination rates were updated to the rates from the 2019 State of Wyoming Retirement System Actuarial Valuation. In addition, the mortality improvement scale was updated from MP-2016 to MP-2018. Effective for fiscal year 2018, the discount rate was changed from 3.58% in 2017 to 3.87% in 2018. Effective for fiscal year 2017, the discount rate was changed from 2.85% in 2016 to 3.58% in 2017.

University of Wyoming
(A Component Unit of the State of Wyoming)

**Schedule of the University's Proportionate Share of the Total OPEB Liability
State of Wyoming Employee Group Insurance Retiree Health Plan
Last 10 Fiscal Years*
(in thousands)**

June 30	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	Covered Employee- Payroll	Proportionate Share of the Total OPEB Liability as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	22.5252300%	\$ 294,324	\$ 239,685	122.80%	N/A
2020	22.6478200%	\$ 214,250	\$ 229,631	93.30%	N/A
2019	23.1142100%	\$ 235,636	\$ 226,467	104.05%	N/A
2018	21.9635600%	\$ 173,730	\$ 228,864	75.91%	N/A

Information above is presented as of the measurement date for the respective reporting periods

* Information is not currently available for years prior to 2018. Additional years will be displayed as they become available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Benefit changes. There were no changes to plan provisions since the prior measurement period.

Changes of assumptions. Effective for fiscal year 2021, the discount rate was changed since the prior measurement period from 3.51% in 2019 to 2.21% in 2020 and the inflation rate decreased from 2.50% in 2019 to 2.25% in 2020. Effective for fiscal year 2020, the discount rate was changed since the prior measurement period from 3.87% in 2018 to 3.51% in 2019 and the inflation rate increased from 2.25% in 2018 to 2.50% in 2019. In addition, health care cost trend rates were updated. Effective for fiscal year 2019, the discount rate was changed since the prior measurement period from 3.58% in 2017 to 3.87% in 2018 and the inflation rate decreased from 2.5% in 2017 to 2.25% in 2018. Effective for fiscal year 2018 the discount rate was changed since the prior measurement period from 2.85% in 2016 to 3.58% in 2017. In addition health care trend rates were updated along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates and salary increases rates based on the WRS December 31, 2016 actuarial experience study.