

UNIVERSITY OF WYOMING

THE BOND FUNDS

FINANCIAL REPORT

JUNE 30, 2009

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

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

We have audited the accompanying statements of net assets of certain Bond Funds (the "Bond Funds") of the University of Wyoming (the "University"), described in Note 1, as of June 30, 2009 and 2008, and the related statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Bond Funds of the University are intended to present the financial position, and the changes in net assets and cash flows of certain activities for the purpose of complying with bond ordinance requirements. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Bond Funds financial statements referred to above present fairly, in all material respects, the financial position of the Bond Funds as of June 30, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the Bond Funds of the University taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in our audit of the financial statements of the Bond Funds of the University and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Trustees and management of the University of Wyoming, revenue bond investors, Financial Security Assurance, Inc., and Ambac Assurance Corporation and is not intended to be and should not be used by anyone other than these specified parties.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 5, 2009

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**STATEMENTS OF NET ASSETS
June 30, 2009 and 2008**

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents (Note 10)	\$ 24,349,682	\$ 25,305,860
Accounts receivable, net (Note 4)	1,479,558	1,485,693
Inventories	2,319,478	3,280,904
Prepaid expenses	776,617	636,547
Total current assets	28,925,335	30,709,004
Noncurrent Assets		
Bond issuance costs, net of accumulated amortization	506,247	665,989
Deferred loss on refunding	41,200	-
Equipment, net of accumulated depreciation (Note 2)	826,766	1,004,220
	1,374,213	1,670,209
Total assets	30,299,548	32,379,213
LIABILITIES AND NET ASSETS		
Current Liabilities		
Unexpended portion - revenue bonds payable (Note 3)	203,556	1,725,156
Accounts payable (Note 4)	866,383	981,166
Payroll and related liabilities	478,297	605,403
Accrued compensated absences	314,537	302,470
Other post-employment benefits (Note 8)	8,006	47,689
Accrued bond interest payable	184,246	170,849
Deferred income	79,681	79,005
Total current liabilities	2,134,706	3,911,738
Noncurrent Liabilities		
Other post-employment benefits (Note 8)	80,934	391,755
Accrued compensated absences	314,537	302,470
Total liabilities	2,530,177	4,605,963
NET ASSETS		
Invested in equipment	826,766	1,004,220
Restricted for maintenance required by bond resolution	500,000	500,000
Restricted for capital projects	3,054,975	2,957,731
Unrestricted	23,387,630	23,311,299
Total net assets	27,769,371	27,773,250
Total liabilities and net assets	\$ 30,299,548	\$ 32,379,213

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING
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**STATEMENTS OF REVENUE, EXPENSES AND
CHANGES IN NET ASSETS**

Years Ended June 30, 2009 and 2008

	2009	2008
Revenue and Other Additions		
Sales:		
Merchandise	\$ 18,873,594	\$ 17,581,189
Utilities	140,450	281,008
Rents and fees:		
Residence hall and apartment rent	10,837,521	10,225,762
Telecommunications	3,714,324	4,011,195
Fees and games	693,110	749,439
Student fees	1,631,050	1,477,834
Nonenterprise revenue:		
Government royalties (Note 4)	13,365,000	13,365,000
Indirect cost recovery	900,000	900,000
Miscellaneous other funds	546,347	292,812
Total operating revenues	50,701,396	48,884,239
Operating Expenses		
Cost of sales	9,214,629	8,901,209
Operating expenses:		
Administrative assessment	1,054,204	1,636,939
Advertising	266,157	248,539
Contractual services	58,008	52,229
Credit card charges	96,636	108,949
Insurance	325,410	341,359
Laundry	44,765	59,771
Parts and supplies	1,423,483	1,056,878
Rent	141,109	140,434
Repairs and maintenance	1,181,207	802,176
Salaries	8,556,961	7,840,765
Salaries - benefits	2,801,947	2,859,288
Support services	1,918,836	1,431,059
Travel	80,390	135,587
Utilities	2,610,336	2,567,916
Utility reimbursement	(148,712)	(135,553)
Miscellaneous	519,940	223,674
Balance forward	30,145,306	28,271,219

**UNIVERSITY OF WYOMING
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**STATEMENTS OF REVENUE, EXPENSES AND
CHANGES IN NET ASSETS (Continued)
Years Ended June 30, 2009 and 2008**

	2009	2008
Operating Expenses (continued)		
Balance forwarded	\$ 30,145,306	\$ 28,271,219
Amortization of bond issuance costs	289,467	65,384
Depreciation	321,112	370,601
Total operating expenses	30,755,885	28,707,204
Operating income	19,945,511	20,177,035
Nonoperating Revenues (Expenses) and Other Items		
Investment income:		
Plant funds	120,139	316,515
Other funds	2,791,873	7,060,413
Gain (loss) on sale of equipment	(7,545)	217
Interest on indebtedness	(2,114,034)	(2,242,779)
Retirement of indebtedness	(4,357,119)	(3,315,000)
Expended for plant facilities	(600,562)	(3,933,353)
Mandatory transfers	1,760,062	1,077,121
Nonmandatory transfers (Note 5)	(17,542,204)	(16,188,255)
Total nonoperating (expenses)	(19,949,390)	(17,225,121)
Increase (decrease) in net assets	(3,879)	2,951,914
Net Assets		
Beginning of year	27,773,250	24,821,336
End of year	\$ 27,769,371	\$ 27,773,250

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING
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**STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008**

	2009	2008
Cash Flows from Operating Activities		
Sales of merchandise	\$ 19,301,086	\$ 17,562,000
Utilities revenues	140,450	281,008
Housing revenues	10,717,083	10,158,362
Telecommunications	3,644,702	4,004,365
Student fees and fees and games	2,324,160	2,227,273
Government royalties	13,365,000	13,365,000
Indirect cost recovery	900,000	900,000
Payments to suppliers	(14,959,364)	(13,674,829)
Payments to employees and fringe benefits	(11,675,285)	(10,631,737)
Payments to other University funds	(3,486,755)	(4,124,657)
Other receipts	544,921	291,388
Net cash provided by operating activities	20,815,998	20,358,173
Cash Flows from Capital Financing Activities		
Bond proceeds expended	(1,521,599)	(3,927,375)
Retirement of indebtedness	(4,357,119)	(3,315,000)
Purchases of plant facilities	(600,562)	(3,933,353)
Interest paid on capital debt	(2,100,637)	(2,242,779)
Purchase of equipment	(168,559)	(122,200)
Proceeds from sale of equipment	17,355	217
Bond issuance costs paid	(170,925)	(1,225)
Net cash (used in) capital financing activities	(8,902,046)	(13,541,715)
Cash Flows from Noncapital Financing Activities		
Net transfers to other University funds	(15,782,142)	(15,111,134)
Cash Flows from Investing Activities		
Investment income	2,912,012	7,366,921
Redemption of investments	-	9,978
Net cash provided by investing activities	2,912,012	7,376,899
Net (decrease) in cash	(956,178)	(917,777)
Cash and Cash Equivalents		
Beginning of year	25,305,860	26,223,637
End of year	\$ 24,349,682	\$ 25,305,860
Reconciliation		
Operating income	\$ 19,945,511	\$ 20,177,035
Amortization of bond issuance costs	289,467	65,384
Depreciation expense	321,112	370,601
Change in operating assets and liabilities:		
Accounts receivable	6,135	(310,066)
Prepaid expenses	(140,070)	(4,379)
Inventory	961,426	567,063
Accounts payable	(114,783)	(622,043)
Accrued liabilities and deferred income	(452,800)	114,578
Net cash provided by operating activities	\$ 20,815,998	\$ 20,358,173

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

NOTES TO FINANCIAL STATEMENTS

Note 1. The Reporting Entity, Description of Funds and Significant Accounting Policies

Reporting entity: The financial statements include certain assets, liabilities, net assets and activity related to the University of Wyoming Series January 15, 2001 Facilities Improvement Revenue Bonds, the Series March 15, 2003 Facilities Refunding Revenue Bonds, the Series May 1, 2004 Facilities Improvement Revenue Bonds, the Series May 13, 2005 Facilities Improvement Revenue Bonds, and the Series May 12, 2009 Revenue Refunding Bonds (the “Bond Funds”).

The Bond Funds include operations from the following:

- The University Bookstore
- The Student Union
- Dining Service Facilities
- Residence Life Facilities
- Interest income on excess funds
- Government royalties
- Permanent land income
- Union - fees and games
- Utility and telecommunications income

The Bond Funds also include the following plant funds:

Project Acquisition Fund (unexpended funds): The Project Acquisition Funds were created to pay for all costs incidental to the financing and acquisition of the projects authorized by the bond resolutions.

Capital Fund (renewal and replacement fund): The Capital Fund, created by bond resolutions, is required to receive a minimum of 2% of net pledged revenue to maintain a continuing reserve of \$500,000.

Retirement of Indebtedness Funds: Reserve Fund – The Reserve Fund, created by bond resolutions, must be sufficient to fund the combined maximum annual principal and interest requirements of all first lien securities required to be paid from pledged revenue unless surety bonds are maintained to fund the reserve requirement. The surety bonds have been obtained by the University of Wyoming.

Financial statement presentation: The Bond Funds have adopted the financial statement presentation format required by Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35. Because the Bond Funds’ financial statements are prepared in compliance with bond agreements and include only certain assets, liabilities, and net assets of the University not all *provisions* of Statements No. 34 and No. 35 are applied to these financial statements. Specifically, intra-agency transactions have not been eliminated, and revenues from student fees and auxiliary enterprises have not been presented net of scholarships, discounts and allowances.

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

NOTES TO FINANCIAL STATEMENTS

Basis of accounting: The financial statements of the Bond Funds of the University of Wyoming reflect only the assets, liabilities and operating activities that relate to the bond resolutions and do not include any State of Wyoming funded activities. Since the bond resolutions do not require presentation of the investment in buildings and the associated bonds payable, they are not included within the accompanying statement of net assets. The statement of revenues, expenses and changes in net assets includes expenditures for plant facilities, debt service payments and transfers to and from other agencies. The accompanying financial statements are, therefore, not a complete presentation of the University of Wyoming.

For financial reporting purposes, the Bond Funds, like the University, is considered a special-purpose government engaged in business-type activities. Accordingly, the Bond Funds' 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.

The Bond Funds have not applied any Financial Accounting Standards Board pronouncements issued after November 30, 1989.

Cash, cash equivalents and investments: Cash and cash equivalents consist of deposits with the State Treasurer, cash on deposit with financial institutions and investments with original maturities of less than three months, which are commingled with University deposits.

State statutes authorize investment 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.

For purposes of the statement of cash flows, the Bond Funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Bond Funds account for its investment at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

All investments with original maturities of 12 months or less are accounted for at amortized cost.

Accounts receivable: Accounts receivable consists of fee charges to students, auxiliary enterprise services provided to students, faculty and staff, telecommunication charges to University departments, and government royalties. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories: Inventories are stated at the lower of cost (first-in, first-out) or market.

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NOTES TO FINANCIAL STATEMENTS

Bond issuance cost: Bond issuance costs are presented net of accumulated amortization. Bond issuance costs are amortized on a straight-line basis over the life of the related bonds.

Compensated absences for annual leave: University employees may accrue annual leave based on the length of service, subject to certain limitations regarding the amount which will be paid upon termination. The estimated accrued compensated absences related to annual leave earned by the Bond Funds' employees as of June 30, 2009 and 2008 were \$594,628 and \$585,480, respectively.

All vested vacation is recorded as an expense and a liability at the time the liability vests.

Net assets: The Bond Funds' net assets are classified as follows:

Invested in equipment: This represents the Bond Funds investment in equipment.

Restricted net assets: Restricted net assets include resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent resources derived from revenue sources as defined in the bond agreements. These resources are to be used for operation and maintenance of the defined activities and for debt service. Excess resources, as defined by the bond agreements, may be used for transactions relating to the educational and general operations of the University.

Classification of revenues: The Bond Funds 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 fees, (2) sales and services of auxiliary enterprises, (3) government royalties, and (4) indirect cost recovery, representing revenue earned by the Bond Funds for its contribution to overhead costs of the University that are reimbursed under state and Federal contracts and grants.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as investment income.

Reclassification of certain assets: Certain assets on the statement of net assets for the year ended June 30, 2008 have been reclassified, with no effect on net assets, to be consistent with the classification adopted for the year ended June 30, 2009.

UNIVERSITY OF WYOMING
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NOTES TO FINANCIAL STATEMENTS

Note 2. Equipment

Following are the changes in equipment for the years ended June 30, 2009 and 2008:

	2009			
	Beginning Balance	Additions	Retirements	Ending Balance
Equipment	\$ 3,553,938	\$ 168,559	\$ (407,578)	\$ 3,314,919
Less accumulated depreciation	(2,549,718)	(321,112)	382,677	(2,488,153)
Equipment, net	\$ 1,004,220	\$ (152,553)	\$ (24,901)	\$ 826,766

	2008			
	Beginning Balance	Additions	Retirements	Ending Balance
Equipment	\$ 3,442,626	\$ 122,200	\$ (21,158)	\$ 3,553,938
Less accumulated depreciation	(2,190,005)	(370,601)	21,158	(2,549,718)
Equipment, net	\$ 1,252,621	\$ (248,401)	\$ -	\$ 1,004,220

Equipment is recorded at cost at the date of acquisition, or fair market value at the date of donation. The Bond Funds capitalization policy for equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. At management's discretion, certain bulk purchases of items that individually do not exceed \$5,000 may be 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 lives of the assets, three to seven years for equipment.

Note 3. Revenue Bonds Payable

The University had the following revenue bond issues outstanding during the year ended June 30, 2009:

Series September 1, 1999 Facilities Improvement and Refunding Revenue Bonds: The proceeds of these bonds, net of the underwriter's discount and cost of issuance, were used to redeem the July 15, 1991 facilities revenue bonds, to finance the purchase of the Spanish Walk Apartment building, and to finance the renovation and expansion of the University's Student Union building. The outstanding principal balance at June 30, 2009 is \$0 due to the refunding provided by the Series May 12, 2009 Revenue Refunding Bonds.

**UNIVERSITY OF WYOMING
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NOTES TO FINANCIAL STATEMENTS

Series January 15, 2001 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund renovation and expansion of the University's Student Union building and to finance the renovation of Washakie Food Service complex. The outstanding principal balance at June 30, 2009 is \$6,425,000. The bonds mature through 2020. Interest rates on the outstanding principal balance vary from 4.25% to 5.5%.

Series March 15, 2003 Facilities Refunding Revenue Bonds: The proceeds of these bonds net of the underwriter's discount and cost of issuance, were used to redeem the May 15, 1993 facilities refunding revenue bonds. The outstanding principal balance at June 30, 2009 is \$1,390,000. The bonds mature through 2010. The interest rate on the outstanding principal balance is 3.5%.

Series May 1, 2004 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund the construction and renovation of the health sciences complex and the renovation of certain residence halls. The outstanding principal balance at June 30, 2009 is \$9,785,000. The bonds mature through 2024. Interest rates on the outstanding principal balance vary from 3.75% to 5.0%.

Series May 13, 2005 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund the construction of a new archeology and anthropology facility. The outstanding principal balance at June 30, 2009 is \$13,795,000. The bonds mature through 2025. Interest rates on the outstanding principal balance vary from 3.25% to 5.0%.

Series May 12, 2009 Revenue Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to redeem the September 1, 1999 Facilities Improvement and Refunding Revenue Bonds and to pay certain expenses in connection with the issuance of the Series 2009 Bonds. The outstanding principal balance at June 30, 2009 is \$7,755,000. The bonds mature through 2019. Interest rates on the outstanding principal balance vary from 3.0% to 4.0%.

Revenue bonds payable activity for the years ended June 30, 2009 and 2008 was as follows:

	2009				
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due Within One Year
Revenue bonds payable	\$ 43,517,023	\$ 8,023,841	\$ (11,398,720)	\$ 40,142,144	\$ 3,685,978

	2008				
	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
Revenue bonds payable	\$ 46,899,517	\$ 1,225	\$ (3,383,719)	\$ 43,517,023	\$ 3,497,495

**UNIVERSITY OF WYOMING
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NOTES TO FINANCIAL STATEMENTS

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

	<u>Principal</u>	<u>Interest</u>
2010	\$ 3,580,000	\$ 1,769,335
2011	2,285,000	1,626,712
2012	2,385,000	1,539,587
2013	2,485,000	1,440,523
2014	2,530,000	1,336,524
2015-2019	14,720,000	4,891,432
2020-2024	9,965,000	1,762,790
2025	1,200,000	60,000
	<u>39,150,000</u>	<u>\$ 14,426,903</u>
Original issue discount/premium	<u>992,144</u>	
	<u><u>\$ 40,142,144</u></u>	

At June 30, 2009, the unexpended amount of revenue bond proceeds was \$203,556.

Note 4. Major Source of Revenue, Accounts Receivable and Related-Party Receivable and Payable

The University Pledged Revenue Fund received \$13,365,000 from the State of Wyoming for its share of Federal mineral royalties for each of the years ended June 30, 2009 and 2008. This represents approximately 25% and 24%, respectively, of the gross revenue pledged to secure the Bond Funds for the years ended June 30, 2009 and 2008.

Accounts receivable has been reduced by an allowance for uncollectible accounts of \$175,436 and \$141,052 as of June 30, 2009 and 2008, respectively.

Accounts receivable include \$544,803 and \$469,239 due from various departments within the University and accounts payable include \$729,339 and \$512,582 due to various departments within the University as of June 30, 2009 and 2008, respectively.

Note 5. Nonmandatory Transfers

The University may transfer net operating income in excess of bond requirements to general University operations, as permitted by the bond resolutions.

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NOTES TO FINANCIAL STATEMENTS

Note 6. Commitments

Housing Facilities has a contract for services with Bresnan Communications for cable television programming and other related services. Future minimum payment requirement under this contract is \$79,531 for 2010.

Note 7. Pension Plans

Eligible University employees have the option of participating in either the Wyoming Retirement System (WRS) or Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). WRS is a cost-sharing, multiple-employer public employee defined benefit, contributory retirement plan. TIAA-CREF is a defined contribution plan.

Participants in WRS who retire at age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and are allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained the age of 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. WRS also provides death and disability benefits. Benefits are established by State statutes. The WRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Wyoming Retirement System, Herschler Building, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

Statutes require that 11.25% of the covered employee's salary be contributed to the plan, one-half by the employee and the other half by the employer. The University contributes both the employee and employer portions funded primarily through appropriations from the State Legislature. For the years ended June 30, 2007, 2008 and 2009, the University's contributions to the WRS were \$314,262, \$311,726 and \$320,488, respectively, which equals the required contribution for the years then ended. Additionally, the University contributed 1% of benefited payroll to the State as a subsidy for retiree benefits. The contributions for the year ended June 30, 2009 were \$39,052.

As previously noted, some employees opt to participate in TIAA-CREF, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. TIAA-CREF also requires contributions of 11.25% of participating employees' salaries. Like WRS, statutes require that contributions be funded by both the employer and employee and the University has elected to fund both portions. Contributions are funded as accrued and are immediately vested. The contributions for the years ended June 30, 2007, 2008 and 2009 were \$306,900, \$366,200 and \$405,542, respectively.

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NOTES TO FINANCIAL STATEMENTS

Note 8. Postemployment Benefits Other Than Pensions

Plan description: The University of Wyoming participates in one single-employer postemployment plan for healthcare and life insurance. The Board of Trustees (the “Board”) has the authority for establishing and amending this plan. This plan does not have a separate report.

Under the healthcare plan, any employee who retires and has completed twenty-five (25) years of service with the University or has fifteen (15) years of University service immediately preceding the date of retirement shall receive a benefit of conversion of up to 960 hours of accrued sick leave to a state contribution for group health insurance. The conversion is at a rate of 1.5 months of coverage for each five (5) days of sick leave (a maximum of 36 months of premiums). There are 197 active employees and 35 retirees that are participating in the plan as of August 2009, the census date used for the actuarial valuation.

Under the life insurance plan, any employee who retires and has completed twenty-five (25) years of service with the University or who has attained the age of 60 with fifteen (15) years of immediately preceding University service can also have one-half of his/her life insurance premium paid by the University.

Funding policy: The University finances this program on a pay-as-you-go basis. The Board has the authority for establishing and amending the funding policy.

Annual OPEB cost and OPEB obligation: The major component of the University’s annual other postemployment benefit (OPEB) cost is the annual required contribution (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC is the sum of the normal cost and the amortization of the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized over the maximum allowable period of 30 years on an open basis.

The other components of the annual OPEB cost are one year’s interest on the net OPEB obligation at the beginning of the year and adjustment to the ARC. The adjustment to the ARC is the discounted present value of the net OPEB obligation at the beginning of the year. Since the University is adopting GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, a new standard requiring an actuarial appraisal to OPEB’s this year, the net OPEB obligation at the beginning of the year is zero and the annual OPEB cost is equal to the ARC.

The table below shows the components of the University’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University’s net OPEB obligation:

Annual required contribution	\$ 96,946
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>96,946</u>
Employer contributions	<u>(8,006)</u>
Increase in net OPEB obligation	88,940
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u><u>\$ 88,940</u></u>

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NOTES TO FINANCIAL STATEMENTS

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 was as follows:

Year Ended June 30, 2009:		
Annual OPEB cost	\$	96,946
Percentage of annual OPEB cost contributed		8.26%
Net OPEB obligation	\$	88,940

Funded status and funding progress: As of July 1, 2008, the actuarial valuation date, the actuarial accrued liability for benefits was \$571,635, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,067,376, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Methods and assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date – July 1, 2008

Discount rate – 4.50% annual

Census data – as of August 2009

Actuarial cost method – projected unit credit with benefits attributed from the date of hire to expected retirement age.

Amortization method – the unfunded actuarial accrued liability is amortized over the maximum acceptable period of 30 years on an open basis. It is calculated assuming a level percentage of projected payroll.

Health care cost trend rate – the following annual trend rates are applied on a select and ultimate basis:

<u>Benefit</u>	<u>Select</u>	<u>Ultimate</u>
Medical	11.0%	5.0%
Dental	5.0%	5.0%

Select trends are reduced by 0.5% each year until reaching the ultimate trend.

Retiree contributions – these are assumed to increase with health care cost trend.

Retirement age – Annual retirement probabilities have been determined based on the Wyoming Retirement System (WRS) actuarial valuation as of January 1, 2008.

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NOTES TO FINANCIAL STATEMENTS

Mortality – RP-2000 Table, applied on a gender-specific basis.

Termination – The rate of withdrawal for reasons other than death and retirement has been developed from the WRS actuarial valuation as of January 1, 2008. These rates are dependent on an employee's age, year of service and gender.

Plan participation percentage – It is assumed that 95% of all future retirees and their dependents who are eligible for benefits participate in the postemployment benefit plan.

Spousal coverage – The assumed number of eligible spouses is based on the current census information.

In the prior fiscal years, a simplified, non-actuarial estimate of the other postemployment benefit liability was used. This resulted in a reduction in the liability of \$350,501 from June 30, 2008 to June 30, 2009.

Note 9. Risk Management

The University Bond Funds and the University are exposed to various risks of loss including torts, theft of, damage to, or destruction of assets and teachers' liability. The University has purchased commercial insurance for these risks which include insurance for property and liability. The uninsured risk retention per occurrence/aggregate is \$100,000/\$200,000 for property and ranges from \$100,000/\$1,000,000 for various liability risks.

The University Bond Funds participate in the State of Wyoming employee medical, life and dental insurance program which 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.

The State contributes per month \$501 for a single participant, \$993 for a participant plus his/her spouse or children, \$1,134 per participating family or \$567 for married couples both of which are employed by the University for insurance premiums for covered participants towards these plans. Participants are responsible for paying premium charges in excess of this amount.

The University participates in a long-term disability program and contributes 100% of the premium per month for each eligible employee at the rate of \$.32 per \$100 of payroll. 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 Bond Funds also participate 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 Bond Funds to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund.

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THE BOND FUNDS**

NOTES TO FINANCIAL STATEMENTS

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. The University pays on behalf of the University Bond Funds the State expense reimbursement for unemployment claims brought against the University Bond Funds.

Note 10. Cash

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 the 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 investment policy specifies that internally invested funds may be invested in a combination of fixed-income, minimal risk instruments and money market funds. Investment goals for internally invested funds are designed to achieve a return to provide income, protect assets from risk and maintain liquidity to meet spending requirements. Investments are limited to collateralized bank certificates of deposit, money market funds or federally guaranteed or insured securities that mature in less than one year. Custodial services are utilized to safeguard the assets and provide monthly reports.

Deposits: At June 30, 2009 and 2008, the carrying amount of the Bond Funds participation in the University's cash and cash equivalents was \$24,349,682 and \$25,305,860, respectively. Of this amount, \$9,757,252 and \$9,666,930 was on deposit with State Treasurer through the University and \$18,036,587 and \$20,731,661 was the bank balance on deposits with financial institutions as of June 30, 2009 and 2008, respectively.

The demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the University. All deposits were held by a qualified depository as outlined in the State statutes. All cash equivalents were collateralized at 102% with government agency securities. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Cash equivalents of \$1,525,294 and \$3,025,330 are restricted to be used in accordance with the 2004 and 2005 bond resolutions as of June 30, 2009 and 2008, respectively.

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF NET PLEDGED REVENUE
Year Ended June 30, 2009**

	Bookstore	Union	Dining Services
Gross Pledged Revenue			
Sales:			
Merchandise	\$ 8,229,855	\$ 429,009	\$ 10,206,630
Utilities	-	-	-
Rents and fees:			
Residence hall and apartment rent	-	-	-
Telecommunications	-	-	-
Fees and games	-	-	-
Student fees	-	1,631,050	-
Nonenterprise revenue:			
Government royalties	-	-	-
Indirect cost recovery	-	-	-
Miscellaneous	89,436	-	-
Investment income	-	4,726	-
Total revenue	8,319,291	2,064,785	10,206,630
Operation and Maintenance Expenses			
Cost of sales	6,122,997	91,899	2,640,624
Operating expenses:			
Administrative assessment	395,638	102,096	109,346
Advertising	83,526	175,113	7,518
Contractual services	-	-	-
Credit card charges	96,636	-	-
Insurance	8,852	30,207	49,314
Laundry	-	-	44,765
Parts and supplies	42,277	103,269	588,813
Rent	128,052	-	1,969
Repairs and maintenance	22,197	134,106	297,808
Salaries	894,185	934,353	3,199,034
Salaries - benefits	238,731	294,047	1,157,164
Support services	-	-	-
Travel	10,760	20,567	8,620
Utilities	26,964	181,092	256,844
Utility reimbursement (1)	-	(148,712)	-
Miscellaneous	75,934	33,989	214,068
Plant funds	-	-	-
Depreciation	3,132	10,330	29,641
Total expenses	8,149,881	1,962,356	8,605,528
(Gain) loss from sale of assets	-	1,397	(875)
Interest	-	-	46,348
	8,149,881	1,963,753	8,651,001
Pledged net revenue	\$ 169,410	\$ 101,032	\$ 1,555,629

Residence Life	Non- Enterprise Revenue	Totals
\$ -	\$ 8,100	\$ 18,873,594
-	140,450	140,450
10,830,933	6,588	10,837,521
-	3,714,324	3,714,324
-	693,110	693,110
-	-	1,631,050
-	13,365,000	13,365,000
-	900,000	900,000
77,515	173,273	340,224
-	2,787,147	2,791,873
10,908,448	21,787,992	53,287,146
357,593	1,516	9,214,629
447,124	-	1,054,204
-	-	266,157
34,877	23,131	58,008
-	-	96,636
237,037	-	325,410
-	-	44,765
689,124	-	1,423,483
11,088	-	141,109
727,096	-	1,181,207
2,690,440	838,949	8,556,961
899,293	212,712	2,801,947
86,331	1,832,505	1,918,836
39,695	748	80,390
2,145,436	-	2,610,336
-	-	(148,712)
4,024	191,925	519,940
-	6,081	6,081
95,613	182,396	321,112
8,464,771	3,289,963	30,472,499
7,023	-	7,545
33,964	-	80,312
8,505,758	3,289,963	30,560,356
\$ 2,402,690	\$ 18,498,029	\$ 22,726,790

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF NET PLEDGED REVENUE (Continued)
Year Ended June 30, 2009**

	Totals
Net Pledged Revenue	<u>\$ 22,726,790</u>
Maximum Annual Debt Service Requirement (Fiscal 2010)	
Principal	3,580,000
Interest	<u>1,769,335</u>
	<u>5,349,335</u>
Excess of Net Pledged Revenue over Maximum Debt Service Requirement	<u>\$ 17,377,455</u>
Percentage of Net Pledged Revenue to Maximum Debt Service Requirement	425%
Percentage of Net Pledged Revenue to Debt Service Requirement for Fiscal Year Ending June 30, 2010	425%

(1) The University utility contribution represents utility expenses not charged to the Union by the University in lieu of a cash contribution.

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**DEBT SERVICE REQUIREMENTS OF THE JANUARY 15, 2001, MARCH 15, 2003,
MAY 1, 2004, MAY 13, 2005 AND MAY 12, 2009 BOND RESOLUTIONS
June 30, 2009**

Year Ended	January 15, 2001 Bond Resolution (Series 2001)			March 15, 2003 Bond Resolution (Series 2003)			May 1, 2004 Bond Resolution (Series 2004)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 450,000	\$ 335,162	\$ 785,162	\$ 1,390,000	\$ 48,649	\$ 1,438,649	\$ 470,000	\$ 463,126	\$ 933,126
2011	470,000	316,038	786,038	-	-	-	490,000	441,973	931,973
2012	490,000	295,475	785,475	-	-	-	510,000	419,924	929,924
2013	515,000	268,525	783,525	-	-	-	530,000	397,611	927,611
2014	505,000	240,200	745,200	-	-	-	555,000	373,761	928,761
2015	535,000	212,425	747,425	-	-	-	585,000	348,092	933,092
2016	605,000	183,000	788,000	-	-	-	610,000	321,767	931,767
2017	690,000	149,725	839,725	-	-	-	640,000	294,317	934,317
2018	705,000	111,775	816,775	-	-	-	665,000	264,877	929,877
2019	710,000	73,000	783,000	-	-	-	700,000	233,290	933,290
2020	750,000	37,500	787,500	-	-	-	730,000	200,040	930,040
2021	-	-	-	-	-	-	765,000	165,000	930,000
2022	-	-	-	-	-	-	805,000	126,750	931,750
2023	-	-	-	-	-	-	845,000	86,500	931,500
2024	-	-	-	-	-	-	885,000	44,250	929,250
2025	-	-	-	-	-	-	-	-	-
Total	\$ 6,425,000	\$ 2,222,825	\$ 8,647,825	\$ 1,390,000	\$ 48,649	\$ 1,438,649	\$ 9,785,000	\$ 4,181,278	\$ 13,966,278

Year Ended	May 13, 2005 Bond Resolution (Series 2005)			May 12, 2009 Bond Resolution (Series 2009)			Combined Annual Requirement
	Principal	Interest	Total	Principal	Interest	Total	
2010	\$ 615,000	\$ 641,925	\$ 1,256,925	\$ 655,000	\$ 280,473	\$ 935,473	\$ 5,349,335
2011	635,000	621,938	1,256,938	690,000	246,763	936,763	3,911,712
2012	660,000	598,125	1,258,125	725,000	226,063	951,063	3,924,587
2013	690,000	570,075	1,260,075	750,000	204,312	954,312	3,925,523
2014	720,000	540,750	1,260,750	750,000	181,813	931,813	3,866,524
2015	750,000	510,150	1,260,150	775,000	157,438	932,438	3,873,105
2016	780,000	478,275	1,258,275	800,000	130,314	930,314	3,908,356
2017	815,000	443,175	1,258,175	835,000	102,312	937,312	3,969,529
2018	850,000	406,500	1,256,500	875,000	71,000	946,000	3,949,152
2019	895,000	364,000	1,259,000	900,000	36,000	936,000	3,911,290
2020	940,000	319,250	1,259,250	-	-	-	2,976,790
2021	985,000	272,250	1,257,250	-	-	-	2,187,250
2022	1,035,000	223,000	1,258,000	-	-	-	2,189,750
2023	1,085,000	171,250	1,256,250	-	-	-	2,187,750
2024	1,140,000	117,000	1,257,000	-	-	-	2,186,250
2025	1,200,000	60,000	1,260,000	-	-	-	1,260,000
	<u>\$ 13,795,000</u>	<u>\$ 6,337,663</u>	<u>\$ 20,132,663</u>	<u>\$ 7,755,000</u>	<u>\$ 1,636,488</u>	<u>\$ 9,391,488</u>	<u>\$ 53,576,903</u>

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)
June 30, 2009**

1. Policy Number: 006854734	
Insurer: Lexington Insurance Company	
Expiration date: March 17, 2010	
Risks covered and amount:	\$ 500,000,000
Real and personal property; accounts receivable; business interruption/ extra expense/tuition fees; EDP equipment including media and extra expense; plant specimens; animals; automobile physical damage; aircraft equipment; automatic builders risk, renovations, installation (owners interest), and equipment breakdown.	
Sublimits:	
Flood, aggregate	100,000,000
Flood, SFHA (100 year)	2,000,000
Earthquake, aggregate	100,000,000
Miscellaneous unnamed locations (U.S.)	10,000,000
Errors and omissions	10,000,000
Personal property, legally liable	1,000,000
Leasehold interest	10,000,000
Mobile equipment	5,000,000
Equipment in aircraft	2,000,000
Transportation	2,000,000
Demolition and increased cost of construction	50,000,000
Service interruption property damage	10,000,000
Data, programs, and software	30,000,000
Exhibition property	1,000,000
Plant specimens	2,030,183
Neighbor's recourse and tenant's liability	5,000,000
Research animals (any single animal \$75,000)	3,000,000
Land and water contaminant or pollutant cleanup	1,000,000
Accounts receivable and valuable papers	5,000,000
Automatic acquisition	25,000,000
Property in course/construction/renovation	25,000,000
Vehicles except	6,000,000
Auto physical damage	250,000
Watercraft	25,000
Boiler/Machinery	
Equipment breakdown	100,000,000
Hazardous substance	5,000,000
Spoilage	5,000,000

Continued

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2009**

2.	Policy Number: BLX200900049900 Type: Third Party Liability (Buffer Excess) Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2009 - March 17, 2010 Risks covered and amount:	\$ 900,000 3,600,000
	Annual aggregate Personal injury/property damage; includes general liability, liquor liability; automobile liability, employee benefit liability; professional liability; broadcasting liability	
3.	Policy Number: GLF200900049900 Type: Excess Liability Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2009 - March 17, 2010 Risks covered and amount:	\$ 25,000,000
	Excess of underlying \$900,000; \$36,000,000 aggregate Personal injury/property damage; advertising injury	
4.	Policy Number: ELA200900049900 Type: Educators Legal Liability Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2009 - March 17, 2010 Risks covered and amount: each claim/aggregate	\$ 10,000,000
	Errors and omissions; breach of duty	
5.	Policy Number: PHFD36844310 Type: Foreign Liability, Automobile Liability and Foreign Workers' Compensation Insurer: ACE American Insurance Company Effective and expiration dates: March 17, 2009 - March 17, 2010 Risks covered and amount: (liability)	\$ 1,000,000 statutory limits
	(Workers' Compensation) Bodily injury/property damage; premises/operations; products/competed operations; hired/owned autos; foreign personal injury and advertising injury liability; foreign contractual liability; incidental medical malpractice liability; medical expense	
6.	Policy Number: 008BY103301280BCM Type: Public Dishonesty Bond and Crime Insurer: Travelers Property Casualty & Surety Effective and expiration dates: June 17, 2009 - June 17, 2012 Risks covered and amount:	\$ 1,000,000
	Public dishonesty (blanket); forgery or alteration; theft; disappearance; computer fraud	

Continued

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2009**

7.	Policy Number: 400AC-51910	
	Type: Aircraft Hull and Liability	
	Insurer: United States Aircraft Insurance Group	
	Effective and expiration dates: June 20, 2009 - June 20, 2010	
	Risks covered and amount: Aircraft Liability	\$ 10,000,000
	Sublimits:	
	Aircraft: Physical damage	
	Beech Super King Air 200	1,000,000
	Beech King Air B200	1,400,000
	Single limit BI/PD liability	10,000,000
	Personal injury liability	10,000,000
	Non-owned aircraft liability	10,000,000
	Non-owned physical damage liability	500,000
	Guest voluntary settlement	250,000
	Spare parts physical damage	500,000
	Rental expense replacement aircraft	300,000
	Extra expense replacement parts	25,000
	Medical coverage, each person	5,000
	Baggage liability, each person	10,000
	Search and rescue, each occurrence	250,000
	Cargo liability for property damage, each occurrence	100,000
8.	Policy Number: ALO 32189	
	Type: Airport Premises	
	Insurer: United States Aircraft Insurance Group	
	Effective and expiration dates: June 20, 2009 - June 20, 2010	
	Risks covered and amount:	\$ 10,000,000
	Sublimits:	
	General liability	10,000,000
	Products/completed operations	10,000,000
	Hangerkeepers liability	1,000,000
	Personal and advertising injury liability	10,000,000
9.	Policy Number: T5MP-P-50747	
	Type: Athletic Play, Practice and Travel for Intercollegiate Sports	
	Insurer: Summit America Insurance Services	
	Effective and expiration dates: August 1, 2007 - August 1, 2010	
	Risks covered and amount:	
	Aggregate per air accident	\$ 5,000,000
	Aggregate per land accident	unlimited
	Maximum medical per insured	75,000

Continued

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2009**

10.	<p>Policy Number: NCAA/University of Wyoming Type: Blanket Sports Catastrophic Accident and Sickness Insurer: Mutual of Omaha Insurance Company This policy provided by NCAA at no cost to University Effective and expiration dates: August 1, 2007 - August 1, 2011 Risks covered and amount:</p>	\$ -
	<p>Coverage has \$65,000 deductible and is determined by the type of incident in which insured is involved</p>	
11.	<p>Policy Number: 83WECPP2689 Type: Workers' Compensation (other states) Insurer: The Hartford, Twin City Fire Insurance Company Effective and expiration dates: March 17, 2009 - March 17, 2010 Risks covered and amount:</p>	
	<p>Policy covers various University employees working in 'other' states in order to comply with the various states' laws</p>	
	<p>Sublimits:</p>	
	<p>Bodily injury by accident, each accident</p>	\$ 100,000
	<p>Bodily injury by disease, policy limit</p>	500,000
	<p>Bodily injury by disease, each employee</p>	100,000
12.	<p>Policy Number: KR 584272842 Type: Kidnap and Ransom Insurer: Great American Insurance Group Effective and expiration dates: March 17, 2007 - March 17, 2010 Risks covered and amount:</p>	
	<p>Kidnap and/or ransom including death or dismemberment</p>	
	<p>Sublimits:</p>	
	<p>Ransom, death, total disability</p>	\$ 5,000,000
	<p>Personal accident, per insured person</p>	250,000
	<p>Transit</p>	5,000,000
	<p>Additional expense; legal liability</p>	5,000,000
	<p>Personal accident, per annual accident</p>	1,250,000
13.	<p>Policy Number: ADD NO4212344 Type: Accidental Death/Dismemberment for Trustees Insurer: ACE American Insurance Company Effective and expiration dates: April 1, 2008 - April 1, 2011 Risks covered and amount:</p>	
	<p>Accidental death/dismemberment</p>	\$ 500,000
	<p>Accident medical benefit</p>	25,000

Continued

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2009**

14. Policy Number: IMC108672763A12080437 & IMC108674619	
Type: Fine Arts	
Insurer: XL Specialty Insurance Company	
Effective and expiration dates: March 17, 2009 - March 17, 2010	
Risks covered and amount:	
Fine art/papers, Centennial	\$ 120,000,000
Unnamed location, worldwide	10,000,000
Transit, worldwide	10,000,000
Terrorism (cert and non-cert)	120,000,000

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**STATEMENT OF NET ASSETS: FUND GROUP PERSPECTIVE
June 30, 2009**

	Current Unrestricted Funds	Plant Funds			Total
		Unexpended	Funds for Renewal and Replacement	Funds for Retirement of Indebtedness	
ASSETS					
Cash and cash equivalents	\$ 20,552,284	\$ 1,808,584	\$ 1,949,947	\$ 38,867	\$ 3,797,398
Accounts receivable	1,479,558	-	-	-	-
Due from other funds	-	-	-	184,109	184,109
Inventories	2,319,478	-	-	-	-
Prepaid expenses	776,617	-	-	-	-
Deferred loss on refunding	-	-	-	41,200	41,200
Bond issuance costs	-	-	-	506,247	506,247
Equipment, net of accumulated depreciation	826,766	-	-	-	-
	<u>\$ 25,954,703</u>	<u>\$ 1,808,584</u>	<u>\$ 1,949,947</u>	<u>\$ 770,423</u>	<u>\$ 4,528,954</u>
LIABILITIES					
Unexpended portion	\$ -	\$ 203,556	\$ -	\$ -	\$ 203,556
Accounts payable	866,383	-	-	-	-
Accrued expenses	1,196,311	-	-	-	-
Accrued interest payable	-	-	-	184,246	184,246
Due to other bond funds	184,109	-	-	-	-
Deferred income	78,256	-	-	1,425	1,425
	<u>\$ 2,325,059</u>	<u>\$ 203,556</u>	<u>\$ -</u>	<u>\$ 185,671</u>	<u>\$ 389,227</u>
NET ASSETS					
Invested in equipment	\$ 826,766	\$ -	\$ -	\$ -	\$ -
Restricted	-	1,605,028	1,949,947	-	3,554,975
Unrestricted	22,802,878	-	-	584,752	584,752
	<u>\$ 23,629,644</u>	<u>\$ 1,605,028</u>	<u>\$ 1,949,947</u>	<u>\$ 584,752</u>	<u>\$ 4,139,727</u>

**UNIVERSITY OF WYOMING
THE BOND FUNDS**

**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS: FUND GROUP PERSPECTIVE
Year Ended June 30, 2009**

	Current Unrestricted Funds	Plant Funds			Total
		Unexpended	Funds for Renewal and Replacement	Funds for Retirement of Indebtedness	
Operating Revenues					
Sales	\$ 19,014,044	\$ -	\$ -	\$ -	\$ -
Rents and fees	16,876,005	-	-	-	-
Government royalties	13,365,000	-	-	-	-
Indirect cost recovery	900,000	-	-	-	-
Miscellaneous	340,224	-	-	206,123	206,123
	<u>50,495,273</u>	<u>-</u>	<u>-</u>	<u>206,123</u>	<u>206,123</u>
Operating Expenditures					
Cost of sales	9,214,629	-	-	-	-
Administrative assessments	1,054,204	-	-	-	-
Salaries and benefits	11,358,908	-	-	-	-
Utilities	2,461,624	-	-	-	-
Other operating expenses	6,377,053	-	-	289,467	289,467
	<u>30,466,418</u>	<u>-</u>	<u>-</u>	<u>289,467</u>	<u>289,467</u>
Operating income (loss)	<u>20,028,855</u>	<u>-</u>	<u>-</u>	<u>(83,344)</u>	<u>(83,344)</u>
Nonoperating Revenues (Expenses) and Other Items					
Investment income	2,791,873	21,564	30,863	67,712	120,139
Gain (loss) on sale of assets	(7,545)	-	-	-	-
Interest on indebtedness	(80,312)	-	-	(2,033,722)	(2,033,722)
Retirement of indebtedness	-	(927,119)	-	(3,430,000)	(4,357,119)
Expenditures for plant facilities	(6,081)	(594,481)	-	-	(594,481)
Transfers in (out)	(22,746,210)	1,521,600	44,817	5,397,651	6,964,068
	<u>(20,048,275)</u>	<u>21,564</u>	<u>75,680</u>	<u>1,641</u>	<u>98,885</u>
Net increase (decrease) in net assets	<u>(19,420)</u>	<u>21,564</u>	<u>75,680</u>	<u>(81,703)</u>	<u>15,541</u>
Net Assets, beginning of year	23,649,064	1,583,464	1,874,267	666,455	4,124,186
Net Assets, end of year	<u>\$ 23,629,644</u>	<u>\$ 1,605,028</u>	<u>\$ 1,949,947</u>	<u>\$ 584,752</u>	<u>\$ 4,139,727</u>

**INDEPENDENT AUDITOR'S REPORT
ON DEBT COMPLIANCE**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of certain Bond Funds of the University of Wyoming (the "University") as of and for the year ended June 30, 2009, and have issued our report thereon dated November 5, 2009.

In connection with our audit, nothing came to our attention that caused us to believe that the University failed to comply with the terms, covenants, provisions, or conditions, as listed in Article VIII, of each of the bond resolutions and the Financial Guaranty Agreement related to each of the Surety Bonds, insofar as they relate to accounting matters. It should be noted, however, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board of Trustees, management of the University, bondholders, Financial Security Assurance, Inc., and Ambac Assurance Corporation and is not intended to be and should not be used by anyone other than the specified parties.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 5, 2009