

AGENDA ITEM TITLE: Annual Audited Financial reports and agreed Upon Procedures Report, Marsh/Jewell/BKD

SESSION TYPE:

- Work Session
- Education Session
- Information Item
- Other:
[Committee of the Whole – Items for Approval]

APPLIES TO STRATEGIC PLAN:

- Yes (select below):
 - Driving Excellence
 - Inspiring Students
 - Impacting Communities
 - High-Performing University
- No [Regular Business]

Attachments are provided with the narrative—refer to Supplemental Materials Report.

EXECUTIVE SUMMARY:

BKD, LLP; UW’s external audit firm will lead a discussion on the annual audited financial statements for fiscal year 2019 (year ended June 30, 2019) for the University of Wyoming and Wyoming Public Media and the agreed upon procedure engagement for Intercollegiate Athletics.

Accountability is the paramount objective of institutional financial reporting. It is the University’s duty to be accountable to the public and to provide information that responds to the needs of three groups of primary users of general-purpose financial reports: (1) the citizenry; (2) the governing board, the legislature and oversight bodies; and (3) investors and creditors.

Meaningful financial reports and accompanying notes provide information useful for assessing financial condition and results of operations, assisting in determining compliance with finance related laws, rules, and regulations, and assisting in evaluating efficiency and effectiveness of operations. Preparation of these statements and reports are the responsibility of University management; however, it is the audit function that provides an external examination of these financial statements and reports.

Three of the five annual reports are presented today. Their purpose and deadlines for submission to regulatory agencies are:

1. **Financial Audit** – In accordance with required reporting standards, the Financial Report has three components: 1) management’s discussion and analysis 2) institution-wide financial statements; and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements. The auditors express an opinion about whether the financial statements present fairly, in all material respects, the financial position of the University of Wyoming as of the fiscal year end, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. The University of Wyoming is a component unit of the State of Wyoming. As such, the University’s Financial Report is part of the Comprehensive Annual Financial Report (CAFR) prepared by the State Auditor’s Office in accordance with W.S. 9-1-403 (a)(v). The final CAFR must be issued by the State Auditor on or before December 15th.

2. **Wyoming Public Media Financial Report** – these financial statements present only the operations of Wyoming Public Media (WPM). The auditors express an opinion on the fair presentation of WPM’s financial position and results of operations.

WPM’s financial information will be submitted to the Corporation for Public Broadcasting before December 31st.

3. **Intercollegiate Athletics Report** – This report constitutes an “agreed-upon procedures” engagement; its scope is less than that of an audit. The procedures include, but are not limited to, identifying all individual contributions that constitute more than 10% of total contributions, examination of cash receipts and disbursements, identification of unique internal control aspects and various inquiries related to compliance issues. The external auditors evaluate whether the Schedule of Cash Receipts and Disbursements is in compliance with the National Collegiate Athletic Association (NCAA) Constitution. The sufficiency of these procedures is solely the responsibility of university management. Consequently, the auditors make no representation regarding the sufficiency of the procedures.
4. **Single Audit Reports and Schedule of Expenditures of Federal Awards** – This is an audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the U.S. Office of Management and Budget (OMB) *Uniform Guidance* is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on a major federal program occurred.

Pursuant to the Bylaws of the Trustees, Article VII. Section 7-2:

The Fiscal and Legal Affairs Committee is responsible for assuring that the University’s organizational culture, capabilities, systems and processes are appropriate to protect the financial health and the reputation of the University in all audit-related areas enumerated below. Specifically the Fiscal and Legal Affairs Committee will review the financial reporting processes, the system of internal controls, the audit process, and the process for monitoring and ensuring compliance with financial laws and regulations. It will monitor the University’s internal and external auditor’s findings.

In discharging their duties hereunder, the members of the Committee are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: officers or employees of the University whom the Committee members reasonably believe to be reliable and competent in the matters presented; and legal counsel, public accountants or other persons as to matters the Committee members reasonably believe are within the person’s professional or expert competence.

The Fiscal and Legal Affairs Committee meets with the external audit firm’s partner and University management to review the annual financial reports in advance of presentation to the

Board of Trustees. The Committee Chair will make a recommendation to the Board with respect to acceptance and approval of the reports.

Annual financial reports serve various functions and have numerous audiences. They not only serve to inform the campus community of the institution's financial condition and results of operations, they are required by various governmental, regulatory and rating agencies; holders of the institution's bonds; and accrediting agencies. The Board of Trustees is held to a high standard of full financial disclosure, transparency and accountability: public acceptance and approval of the financial reports completes the audit cycle, helps tell the University of Wyoming's financial story and assists the Board in exercising their fiduciary responsibilities.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS:

The Board accepts and approves these reports each year.

WHY THIS ITEM IS BEFORE THE BOARD:

The Board of Trustees is responsible for assuring that the University's organizational culture, capabilities, systems and processes are appropriate to protect the financial health and the reputation of the University in audit-related areas. The presentation of annual audited financial reports is intended to inform the Board about significant matters related to the results of the annual audit so that they can appropriately discharge their oversight responsibility.

ACTION REQUIRED AT THIS BOARD MEETING:

Subject to recommendation by the Fiscal and Legal Affairs Committee Chair, it is recommended that the Board of Trustees of the University of Wyoming accept and approve the University of Wyoming, Wyoming Public Media, and Intercollegiate Athletics reports for the fiscal year ended June 30, 2018.

PROPOSED MOTION: [Trustee X to provide motion.]

I move to accept and approve the FY 2019 Wyoming Public Media (WPM) audit report, UW Single Audit report, UW Financial Statement report, and the National Collegiate Athletic Association (NCAA) report as presented.

PRESIDENT'S RECOMMENDATION:

The President recommends approval of the reports as described above.

Board of Trustees, Finance, and Legal and
Affairs Committee and Management
University of Wyoming
Laramie, Wyoming

As part of our audit of the financial statements and compliance of the University of Wyoming (the University) as of and for the year ended June 30, 2019, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) *Uniform Guidance* is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

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Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The University's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance on student accounts and loans receivables
- Useful lives of capital assets
- Net pension and other postemployment (OPEB) liabilities
- Scholarship allowance
- Deferred tuition revenue
- Compensated absences accrual
- Valuation of investments

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Restatement of prior year financial statements

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Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- Student loans receivable and revenue (including adjustments related to restatement of prior year financial statements) (see finding 2019-001)
- State appropriation revenue (including adjustments related to restatement of prior year financial statements) (see finding 2019-001)
- Various adjustments to financial statement information (see finding 2019-002)
- Construction in progress and related capital expenditures (including adjustments related to restatement of prior year financial statements) (see finding 2019-001 for restatement item)
- Reclassify revenues from operating and nonoperating revenues
- Elimination of direct loan revenues and expenses

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole

Auditor's Judgments About the Quality of the University's Accounting Principles

During the course of the audit, we made the following observations regarding the University's application of accounting principles:

- During fiscal year 2019, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

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Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Other Accountants

During our audit we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- The financial report of the University of Wyoming Foundation, a discretely presented component unit, is included in the University's financial statements and we place reliance on the audit performed by the other auditor for the year ended June 30, 2019

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- State appropriations
- Accounting for student loan programs
- Accounting for grants receivable
- Accounting for agency fund transactions

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Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the University of Wyoming (the University) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

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A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be deficiencies or material weaknesses.

Material Weaknesses

Refer to the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

Deficiencies

Grants Receivable

The revenue and expense for grants is recorded within PPM (grants subsidiary ledger) depending on the period the transaction is posted (accounting date), rather than the period in which the transaction occurred (expenditure item date). As such, there is a risk that the grant transactions are not recognized in the PPM subledger in the correct accounting period. Delays in processing of invoices for payment also increase this risk. As a result, an adjustment of approximately \$1.8 million was proposed but was not recorded for transactions with an expenditure item date in fiscal year 2019, but which were not recorded in PPM until fiscal year 2020.

We recommend that the University evaluate its year-end procedures relating to grants to ensure that proper policies and procedures are in place to ensure all revenue is recognized prior to PPM being closed and evaluating transactions posted after year-end for potential accrual at year-end. We also recommend management review the policies around approvals and processing invoices to help ensure the elapsed time between invoice approval and processing is minimized, in order to mitigate this risk to an acceptable level.

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We also observed matters that we consider to be deficiencies that we communicated to management orally.

OTHER MATTERS

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

P-card Activity

As part of our unpredictability procedures we reviewed the University's FY2019 procurement card (P-card) transactions. Our Forensics and Valuation Services group reviewed the P-card activity for the following attributes:

1. P-card Transactions on PTO days where at least 8 hours of PTO were reported
2. Potential Split P-card Transactions
3. Merchants of Interest over \$1,000. Merchants of interest include Apple, Kindle, iTunes, Xbox, PayPal, Square or online vendors with either "www" or ".com" in their name

The results of this analysis identified several transactions for management to further investigate. As a result of this analysis we recommend that the University implement additional policies and procedures regarding monitoring of P-card activity and employees who may not be following University policies and procedures.

Fiduciary Activities

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

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GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

GASB 84 is effective for the University's fiscal year ending December 31, 2020. Earlier application is encouraged.

Leases

In June 2017, GASB published Statement No. 87, *Leases*. This statement was the result of a multi-year project to reexamine the accounting and financial reporting for leases. The new statement establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

Lessee Accounting: A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

Lessor Accounting: A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

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The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (*i.e.* timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded.

GASB 87 is effective for periods beginning on or after December 15, 2019. Early application is encouraged. It is anticipated that leases would be recognized using the facts and circumstances in effect at the beginning of the period of implementation.

* * * * *

This communication is intended solely for the information and use of Management, the Board of Trustees, Finance, and Legal and Affairs Committee, and others within the University and is not intended to be and should not be used by anyone other than these specified parties.

DATE

University of Wyoming
(A Component Unit of the State of Wyoming)
Independent Auditor's Report and Financial Statements
June 30, 2019

University of Wyoming
(A Component Unit of the State of Wyoming)
June 30, 2019

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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), a component unit of the State of Wyoming, as of and for the year ended June 30, 2019, 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 audit. 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 another auditor, 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 auditor. We conducted our audit 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 audit and the report of the other auditor, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 3 to the financial statements, the beginning net position has been restated to correct certain errors. Our opinions have not been 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.

Denver, Colorado

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019

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 year (FY) ended June 30, 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 ***Statement of Net Position*** presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at a point in time (June 30, 2019). 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 ***Statement of Revenues, Expenses and Changes in Net Position*** presents the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time (the year ended June 30, 2019). Its purpose is to assess UW's operating results.
- The ***Statement of Cash Flows*** presents the University's cash receipts and payments during a period of time (the fiscal year ended June 30, 2019). 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, 2019

Financial Highlights

The following significant financial highlights occurred during the year ended June 30, 2019:

- University assets total \$1,749.2 million. These assets include \$533.2 million of cash and investments, \$966.5 million of capital assets, net of depreciation and \$249.5 million of other assets.
- University liabilities total \$552.5 million. These liabilities include \$86.6 million of current liabilities estimated to be payable within the 2020 fiscal year. Noncurrent liabilities include \$74.5 million for the noncurrent portion of bonds payable, \$29.1 million for employee future compensated absences, \$5.7 million for U.S. government loans refundable, and \$3.5 million of a note payable. In addition, \$103.2 million for net pension liability as required by Governmental Accounting Standards Board Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions* and \$250.1 million for Other Postemployment Benefit (OPEB) liability as required by Governmental Accounting Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- GASB 68 also requires the University to record deferred outflows of resources and deferred inflows of resources related to pensions, which primarily reflect the changes in actuarial assumptions used to value the overall pension liability that will be recognized in future periods. Deferred outflows of resources and deferred inflows of resources related to pensions were \$24.7 million and \$4.9 million, respectively.
- GASB 75 requires the University to record deferred outflows of resources and deferred inflows of resources related to OPEB, which primarily reflect the changes in actuarial assumptions used to value the overall OPEB liability that will be recognized in future periods. OPEB related deferred outflows of resources were \$62.6 million and deferred inflows of resources were \$30.6 million.
- These assets and deferred outflows of resources and liabilities and deferred inflows of resources result in a total net position of \$1,236.6 million at June 30, 2019, compared to a net position of \$1,131.1 million as of June 30, 2018, an increase of \$105.5 million. The increase in total net position of \$28.6 million is detailed on the 2019 Statement of Revenues, Expenses and Changes in Net Position. An additional \$76.9 million increase to net position was recorded as a result of a restatement to net position related to adjustments applicable to prior periods. See additional notes under Statement of Net Position on the following page for details regarding restatement of net position.
- The University's \$1,236.6 million net position at June 30, 2019 consists of the following components:
 - Unrestricted net position at June 30, 2019 is negative (\$143.2 million). Unrestricted net position is comprised of \$158.3 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 (\$301.5 million).
 - Restricted net position totaled \$519.1 million, which is restricted by donor, grantor, or other external party.
 - Net investment in capital assets totaled \$860.7 million.

University of Wyoming
(A Component Unit of the State of Wyoming)
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019

- Operating revenues from student tuition, restricted grants and other operating revenues decreased from \$261.7 million in FY 2018 to \$240.1 million in FY 2019. Approximately \$13.4 million of the decrease is related to mineral royalty revenue classified as nonoperating revenue in FY 2019 vs classified as operating revenue in FY 2018. The variance excluding this reclassification is a decrease of \$8.2 million and was primarily due to lower clinic and auxiliary revenue, partially offset by higher tuition and fees and higher grant and contract revenue.
- Net nonoperating revenues increased from \$261.5 million in FY 2018 to \$283.8 million in FY 2019. As mentioned above, \$13.4 million of the increase is related to mineral royalty revenue classified as nonoperating revenue in FY 2019 vs. classified as operating revenue in FY 2018. The variance excluding this reclassification is an increase of \$8.9 million due to higher state appropriations, partially offset by lower investment income.
- Total operating expenses increased 4.8%, from \$523.5 million in FY 2018 to \$548.6 million in FY 2019. The increase is primarily due \$13.2 million higher compensation and benefits due to increased wages, pension, and fringe related expenses and \$6.3 million higher depreciation due to capital items placed into service in FY 2019 that began depreciation.
- The University completed \$262.5 million of capital asset additions during FY 2019. The University had \$35.3 million and \$239.3 million (\$244.9 million when considering the effect of the capital asset restatement – see page 6), in construction projects in progress as of June 30, 2019 and 2018, respectively. In FY 2019, the University completed construction of the Engineering Education and Research Building (EERB).

Statement of Net Position

The Statement of Net Position is a snapshot of the University's financial resources at June 30, 2019. 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.

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The FY 2019 net position balance includes a \$76.8 million increase to net position, as a result of a restatement to net position related to adjustments applicable to prior periods. These adjustments are detailed below:

- 1) Restatement – Capital State Appropriations – Addition to net position of \$98.9 million. The University has two significant state funded capital construction projects, the Engineering Education & Research Building (EERB) and the Center for Integrative Biological Research (Science Initiative). In accordance with governmental accounting standards, the University should have recognized the total of \$188.5 million in state appropriation revenue in prior years when all eligibility requirements, including any contingencies are met, but only recognized \$89.6 million in revenue relating to the capital appropriations. Therefore, \$98.9 million of prior period adjustment was recorded as an addition to net position.
- 2) Restatement – Medical Education Loans – Reduction to net position of \$27.7 million. The University has several programs available to students wishing to pursue certain medical and dental related degrees. These programs allow for the forgiveness of tuition amounts paid on the student's behalf upon completion of certain requirements to work in the state of Wyoming. Historically, the University had recorded a receivable amount for the full amount of the tuition paid on behalf of the student and charged off the amounts forgiven as the student completed their work requirements in Wyoming. Based on review of accounting standards the University recorded an estimate for potential amounts that will be forgiven. A reduction in net position of \$27.7 million was recorded for estimated amounts that will be forgiven in the future. This amount is based on historical forgiveness rates based on the underlying program the student is enrolled.
- 3) Restatement – Capital Assets –A review of the maintenance and construction in progress identified several projects that should have been capitalized instead of expensed. An addition of \$5.6 million was recorded to net position.

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Condensed Statements of Net Position

(in millions)

	Fiscal Year	
	2019	2018**
Current assets	434.3	373.7
Noncurrent assets:		
Investments	258.9	256.4
Capital assets, net of accumulated depreciation	966.5	952.1
Other assets	89.5	47.0
Total Assets	1,749.2	1,629.2
Deferred outflows of resources on refinancing of bonds	0.4	0.5
Pension related deferred outflows of resources	24.7	10.5
Deferred outflows of resources - other post-employment benefits	62.6	12.1
Total deferred outflows of resources	87.7	23.1
Total Assets and Deferred Outflows of Resources	1,836.9	1,652.3
Current liabilities	86.6	94.6
Noncurrent liabilities	466.0	375.0
Total Liabilities	552.6	469.6
Service concession agreement	12.1	12.7
Pension related deferred inflows of resources	4.9	8.9
OPEB related deferred inflows of resources	30.6	29.8
Deferred inflows of resources - other	0.2	0.2
Deferred inflows of resources	47.8	51.6
Total Liabilities and Deferred Inflows of Resources	600.4	521.2
Net Position:		
Net investment in capital assets	860.7	847.1
Restricted:		
Nonexpendable	221.9	247.7
Expendable	297.2	165.6
Unrestricted	(143.2)	(129.3)
Total Net Position	1,236.6	1,131.1

** Amounts have not been restated

University of Wyoming
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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019

Assets

Current Assets

Current assets increased from \$373.7 million to \$434.3 million between June 30, 2018 and 2019, respectively. This \$60.6 million increase was primarily due to a \$152.5 million increase in receivable from the state, partially offset by \$64.3 million lower cash and \$30.7 million lower short term investments.

Other Noncurrent Assets

Long-term investments increased from \$256.4 million at June 30, 2018 to \$258.9 million at June 30, 2019. Other long-term assets increased \$42.5 million to \$89.5 million at June 30, 2019.

Capital Assets

The University's single largest financial resource is its campus facilities and capital assets. Capital assets consist of University property and improvements.

As of June 30, 2019, gross capital assets of \$1,441.3 million, net of \$474.8 million accumulated depreciation, totaled \$966.5 million. This is a \$14.4 million increase from FY 2018, when capital assets net of accumulated depreciation totaled \$952.1 million.

This increase in net capital assets is primarily attributable to the completion of construction on the Engineering Education and Research Building (EERB) in 2019 and commencement of construction on the Science Initiative Building in 2019.

Note 7 of this report summarizes the changes in capital assets between June 30, 2018 and June 30, 2019.

Deferred Outflow of Resources

Deferred outflows of resources increased \$64.6 million from \$23.1 million at June 30, 2018 to \$87.7 million. The increase is due to a \$50.5 million increase to other postemployment benefits and \$14.1 million increase to the pension plan. The changes were due to the changes in assumptions and in the actuarial valuation used to calculate the other postemployment benefits and pension liability. Notes 9 and 11 of this report provides detailed information regarding the University's pension plan and other postemployment benefits.

Liabilities

Current Liabilities

The University's non-debt obligations and commitments arising from past events that are expected to result in a consumption of resources in the next 12 months are current liabilities. Current liabilities include amounts owed to vendors, personnel commitments, deposits held in custody for others, current portion of bonds payable and capital lease obligations.

Current liabilities at June 30, 2019 were \$86.6 million compared to \$94.6 million at June 30, 2018. The decrease is driven by lower accounts payable and accrued liabilities and lower accrued compensated absences in 2019.

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Accounts payable and accrued liabilities were \$20.2 million and includes amounts payable for goods and services rendered to the University as of June 30, 2019. Accounts payable liabilities at June 30, 2018 were \$24.3 million. The balance of accounts payable fluctuates with the needs for goods and services on campus and projects underway from year to year.

Payroll and related liabilities at June 30, 2019 were \$30.2 million and were comprised of salaries and wages and employer and employee portions of benefits. Payroll and related liabilities at June 30, 2018 were \$28.8 million.

Unearned revenues of \$7.8 million includes tuition and fees; room and board and athletic ticket sales received by June 30, 2019 for services to be provided in FY 2020. These amounts will be recognized as revenue in future periods after all conditions have been satisfied. Unearned revenues at June 30, 2018 were \$5.6 million.

Deposits held in custody for others of \$7.5 million at the end of FY 2019 represent assets held by the University on behalf of agency funds. Deposits held in custody for others at the end of FY 2018 were \$9.0 million.

The current portion of accrued compensated absences totaled \$15.2 million at June 30, 2019. This balance is made of accrued sick and vacation balances. The current portion of accrued compensated absences totaled \$21.4 million at June 30, 2018. The lower current portion of accrual compensated absences is primarily due to a revised methodology to split the current and noncurrent portion of liabilities for this category.

The current portion of revenue bonds payable, or the principal due in the 12 months following year-end, totaled \$5.4 million at June 30, 2019 and \$5.2 million at June 30, 2018.

The current portion of notes payable at June 30, 2019 and 2018 was \$0.3 million for both years. Previously, these items were identified as capital lease obligations.

Noncurrent Liabilities

The University's noncurrent liabilities include the University's net pension liability and Other Postemployment Benefit (OPEB) liability required by GASB 68 and GASB 75, respectively; commitments to pay employee compensated absences for vacation and sick leave; revenue bonds payable and capital lease obligation.

GASB 68 requires the University to recognize the University's proportionate share of the net pension liability of the Wyoming Retirement System as a liability in the University's financial statements. The University's net pension liability required by GASB 68 increased from \$75.7 million at June 30, 2018 to \$103.2 million at June 30, 2019. This change was due to the changes in assumptions and in the actuarial valuation used to calculate the net pension liability. Note 9 of this report provides detailed information regarding the University's pension plan.

The University's other postemployment benefit liability required by GASB 75 increased from \$187.9 million at June 30, 2018 to \$250.1 million at June 30, 2019. This change was due to the changes in

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Years Ended June 30, 2019

assumptions in the actuarial valuation used to calculate the other post-employment benefit liability. Note 11 of this report provides detailed information regarding the University's other postemployment benefit plans.

The noncurrent portion of accrued compensated absences totaled \$29.1 million at June 30, 2019. This balance is made of accrued sick and vacation balances. The noncurrent portion of accrued compensated absences totaled \$21.4 million at June 30, 2018. The higher noncurrent portion of accrual compensated absences is primarily due to a revised methodology to split the current and noncurrent portion of liabilities for this category.

The noncurrent portion of US government loans refundable totaled \$5.7 million at June 30, 2019 and \$5.8 million at June 30, 2018.

The noncurrent portion of revenue bonds payable, or the principal due in the 12 months following year-end, totaled \$74.5 million at June 30, 2019 and \$80.4 million at June 30, 2018.

Deferred Inflow of Resources

Deferred inflow of resources decreased \$3.8 million to \$47.8 million at June 30, 2019.

Net Position

Net position represents the resources available for future operations. The University's total net position equals assets plus deferred outflows of resources, reduced by liabilities and deferred inflow of resources. Total net position increased from \$105.5 million from \$1,131.1 million at June 30, 2018 to \$1,236.6 million at June 30, 2019.

The University's net position increased by \$28.6 million related to FY 2019 activity and \$76.8 million due to prior year restatement items.

The University's largest class of net position is its capital assets, comprising \$860.7 million of the University's net position. These capital assets represent the University's net investment in campus facilities, equipment, land and infrastructure essential to fulfilling the University's teaching, research and service mission.

Statement 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.

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

	Fiscal Year	
	2019	2018**
Operating revenues	\$ 240.1	261.7
Operating expenses	(548.6)	(523.5)
Operating loss	(308.5)	(261.8)
Net nonoperating revenues	283.8	261.5
Loss before other revenue, expenses, gains and losses	(24.6)	(0.3)
State Appropriations and gifts restricted for capital purposes and additions to permanent endowments	53.3	91.8
Increase in Net Position	28.6	91.5
Net Position-beginning of year	1,131.1	1,219.9
Restatement to prior period	76.8	(180.3)
Net Position beginning of year, as restated	1,207.9	1,039.6
Net Position-End of Year	1,236.6	1,131.1

** Amounts have not been restated

Revenues

Operating revenues are earned by providing goods and services to the various customers of the University. Operating expenses are paid to acquire or produce goods and services necessary to carry out the mission of the University. They are directly related to generating operating revenues.

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 losses on disposal of assets.

Net revenue from all sources, net of scholarship allowances, totaled \$577.2 million during FY 2019, which was a \$37.8 million decrease from \$615.0 million in total revenue during FY 2018.

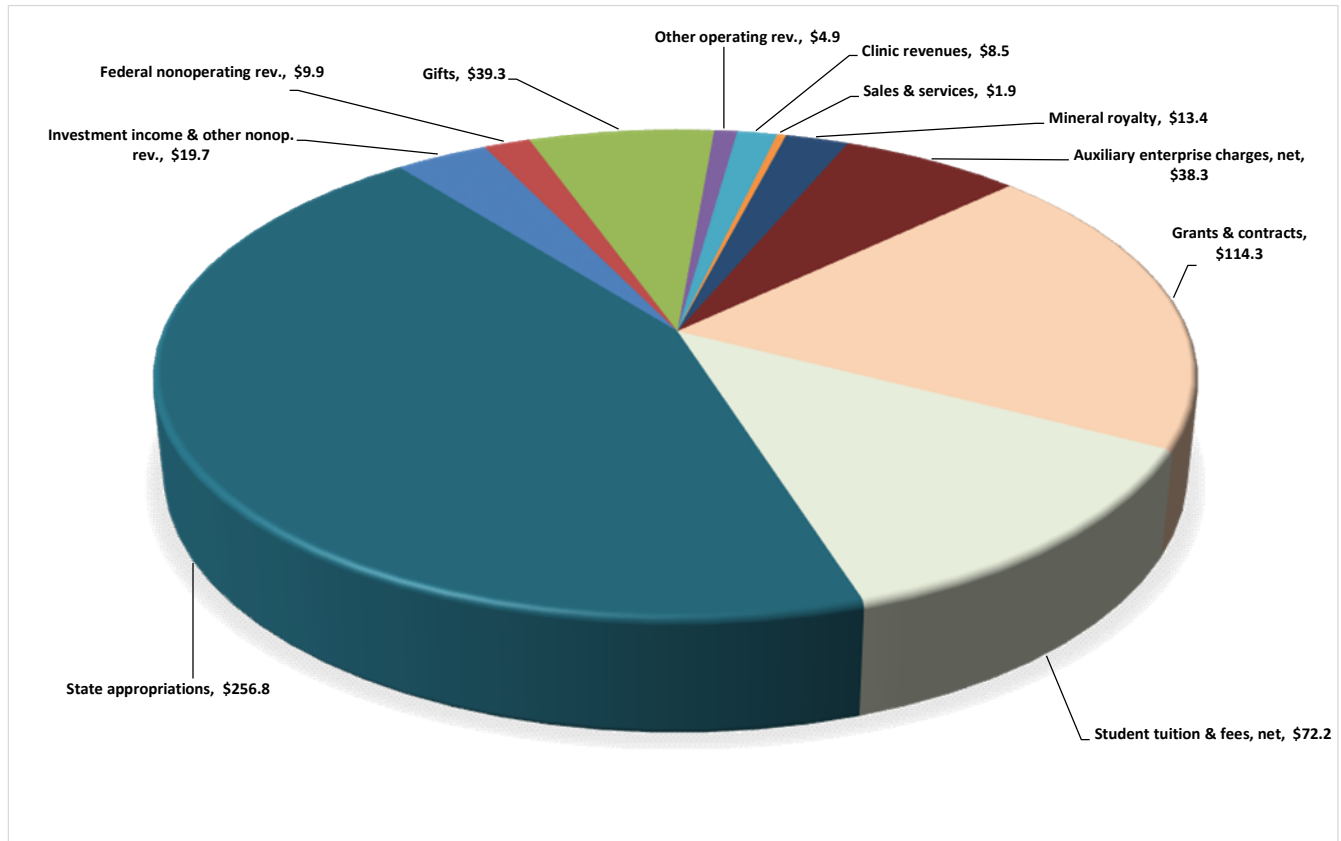
Of the \$577.2 million in net revenue earned in FY 2019, \$240.1 million was generated from operating revenues, \$283.8 million was net nonoperating revenues, and \$53.3 million was state appropriations and gifts restricted for capital purposes and additions to permanent endowments.

Of the \$615.0 million in net revenue earned in FY 2018, \$261.7 million was generated from operating revenues, \$261.5 million was earned in nonoperating revenues, and \$91.8 was state appropriations restricted for capital purposes and addition to permanent endowments.

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The following chart shows the percentage breakout of total revenue by funding source for fiscal year 2019.

TOTAL REVENUE SOURCES



Operating Revenues

Operating revenues are derived from tuition and fees, auxiliary activity, grants and contracts, and other operating revenues.

- Total operating revenues decreased \$21.6 million, between FY 2018 and FY 2019. Approximately \$13.4 million of the decrease is related to mineral royalty revenue classified as nonoperating revenue in FY 2019 vs. classified as operating revenue in FY 2018. The remaining FY 2019 decrease is primarily due to \$7.9 million lower auxiliary revenue, \$6.2 million lower clinic revenue, and \$5.2 million lower other revenue, partially offset by \$7.4 million higher grant and contract revenue and \$6.0 million higher tuition and fees.
- Tuition and fees revenues, net of scholarship allowances, totaled \$72.2 million, and were 12.5% of total revenues in fiscal year 2019. Tuition and fees revenues, net of scholarship allowances, totaled \$66.2 million, and were 10.8% of total revenues in FY 2018.

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- Reporting standards require tuition and fees to be shown net of scholarship allowances, which were \$40.6 million and \$35.8 million for FY 2019 and FY 2018, 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).
- One of the University's greatest strengths is its diverse stream of revenue sources, which supplement its student tuition and fees. State appropriations; voluntary private support from individuals, foundations and corporations; government and other sponsored programs; sales and services and auxiliary enterprise revenue; mineral royalties; and investment income, all contribute to the University's ability to keep tuition costs low. For FY 2019, 87.5% of UW's total revenue was derived from sources other than student tuition and fees.

Net Nonoperating Revenues

The University's net nonoperating revenues are comprised of state appropriations, gifts, federal nonoperating revenue (Pell grant), investment income, and other nonoperating revenues.

- Total net nonoperating revenues were \$283.8 million and \$261.5 million in FY 2019 and FY 2018, respectively. As mentioned above, \$13.4 million of the increase is related to mineral royalty revenue classified as nonoperating revenue in FY 2019 vs classified as operating revenue in FY 2018. The \$8.9 million increase in net nonoperating revenue is due primarily to higher state appropriation revenue partially offset by lower investment income.
- Nonoperating state appropriation revenues increased by \$19.4 million. Revenues were \$214.1 million, or 37.1% percent of total revenues, compared to \$194.7 million, or 31.4% of total revenues during FY 2019 and FY 2018, respectively.
- Federal Pell grant revenue is considered a federal entitlement program rather than a restricted grant program. Therefore, Pell grant revenue is recognized as nonoperating revenue. Federal Pell grant revenue was \$9.9 million and \$9.4 million in FY 2019 and FY 2018, respectively.

Expenses

Operating Expenses

Total operating expenses increased 4.8% or \$25.1 million from \$523.5 million in FY 2018 to \$548.6 million in FY 2019.

- Compensation and benefits increased \$12.5 million from \$324.7 million in FY 2018 to \$337.2 million in FY 2019. The increase is due to \$6.6 million higher salary and wages, \$4.4 million higher pension, and \$2.2 million higher fringe and other related employee expense.
- Supplies and support services increased by \$4.1 million from \$149.1 million in FY 2018 to \$153.2 million in FY 2019.

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Years Ended June 30, 2019

- Scholarship expense increased \$2.2 million from \$13.2 million in FY 2018 to \$15.4 million in FY 2019.
- Depreciation expense increased \$6.3 million from \$36.5 million in FY 2018 to \$42.8 million in FY 2019 due to assets placed into service in 2019 and depreciation commencing on these assets.

Management's Analysis of Natural Classifications

The following table illustrates expenses by natural classifications, which represents expenses by type, regardless of the program or service. Primary expenditure increases and decreases were the result of salary and benefit decreases, depreciation, and scholarship changes.

Natural Classifications
 Operating Expenses by Natural Classification
 (in millions)

	Fiscal Years	
	<u>2019</u>	<u>2018</u>
Compensation and benefits	\$ 337.2	324.7
Supplies and support services	153.2	149.1
Scholarships	15.4	13.2
Depreciation	42.8	36.5
Total Operating Expenses	<u>\$ 548.6</u>	<u>523.5</u>

Statement 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. State appropriations are not reported as operating revenue.

Significant changes in this statement are noted below:

- Operating activities of the University required \$16.6 million less cash in FY 2019 than 2018. Total cash flows used in operating activities were \$227.9 million and \$244.5 million in FY 2019 and 2018, respectively.
- Cash flows provided by non-capital financing activities increased 6.5% or \$16.6 million, and were \$271.5 million and \$254.9 million in FY 2019 and 2018, respectively. This increase was primarily the result of state appropriations in 2019.

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Years Ended June 30, 2019

- Cash used for capital and related financing activities increased \$75.0 million, and were \$78.7 million and \$3.7 million in FY 2019 and FY 2018, respectively. This increased use of cash relates to acquisition and construction of capital assets in FY 2019.
- In FY 2019, cash provided by investing activities was \$41.5 million. The University purchased \$242.0 million in new investments, sold \$270.3 million of investments, and received \$13.3 million in realized investment earnings.
- Overall, the University's cash position increased 3.7% in FY 2019. Cash and cash equivalents were \$181.8 million and \$175.3 million at June 30, 2019 and 2018, respectively.

Condensed Statements of Cash Flows
(in millions)

	Fiscal Years	
	<u>2019</u>	<u>2018**</u>
Cash provided by (used in):		
Operating activities	\$ (227.9)	(244.5)
Noncapital financing activities	271.5	254.9
Investing activities	41.5	21.4
Capital and related financing activities	<u>(78.7)</u>	<u>(3.7)</u>
Net increase (decrease) in cash	6.5	28.1
Cash and cash equivalents, beginning of the year	<u>175.3</u>	<u>147.2</u>
Cash and cash equivalents, End of the Year	\$ 181.8	175.3

** Amounts have not been restated

Capital and Debt Activity

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.

University of Wyoming
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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019

Capital Assets
(in millions)

	Fiscal Years	
	2019	2018**
Buildings	\$ 1,129.5	895.4
Land and land improvements	42.2	42.1
Infrastructure	19.7	19.7
Construction in progress	35.3	239.3
Equipment	183.8	184.3
Library materials	30.8	100.6
Total cost of capital assets	1,441.30	1,481.4
Less accumulated depreciation	(474.8)	(529.3)
Capital Assets, net of depreciation	\$ 966.5	952.1

** Amounts have not been restated

Debt Activity

There was no debt issued in fiscal years 2019 and 2018. In FY 2019, \$5.5 million of debt was retired.

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 experienced a historic decline in revenue in state Fiscal Year (FY) 2016. In response, Governor Mead and the Wyoming Legislature implemented significant budget reductions across all state agencies beginning in FY 2016 and expanding those cuts in FY 2017-18. The FY 2019-20 Biennium Budget approved during the 2018 legislative session continued the vast majority of the previous biennium's reductions and required the use of state budget reserves and temporary reallocation of funding streams away from savings accounts and into spending accounts to address the projected revenue shortfalls.

Actual revenue collected by the state in FY 2019 exceeded projected revenue primarily on the strength of new crude oil exploration and production. In fact final FY 2019 General Fund/Budget Reserve Account revenue exceeded projections by \$242 million. In addition to strong crude oil projections, sales and use tax collections benefited from robust economic activity primarily in the southern Powder River Basin. In total, the actual revenue received in FY 2019 combined with new projections for FY 2020 result in an additional \$202.2 million being available for appropriation during the 2020 Legislative session. Although the two year outlook remains positive for additional one-time funding for the University of Wyoming, the most recent Wyoming State Government Revenue Forecast released October 29, 2019 includes significant downward revisions in coal and natural gas production and a strong caution that any future positive revenue

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Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019

growth from oil or sales and use tax will likely be overwhelmed by (i) declining coal demand (and production), (ii) price competition in the natural gas industry from attractive production opportunities outside of Wyoming, and (iii) a lower interest rate environment to invest the state's sovereign wealth fund in.

During fiscal year 2019, Moody's annual comment report reaffirmed the University of Wyoming's Aa2 credit rating. The rating outlook is stable and UW's role as the state's only four-year public higher education institution, a very low maximum annual debt service burden and acceptable financial resources.

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 Vice President for Finance and Administration, University of Wyoming, Department 3314, 1000 E. University Avenue, Laramie, WY 82071-2000. Requests for copies of the 2019 financial statements for the University of Wyoming Foundation should be also addressed to the Vice President for Finance and Administration at the address provided above.

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

Statement of Net Position

June 30, 2019

(in thousands)

Assets

Current Assets

Cash and cash equivalents	\$ 110,809
Short-term investments	92,491
Grants receivable	43,737
Student accounts receivable, net	4,787
Receivable from the State of Wyoming	165,248
Other receivables, net	7,473
Current portion of student loans receivable, net	2,500
Inventories	3,682
Prepaid expenses	3,493
Other assets, current	60
	<hr/>
Total current assets	434,280
	<hr/>

Noncurrent Assets

Restricted cash	70,968
Long-term investments	258,921
Student loans receivable, net	18,518
Capital assets, net	966,494
	<hr/>
Total noncurrent assets	1,314,901
	<hr/>
Total assets	1,749,181
	<hr/>

Deferred Outflows of Resources

Deferred loss on refunding	436
Pension related	24,694
Other postemployment benefit related	62,607
	<hr/>
Total deferred outflows of resources	87,737
	<hr/>
Total assets and deferred outflows of resources	1,836,918
	<hr/>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statement of Net Position (continued)
June 30, 2019
(in thousands)

Liabilities**Current Liabilities**

Accounts payable and accrued expenses	20,167
Payroll and related liabilities	30,237
Unearned revenue	7,768
Deposits held in custody for others	7,473
Current portion of revenue bonds payable	5,365
Current portion of note payable	345
Accrued compensated absences	<u>15,205</u>
Total current liabilities	<u>86,560</u>

Noncurrent Liabilities

Accrued compensated absences	29,066
U.S. government loans refundable	5,664
Revenue bonds payable	74,473
Note payable	3,477
Net pension liability	103,243
Other postemployment benefit liability	<u>250,055</u>
Total noncurrent liabilities	<u>465,978</u>
Total liabilities	<u>552,538</u>

Deferred Inflows of Resources

Pension related	4,908
Other postemployment benefit related	30,600
Deferred gain on refunding	172
Service concession arrangement	<u>12,146</u>
Total deferred inflows of resources	<u>47,826</u>

Net Position

Net Investment in Capital Assets	860,729
Restricted For	
Nonexpendable	221,857
Expendable	
Scholarships, research, instruction and other	63,171
Loans	17,220
Capital projects	216,772
Unrestricted	<u>(143,194)</u>
Total net position	<u>\$ 1,236,554</u>

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

Statement of Financial Position

June 30, 2019

(in thousands)

Assets

Cash	\$	1,548
Investments		610,710
Pledges receivable, net		23,757
Other receivables		1,154
Marian H. Rochelle Gateway Center, at cost, net of accumulated depreciation		26,173
Property and equipment, at cost, net of accumulated depreciation		<u>1,985</u>
Total assets	\$	<u><u>665,327</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$	4,025
High Altitude loan interest payable		8
High Altitude line of credit		5,473
Due to others		<u>237,346</u>
Total liabilities		<u><u>246,852</u></u>

Net Assets

Without donor restrictions		
Undesignated		13,569
Designated by the Board for operating reserve		246
Designated by the Board for endowment		12,464
Invested in property and equipment, net of related debt		<u>28,158</u>
		54,437
With donor restrictions		
Perpetual in nature		302,334
Purpose restrictions		<u>61,704</u>
Total net assets		<u><u>418,475</u></u>
Total liabilities and net assets	\$	<u><u>665,327</u></u>

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

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2019
(in thousands)

Operating Revenues

Tuition and fees (net of scholarship allowances of \$40,625)	\$ 72,234
Grants and contracts	114,287
Sales and services of educational activities	1,897
Auxiliary enterprise charges (net of scholarship allowances of \$6,469)	38,342
Clinic revenues	8,477
Other operating revenues	<u>4,870</u>
Total operating revenues	<u>240,107</u>

Operating Expenses

Instruction	155,095
Research	76,238
Public service	57,294
Academic support	32,570
Student services	20,325
Institutional support	64,569
Operation and maintenance of plant	39,909
Scholarships	5,997
Auxiliary enterprises	53,824
Depreciation	<u>42,763</u>
Total operating expenses	<u>548,584</u>
Operating loss	<u>(308,477)</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statement of Revenues, Expenses and Changes in Net Position (continued)
Year Ended June 30, 2019
(in thousands)

Nonoperating Revenues (Expenses)	
State appropriations	214,139
Gifts	32,130
Mineral Royalty	13,365
Federal nonoperating revenues	9,918
Investment income	13,174
Interest expense	(3,625)
Loss on disposal of capital assets	(1,777)
Other nonoperating revenues	<u>6,525</u>
Net nonoperating revenues (expenses)	<u>283,849</u>
Loss before other revenues, expenses, gains and losses	<u>(24,628)</u>
State appropriations restricted for capital purposes	42,715
Capital gifts	7,233
Additions to permanent endowments	<u>3,326</u>
Net increase in net position	<u>28,646</u>
Net Position, Beginning of Year, as Previously Reported	1,131,147
Adjustment applicable to prior periods (Note 3)	<u>76,761</u>
Net Position, Beginning of Year, as Restated	<u>1,207,908</u>
Net Position, End of Year	<u><u>\$ 1,236,554</u></u>

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

Statement of Activities
Year Ended June 30, 2019
(in thousands)

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions and state match	\$ 5	\$ 29,279	\$ 29,284
University of Wyoming	759	1,492	2,251
Assessments	6,826	(6,826)	-
Net return on investments	1,929	25,246	27,175
Change in value of charitable remainder trusts	-	(1,084)	(1,084)
Decrease in cash surrender value of life insurance policies	-	(4)	(4)
Net assets released from/ applied to restrictions			
Satisfaction of program restrictions	35,344	(35,344)	-
Permanent program restriction	(14)	14	-
Other revenue	-	823	823
	<hr/>	<hr/>	<hr/>
Total revenues, gains and other support	44,849	13,596	58,445
Expenses and Losses			
Program services	37,068	-	37,068
Fundraising	5,799	-	5,799
General and administrative	4,554	-	4,554
	<hr/>	<hr/>	<hr/>
Total expenses	47,421	-	47,421
Change in Net Assets	(2,572)	13,596	11,024
Net Assets			
Beginning of year	<hr/> 57,009	<hr/> 350,442	<hr/> 407,451
End of year	<hr/> <u>\$ 54,437</u>	<hr/> <u>\$ 364,038</u>	<hr/> <u>\$ 418,475</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Statement of Cash Flows
Year Ended June 30, 2019
(in thousands)

Cash Flows from Operating Activities

Tuition and fees	\$ 73,445
Research contracts and grants (operating revenue)	111,755
Sales of services of educational activities	2,254
Sales of services of auxiliary enterprises	38,203
Clinic revenues	8,375
Payments to suppliers	(135,025)
Payments to employees	(321,299)
Payments for scholarships and fellowships	(5,997)
Loans issued to students and employees	(8,481)
Collection of loans to students and employees	2,827
Other operating receipts (payments)	<u>6,003</u>
Net cash used in operating activities	<u>(227,940)</u>

Cash Flows from Noncapital Financing Activities

State appropriations (noncapital)	211,392
Gifts and grants for other than capital purposes	32,388
Mineral Royalty	13,365
Federal Pell Grant Revenue	9,918
Direct Lending Receipts	37,687
Direct Lending Disbursements	(37,687)
Increase (decrease) in deposits held for others	436
Other noncapital financing receipts (payments)	<u>4,045</u>
Net cash provided by noncapital financing activities	<u>271,544</u>

Cash Flows from Capital and Related Financing Activities

State appropriations for capital	45,311
Amendments to capital appropriations	(51,200)
Principal payments on bonds and notes payable	(5,501)
Interest payments on bonds and notes payable	(4,103)
Gifts and grants for capital purposes	7,233
Acquisition and construction of capital assets	(70,435)
Proceeds from sale of capital assets	<u>45</u>
Net cash used in capital and related financing activities	<u>(78,651)</u>

Cash Flows from Investing Activities

Purchases of investments	(242,031)
Proceeds from sales of investments	270,293
Interest and dividends	<u>13,277</u>
Net cash provided by investing activities	41,538

Net Increase in Cash and Cash Equivalents 6,491

Cash and Cash Equivalents, Beginning of Year 175,286

Cash and Cash Equivalents, End of Year \$ 181,777

University of Wyoming
(A Component Unit of the State of Wyoming)
Statement of Cash Flows (continued)
Year Ended June 30, 2019
(in thousands)

**Reconciliation of Operating Loss to Net Cash
Used in Operating Activities**

Operating loss	\$	(308,477)
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**Adjustments to Reconcile Operating Loss
to Net Cash Used in Operating Activities**

Depreciation expense		42,763
Noncash expenses		17,484
Decrease (increase) in assets and deferred outflows of resources		
Receivables, net		(2,253)
Student loans receivable, net		(5,832)
Inventories		(71)
Prepaid expenses and other assets		341
Deferred outflows of resources - pension related		(14,194)
Deferred outflows of resources - OPEB related		(50,486)
Decrease (increase) in liabilities and deferred inflows of resources		
Accounts payable and accrued liabilities, including payroll		2,785
Unearned revenue		2,124
U.S. government loans refundable		(89)
Accrued compensated absences		1,463
Net pension liability		27,554
Net OPEB liability		62,125
Deferred inflows of resources - pension related		(3,992)
Deferred inflows of resources - OPEB related		815
Total adjustments		80,537
Net cash used in operating activities	\$	(227,940)

Noncash Investing, Capital and Financing Activities

Accounts payable incurred for capital assets	\$	10,207
Loss on disposal of capital assets		1,777
Unrealized loss on investments		1,009
Amortization of deferred gain and loss on refundings		(60)
Amortization of bond premiums		538
Amortization of service concession arrangement		517

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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

For financial reporting purposes and in accordance with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, 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 financial reporting entity 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.

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) (958). In 2019, the Foundation adopted ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-for-Profit Entities*. 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

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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.

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 relating to the Alumni Association follows. Condensed financial information for the blended component units follows (in thousands).

Condensed Statement of Net Position

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Assets					
Current assets	\$ 426,083	\$ 8,103	\$ 94	\$ -	\$ 434,280
Noncurrent assets	342,242	993	5,172	-	348,407
Capital assets, net of accumulated depreciation	966,494	-	-	-	966,494
Total assets	<u>1,734,819</u>	<u>9,096</u>	<u>5,266</u>	<u>-</u>	<u>1,749,181</u>
Deferred Outflows of Resources	<u>87,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,737</u>
Liabilities					
Current liabilities	85,171	1,358	31	-	86,560
Noncurrent liabilities	465,978	-	-	-	465,978
Total liabilities	<u>551,149</u>	<u>1,358</u>	<u>31</u>	<u>-</u>	<u>552,538</u>
Deferred Inflows of Resources	<u>47,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,826</u>
Net Position					
Net investment in capital assets	860,635	94	-	-	860,729
Restricted net position	519,019	-	-	-	519,019
Unrestricted net position	(156,073)	7,644	5,235	-	(143,194)
Total net position	<u>\$ 1,223,581</u>	<u>\$ 7,738</u>	<u>\$ 5,235</u>	<u>\$ -</u>	<u>\$ 1,236,554</u>

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

Condensed Statement of Revenues, Expenses and Changes in Net Position

	University	Cowboy Joe Club	Alumni Association	Eliminations	Total
Operating Revenues					
Operating revenues	\$ 236,627	\$ -	\$ -	\$ (1,390)	\$ 235,237
Other operating revenue	4,261	-	609	-	4,870
Total operating revenues	<u>240,888</u>	<u>-</u>	<u>609</u>	<u>(1,390)</u>	<u>240,107</u>
Operating Expenses					
Operating expenses	499,610	6,791	810	(1,390)	505,821
Depreciation	42,763	-	-	-	42,763
Total operating expenses	<u>542,373</u>	<u>6,791</u>	<u>810</u>	<u>(1,390)</u>	<u>548,584</u>
Operating Loss	<u>(301,485)</u>	<u>(6,791)</u>	<u>(201)</u>	<u>-</u>	<u>(308,477)</u>
Nonoperating Revenues	277,562	6,287	-	-	283,849
State Appropriations Restricted for Capital Purposes	42,715	-	-	-	42,715
Capital Gifts	7,233	-	-	-	7,233
Additions to Permanent Endowments	<u>3,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,326</u>
Increase (Decrease) in Net Position	29,351	(504)	(201)	-	28,646
Net Position, Beginning of Year, as Restated	<u>1,194,230</u>	<u>8,242</u>	<u>5,436</u>	<u>-</u>	<u>1,207,908</u>
Net Position, End of Year	<u>\$ 1,223,581</u>	<u>\$ 7,738</u>	<u>\$ 5,235</u>	<u>\$ -</u>	<u>\$ 1,236,554</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.

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.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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, 2019, cash equivalents consisted primarily of money market accounts with brokers and U.S. Treasury Securities.

Investments and Investment Income

Investments are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit and repurchase agreements are carried at cost.

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 consists 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.

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, 2019 consists of deferred losses on previous debt refundings 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, 2019 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.

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.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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 \$29,981,000 at June 30, 2019. This amount is netted against loans to students.

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, 2019.

University of Wyoming
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Notes to Financial Statements
June 30, 2019

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 statement 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 fees 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 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 Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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 statement 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, 2019, were \$40,625,000 and \$6,469,000, respectively.

University of Wyoming
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Notes to Financial Statements
June 30, 2019

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.

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.

Note 2: Change in Accounting Principle

In 2019, the University implemented GASB No. 88, *Certain Disclosures Related to Debt including Direct Borrowing and Direct Placements* (Statement No. 88), which was effective for financial statements for periods beginning after June 15, 2018. Statement No. 88 clarifies which liabilities should be included in disclosures related to debt and the information that should be disclosed related to the debt for a better understanding of the debt effects on future resource flows. Specifically, the University has added disclosures for notes payable related to energy performance contracts regarding significant events of default with finance-related consequences or significant acceleration clauses.

Additionally, the University implemented GASB Statement No. 83, *Certain Asset Retirement Obligations* (Statement No. 83), which was effective for financial statements for periods beginning after June 15, 2018. Statement No. 83 establishes criteria for the timing and pattern for recognizing legally enforceable liabilities related to the retirement of tangible capital assets. The University has inventoried those assets which had the potential for related disposal costs under the standard. The identified capital assets were nominal in volume and the disposal costs were not estimable, though considered immaterial overall. Thus, no amounts have been recorded for adoption of this standard and will be monitored for future potential liability as appropriate.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

Note 3: Restatement of Prior Year Financial Statements

Subsequent to the issuance of the University's 2018 financial statements, the University identified the following errors:

- The University has corrected its accounting for capital state appropriations to be in compliance with GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Per GASB 33 revenue should be recognized when all eligibility requirements have been met. Eligibility requirements are conditions established by enabling legislation or the provider that are required to be met before a transaction can occur. For capital state appropriations eligibility requirements include that an appropriation exists and the period to which the appropriation applies has begun. It also requires that any match or other contingent requirements stipulated in the legislation have been met. The University determined that for two capital state appropriations the eligibility requirements had been met in previous years and therefore, revenue should have been recognized at that time. This adjustment increased beginning net position at July 1, 2018 by \$98,855,000.
- The University corrected its accounting for student loans. There are certain loan programs administered by the University in the medical and dental fields whereby the loans will be forgiven if the student works within the State of Wyoming for a certain length of time subsequent to their graduation. The University was recording the entire loan receivable and was not estimating an allowance for the potential amounts that will be forgiven. An allowance was recorded based on historical forgiveness rates based on the underlying program in which the student is enrolled. This adjustment decreased beginning net position at July 1, 2018 by \$27,656,000.
- The University corrected its accounting for construction in progress (CIP). There were certain construction costs in prior years that were erroneously expensed in a prior year, instead of being recorded as CIP and capitalized on the statement of net position. This adjustment increased beginning net position at July 1, 2018 by \$5,562,000.

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

Beginning net position, as previously presented	<u>\$ 1,131,147</u>
Correction of error - capital state appropriations	98,855
Correction of error - student loans	(27,656)
Correction of error - construction in progress	<u>5,562</u>
Total restatements	<u>76,761</u>
Beginning net position, as restated	<u>\$ 1,207,908</u>

The impact on the change in net position for the year ended June 30, 2018 would be \$76,761,000.

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Notes to Financial Statements
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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 investment policy specifies that investments are limited to those allowed by W.S. 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 oversees the investment of funds for the Advance Payment of Higher Education Costs (APHEC) program. The investment goal for APHEC is the same as for the endowments.

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 investments 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

University of Wyoming
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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.

Deposits

As of June 30, 2019, the carrying amount of the University's demand deposits in financial institutions was \$13,516,000 and the bank balances were \$16,304,000. All deposits were held by a qualified depository as outlined in the State Statutes.

As of June 30, 2019, the University had \$198,000 within the demand deposits for the Reclamation Ecology Endowment.

As of June 30, 2019, the University had \$79,664,000 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, 2019, the University had \$16,016,000 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 100% of its investment portfolio to maturities of less than one year. 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.

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Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2019, the University had the following investments, maturities, and quality ratings (in thousands):

Investment Type	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>	<u>Quality Rating</u>
Local Government Investment Pool	\$ 72,500	0.23	AAAm
U.S. Government Sponsored Enterprise Discount Notes	<u>92,491</u>	0.51	AA+
	<u>\$ 164,991</u>		

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 any one issuer. As of June 30, 2019, the University's percentage of investments in bonds in relation to total investments were:

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Fannie Mae	4.3%
Federal Home Loan Discount Note	3.2%
Federal Farm Credit Bank	4.3%
Federal Home Loan Bank	16.2%
Freddie Mac	16.2%
Overseas Private Investment Corp.	2.0%
United States Treasury Investments	<u>53.8%</u>
Total	<u>100.0%</u>

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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, 2019, the University of Wyoming pooled investments held by the Foundation had a value of \$216,746,000.

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);
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 15 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.

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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 \$33,517,000 as of June 30, 2019.

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.

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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.

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

Cash on hand	\$	82
Cash in bank - demand deposits at carrying value		13,318
Demand deposit for Reclamation Ecology Endowment		198
Deposits with State Treasurer		79,664
Deposits with Foundation		<u>16,016</u>
Total deposits		<u>109,278</u>
University investments		92,491
Local government investment pool		72,500
Investments held by Foundation		216,746
Investments held by State Treasurer		33,517
Investment in real estate		193
Other long-term investments		<u>8,464</u>
Total investments		<u>423,911</u>
Total deposits and investments	\$	<u><u>533,189</u></u>
Cash and investments per statement of net position		
Cash and cash equivalents	\$	110,809
Restricted cash		70,968
Short-term investments		92,491
Long-term investments		<u>258,921</u>
	\$	<u><u>533,189</u></u>

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

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The University holds \$164,991,000 in Level 2 investments in local government investment pool and U.S. government securities for the year ended June 30, 2019.

The University also holds \$33,517,000 in investments with the State of Wyoming and \$216,746,000 with the Foundation for the year ended June 30, 2019. The University's investments held with the state, the Foundation and WGIF 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.

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, 2019 were as follows (in thousands):

	Gross Receivable	Allowance	Net Receivable	Current Portion
Student accounts receivable	\$ 6,871	\$ (2,084)	\$ 4,787	\$ 4,787
Receivable from the State of Wyoming	165,248	-	165,248	165,248
Grants receivable	43,737	-	43,737	43,737
Student loans receivable	50,999	(29,981)	21,018	2,500
Pledges receivable	1,739	(101)	1,638	1,638
Other accounts receivable	6,285	(450)	5,835	5,835
Total receivables	<u>\$ 274,879</u>	<u>\$ (32,616)</u>	<u>\$ 242,263</u>	<u>\$ 223,745</u>

Accounts payable and accrued liabilities at June 30, 2019 were as follows (in thousands):

Amounts owed to vendors	\$ 18,646
Other accrued liabilities	<u>1,521</u>
Total accounts payable and accrued liabilities	<u>\$ 20,167</u>

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Note 7: Capital Assets

Capital assets activity for the year ended June 30, 2019, was (in thousands):

	Balance June 30, 2018 (as Restated)	Additions	Transfers	Retirements	Balance June 30, 2019
Capital assets not being depreciated					
Land	\$ 10,303	\$ 60	\$ -	\$ -	\$ 10,363
Land improvements	2,624	-	-	-	2,624
Construction in progress	244,892	49,201	(247,197)	(11,582)	35,314
	<u>257,819</u>	<u>49,261</u>	<u>(247,197)</u>	<u>(11,582)</u>	<u>48,301</u>
Total capital assets not being depreciated	<u>\$ 257,819</u>	<u>\$ 49,261</u>	<u>\$ (247,197)</u>	<u>\$ (11,582)</u>	<u>\$ 48,301</u>
Other capital assets					
Infrastructure	\$ 19,741	\$ -	\$ -	\$ -	\$ 19,741
Land improvements	29,194	-	-	-	29,194
Buildings	895,328	864	233,543	(215)	1,129,520
Furniture, fixtures and equipment	184,346	11,247	13,654	(25,466)	183,781
Library materials	100,612	3,226	-	(73,068)	30,770
	<u>1,229,221</u>	<u>15,337</u>	<u>247,197</u>	<u>(98,749)</u>	<u>1,393,006</u>
Total other capital assets	<u>1,229,221</u>	<u>15,337</u>	<u>247,197</u>	<u>(98,749)</u>	<u>1,393,006</u>
Less accumulated depreciation for					
Infrastructure	(13,328)	(374)	-	-	(13,702)
Land improvements	(15,158)	(1,691)	-	-	(16,849)
Buildings	(277,576)	(19,067)	-	83	(296,560)
Furniture, fixtures and equipment	(136,727)	(18,247)	-	24,101	(130,873)
Library materials	(86,512)	(3,384)	-	73,068	(16,828)
	<u>(529,302)</u>	<u>(42,763)</u>	<u>-</u>	<u>97,252</u>	<u>(474,813)</u>
Total accumulated depreciation	<u>(529,302)</u>	<u>(42,763)</u>	<u>-</u>	<u>97,252</u>	<u>(474,813)</u>
Other capital assets, net	<u>\$ 699,919</u>	<u>\$ (27,426)</u>	<u>\$ 247,197</u>	<u>\$ (1,497)</u>	<u>\$ 918,193</u>
Capital asset summary					
Capital assets not being depreciated	\$ 257,819	\$ 49,261	\$ (247,197)	\$ (11,582)	\$ 48,301
Other capital assets, at cost	1,229,221	15,337	247,197	(98,749)	1,393,006
	<u>1,487,040</u>	<u>64,598</u>	<u>-</u>	<u>(110,331)</u>	<u>1,441,307</u>
Total cost of capital assets	<u>1,487,040</u>	<u>64,598</u>	<u>-</u>	<u>(110,331)</u>	<u>1,441,307</u>
Less accumulated depreciation	<u>(529,302)</u>	<u>(42,763)</u>	<u>-</u>	<u>97,252</u>	<u>(474,813)</u>
Capital assets, net	<u>\$ 957,738</u>	<u>\$ 21,835</u>	<u>\$ -</u>	<u>\$ (13,079)</u>	<u>\$ 966,494</u>

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Note 8: Long-term Liabilities

The following is a summary of long-term obligation transactions for the University for the year ended June 30, 2019 (in thousands):

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and capital leases					
Revenue bonds payable	\$ 82,185	\$ -	\$ 5,175	\$ 77,010	\$ 5,365
Premium	3,366	-	538	2,828	-
Note payable	4,149	-	327	3,822	345
Total bonds and capital leases	<u>89,700</u>	<u>-</u>	<u>6,040</u>	<u>83,660</u>	<u>5,710</u>
Other noncurrent liabilities					
Accrued compensated absences	42,806	11,362	9,897	44,271	15,205
U.S. government loans refundable	5,623	41	-	5,664	-
Total other noncurrent liabilities	<u>48,429</u>	<u>11,403</u>	<u>9,897</u>	<u>49,935</u>	<u>15,205</u>
Total long-term liabilities	<u>\$ 138,130</u>	<u>\$ 11,403</u>	<u>\$ 15,937</u>	<u>\$ 133,595</u>	<u>\$ 20,915</u>

Revenue bonds payable consist of the following at June 30, 2019 (in thousands):

	Authorized and Issued	Interest Rates	Bonds Outstanding June 30, 2019
Facilities Improvement Revenue Bonds			
Series 2010 A (a)	\$ 6,585	5.13%	\$ 695
Series 2010 B (d)	19,730	4.74% - 5.22%	19,135
Series 2010 C (g)	18,000	5.80%	18,000
Series 2011 B (e)	7,680	3.0% - 4.00%	4,165
Series 2012 A (b)	29,600	3.125% - 5.00%	22,360
Series 2012 B (f)	10,055	2.50% - 5.00%	6,350
Facilities Refunding Revenue Bonds			
Series 2016 (c)	<u>7,620</u>	3.00% - 4.00%	<u>6,305</u>
	<u>\$ 99,270</u>		<u>77,010</u>
Premium			<u>2,828</u>
			<u>\$ 79,838</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 5,365	\$ 3,796	\$ 9,161
2021	5,580	3,570	9,150
2022	5,780	3,333	9,113
2023	5,995	3,081	9,076
2024	6,235	2,799	9,034
2025-2029	35,195	8,841	44,036
2030-2032	<u>12,860</u>	<u>830</u>	<u>13,690</u>
	<u>\$ 77,010</u>	<u>\$ 26,250</u>	<u>\$ 103,260</u>

Revenue Bonds Payable – Series A

- (a) On May 12, 2010, the University issued \$6,585,000 of Series A bonds. The bonds bear interest, payable annually, at rates of 2.00% to 5.125% and are due in annual installments, which began June 1, 2011. Principal maturities began June 1, 2011, and continue until 2020. 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.
- (b) On July 25, 2012, the University issued \$29,600,000 of Series A bonds. The bonds bear interest, payable annually, at rates of 3.125% to 5.00% and 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.
- (c) On October 26, 2016, the University issued \$7,620,000 of Series A bonds. The bonds bear interest, payable annually, at rates of 1.00% to 5.00% and 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.

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 annually, at rates of 4.10% to 5.22% and 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

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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 \$351,000 for the year ended June 30, 2019, which is recorded as other nonoperating revenue on the statement of revenues, expenses and changes in net position.

- (e) On November 18, 2011, the University issued \$7,680,000 of Series B bonds. The bonds bear interest, payable annually, at rates of 2.05% to 4.00% and 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.
- (f) On July 25, 2012, the University issued \$10,055,000 of Series B bonds. The bonds bear interest, payable annually, at rates of 2.00% to 5.00% and 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 and are payable through June 30, 2025.

Revenue Bonds Payable – Series C

- (g) On May 12, 2010, the University issued \$18,000,000 of Series C bonds. The bonds bear interest, payable annually, at rates of 5.80% and are due in a lump-sum payment due 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 \$441,000 for the year ended June 30, 2019, which is recorded as other nonoperating revenue in the statement of revenues, expenses and changes in net position.

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Net Pledged Revenue

The University has pledged future facilities revenues, net of specified operating expenses, to repay \$77,010,000 principal currently outstanding, revenue series bonds issued from 2010 to 2016. 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 2032. Annual principal and interest payments on the bonds are expected to require approximately 38.09% of net pledged revenues. The total principal and interest remaining to be paid on the bonds as of June 30, 2019 is \$103,260,000. The total principal and interest paid for the current year and total net pledged revenues were \$9,162,000 and \$29,144,000, respectively. Details of the total net pledged and related ratios are shown on the following table (in thousands):

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Gross Pledged Revenue	
Sales	
Merchandise	\$ 19,669
Rents and fees	
Residence hall and apartment rent	10,997
Fees and games	1,985
Student fees	806
Nonenterprise revenue	
Government royalties	13,365
Miscellaneous	11,528
Investment income	4,465
Total revenue	<u>62,815</u>
Operation and Maintenance Expenses	
Cost of sales	8,879
Operating expenses	
Advertising	15
Contractual services	653
Parts and supplies	1,639
Rent	480
Repairs and maintenance	642
Salaries	7,466
Salaries - benefits	2,736
Support services	62
Travel	153
Utilities	3,874
Miscellaneous	6,284
Depreciation	788
Total expenses	<u>33,671</u>
Pledged net revenue	<u>29,144</u>
Maximum Annual Debt Service Requirement	
Principal	5,365
Interest	3,796
Total maximum annual debt service requirement	<u>9,161</u>
Excess of net pledged revenue over maximum annual debt service requirement	<u>\$ 19,983</u>
Percentage of net pledged revenue to maximum annual debt service requirement	318%
Percentage of net pledged revenue to debt service requirement for fiscal year ending June 30, 2019	318%

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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%.

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 position 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 ending June 30 (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 345	\$ 105	\$ 450
2021	365	95	460
2022	385	84	469
2023	407	73	480
2024	430	61	491
2025-2028	<u>1,890</u>	<u>120</u>	<u>2,010</u>
	<u>\$ 3,822</u>	<u>\$ 538</u>	<u>\$ 4,360</u>

Note 9: Pension Plans**Employee Defined Benefit Retirement Plans**

The following table summarizes each of the University's Wyoming Retirement System plans recorded in the financial statements for the year ended June 30, 2019, respectively (in thousands):

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Public Employee Pension Plan	\$ 101,926	\$ 23,859	\$ 4,837	\$ 9,098
Law Enforcement Plan	<u>1,317</u>	<u>835</u>	<u>71</u>	<u>270</u>
Total	<u>\$ 103,243</u>	<u>\$ 24,694</u>	<u>\$ 4,908</u>	<u>\$ 9,368</u>

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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.

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).

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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 her/her 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.

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 8.50% of their annual pay. The University’s contractually required contribution rate for the year ended June 30, 2019 was 8.62% 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 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, 2019, contractually required contributions to the pension plan from the University were \$5,161,000.

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

As of June 30, 2019, the University reported a liability of \$101,926,000, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as January 1, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. 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 date, relative to the total contributions of participating employers of the Plan. At December 31, 2018, the University's proportion was 3.347%, which was an increase of 0.048% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the University recognized pension expense of \$9,098,000. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,560
Changes of assumptions	5,092	-
Net difference between projected and actual earnings on pension plan investments	15,306	-
Changes in proportion and differences between the University's contributions and proportionate share of contributions	838	2,277
University's contributions subsequent to the measurement date	2,623	N/A
	<u>2,623</u>	<u>N/A</u>
Total	<u>\$ 23,859</u>	<u>\$ 4,837</u>

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As of June 30, 2019, the University reported \$2,623,000 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2019, related to pensions will be recognized in pension expense as follows (in thousands):

Year ending June 30,	
2020	\$ 6,352
2021	2,971
2022	2,007
2023	<u>5,069</u>
	<u>\$ 16,399</u>

Actuarial Assumptions

The total pension liability in the January 1, 2018 actuarial was determined using the following actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	4.75 to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
	7.00%, net of pension plan
Investment rate of return	investment expense

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Mortality rates were based on the RP-2014 Healthy Annuitant Mortality table. To allow for an appropriate margin of improved mortality prospectively, the post-retirement mortality rates incorporate no set back of one year with a 100% multiplier for males and a 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, 2018 valuations were based on the results of an actuarial experience study for the five year period ended December 31, 2016.

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 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	0.00%	0.30%	0.30%
Fixed income	20.00%	1.50%	2.00%
Equity	49.00%	6.00%	7.40%
Marketable alternatives	19.00%	3.10%	3.50%
Private market	12.00%	5.20%	7.00%
Total	<u>100%</u>	<u>4.40%</u>	<u>5.50%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7% for the 2018 measurement date. 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.

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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 and 1% lower than the current rate (in thousands).

	1% Decrease	Current Measurement Period Discount Rate	1% Increase
Proportionate Share of Net Pension Liability	<u>\$ 141,356</u>	<u>\$ 101,926</u>	<u>\$ 69,020</u>

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, 2019, the University reported a payable of \$474,000 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2019

Subsequent to the December 31, 2018 measurement date for this financial report, the Wyoming Legislature convened for their scheduled 2019 session. During this session the Legislature passed several bills that modestly impacted the Wyoming Retirement System (WRS).

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. This action modestly improves funding status, although the effect is much delayed due to applying only to new hires. The retirement board and legislature felt it was not a core function of WRS to provide a life insurance like benefit for those that were not employed in the plan and did not have service history sufficient to be vested.

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. WRS actuaries estimated that this would modestly improve funding status and would encourage inactive, non-vested members to more carefully consider their account balance options, since the balances would no longer grow at guaranteed interest rate.

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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 to 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.

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.

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- 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 her/her 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 year ended June 30, 2019 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 year ended June 30, 2019, contractually required contributions to the pension plan from the University were \$75,000.

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

As of June 30, 2019, the University reported a liability of \$1,317,000 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2018. 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 date, relative to the total contributions of participating employers of the Plan. At December 31, 2018, the University's proportion was 0.544%, which was a decrease of 0.026% from its proportion measured as of December 31, 2017.

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For the year ended June 30, 2019, the University recognized pension expense of \$270,000. At June 30, 2019, the University reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2	\$ 60
Changes of assumptions	562	-
Net difference between projected and actual earnings on pension plan investments	217	-
Changes in proportion and differences between the University's contributions and proportionate share of contributions	17	11
University's contributions subsequent to the measurement date	37	N/A
Total	<u>\$ 835</u>	<u>\$ 71</u>

As of June 30, 2019, the University reported \$37,000 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2019, related to pensions will be recognized in pension expense as follows (in thousands):

Year ending June 30,	
2020	\$ 239
2021	187
2022	172
2023	129
	<u>\$ 727</u>

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 Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	4.75 to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%, net of pension plan investment expense

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Mortality rates were based on the RP-2014 Healthy Annuitant Mortality table. To allow for an appropriate margin of improved mortality prospectively, the post-retirement mortality rates incorporate no set back of one year with a 100% multiplier for males and a 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, 2018 valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2016.

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 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	0.00%	0.30%	0.30%
Fixed income	20.00%	1.50%	2.00%
Equity	49.00%	6.00%	7.40%
Marketable alternatives	19.00%	3.10%	3.50%
Private market	12.00%	5.20%	7.00%
Total	<u>100%</u>	<u>4.40%</u>	<u>5.50%</u>

Discount Rate

The discount rate used to measure the total pension liability was 5.92% for the 2018 measurement date. 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 not projected to be available to make all projected future benefit payments and, as a result, the municipal bond index rate was used in the determination of the discount rate. A single-blended rate was developed using the long-term expected rate of return of 7.00% and the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System. For the measurement date, the municipal bond index rate was 3.71%, resulting in a single-blended discount rate of 5.92%.

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

The University's 2019 proportionate share of the net pension liability has been calculated using a discount rate of 5.92%. The following presents the University's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate (in thousands).

	1% Decrease	Current Measurement Period Discount Rate	1% Increase
Proportionate Share of Net Pension Liability	<u>\$ 1,984</u>	<u>\$ 1,317</u>	<u>\$ 777</u>

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, 2019

Subsequent to the December 31, 2018 measurement date for this financial report, the Wyoming Legislature convened for their scheduled 2019 session. During this session the Legislature passed several bills that modestly impacted the Wyoming Retirement System (WRS).

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. This action modestly improves funding status, although the effect is much delayed due to applying only to new hires. The retirement board and legislature felt it was not a core function of WRS to provide a life insurance like benefit for those that were not employed in the plan and did not have service history sufficient to be vested.

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. WRS actuaries estimated that this would modestly improve funding status and would encourage inactive, non-vested members to more carefully consider their account balance options, since the balances would no longer grow at guaranteed interest rate.

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 2019 was 17.2% and is comprised of 8.6%

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to be contributed by the employee and 8.6% by the employer. Per statute employers are allowed to subsidize all or part of the employee contributions. The University has elected to contribute an additional 5.57% on behalf of eligible employees. Contributions to the plan are fully vested and nonforfeitable. Employer contributions for the year ended June 30, 2019 were \$18,036,000.

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 year 2019 were \$141,000.

University of Wyoming 403(b) Plan

University of Wyoming 403(b) Plan employees may also participate in the 403(b) Contribution Retirement Plan is 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 year 2019, the University contributed \$280,000.

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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 year ended June 30, 2019 (in thousands):

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense (Credit)
University of Wyoming Board Retirement Plan	\$ 14,419	\$ 1,124	\$ 632	\$ (1,047)
State of Wyoming Employee Group Insurance Retiree Health Plan	235,636	61,483	29,968	13,502
Total	<u>\$ 250,055</u>	<u>\$ 62,607</u>	<u>\$ 30,600</u>	<u>\$ 12,455</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.

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

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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:
 - 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.

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As of June 30, 2019, there are 2,813 active employees of which 805 active employees are 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 \$14,419,000 was measured as of June 30, 2019 for the year ended June 30, 2019 and was determined by actuarial valuation as of June 30, 2018. Standard update procedures were used to roll-forward the total OPEB liability to June 30, 2019.

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:

Actuarial Cost Method	Entry Age Normal
Inflation	2.00%
Discount rate	3.50% per annum
Salary increases	3.50%
Health care cost trend rates	6.0% for pre-Medicare medical and 5.0% for post-65 medical; both decreasing 0.5% per year until reaching the ultimate trend rate of 4.5%

The discount rate for 2019 was based on Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 Generational Table projected using Scale MP-18, applied on a gender specific basis.

In applying the roll-forward procedures, the discount rate was changed from 3.87% in 2018 to 3.5% in 2019.

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Changes in the Total OPEB Liability

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

Balance, beginning of year	\$	14,200
Changes for the year		
Service cost		314
Interest		525
Differences between expected and actual experience		1,284
Changes in assumptions or other inputs		2
Benefit payments		<u>(1,906)</u>
Net change in total OPEB liability		<u>219</u>
Balance, end of year	<u>\$</u>	<u>14,419</u>

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

The total OPEB liability for the year ended June 30, 2019 of the University has been calculated using a discount rate of 3.5%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate (in thousands).

	1% Decrease	Current Discount Rate	1% Increase
University's total OPEB liability	\$ 15,069	\$ 14,419	\$ 13,826

The total OPEB liability for the year ended June 30, 2019 of the University has been calculated using health care cost trend rates of 6.0% for pre-Medicare medical and 5.0% 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).

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
University's total OPEB liability	\$ 13,788	\$ 14,419	\$ 15,212

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

For the year ended June 30, 2019, the University recognized an OPEB credit of \$1,047,000. At June 30, 2019, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2	\$ 632
Difference between expected and actual experience	1,122	-
Total	<u>\$ 1,124</u>	<u>\$ 632</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2019, related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended June 30:	
2020	\$ 19
2021	19
2022	19
2023	19
2024	102
Thereafter	<u>314</u>
	<u>\$ 492</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>.

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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.

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

At June 30, 2019, the University reported a liability of \$235,636,000 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2018 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, 2018, the University's proportion was 23.11%, which was an increase of 1.15% from its proportion measured as of June 30, 2017.

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For the year ended June 30, 2019, the University recognized OPEB expense of \$13,502,000. At June 30, 2019, the University reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,131	\$ -
Changes of assumptions or other inputs	-	29,968
Changes in proportion and differences between contribution recognized and proportionate share of contributions	9,063	-
Benefit payments subsequent to the measurement date	4,289	N/A
	<u>\$ 61,483</u>	<u>\$ 29,968</u>

As of June 30, 2019, the University reported \$4,289,000 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2019, will be recognized in OPEB expense as follows:

Year ended June 30	
2020	\$ 3,026
2021	3,026
2022	3,026
2023	3,026
2024	3,026
Thereafter	<u>12,096</u>
	<u>\$ 27,226</u>

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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:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	2.5-6.5%
Health care cost trend rates	7.6% for pre-Medicare medical and 8.1% for post-65 medical; both decreasing on an annual year until reaching the ultimate trend rate of 4.5%
Discount rate	3.87%

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, 2018 valuation were based on the results of an actuarial experience study of the Wyoming Retirement System for the five year period ended December 31, 2016.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% for the 2018 measurement date. 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 3.87% obtained from the Bond Buyer General Obligation 20-Municipal Bond Index was applied to determine the total OPEB liability as of June 30, 2019. The discount rate was changed, since the prior measurement period from 3.58% for 2017 to 3.87% for 2018.

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 net OPEB liability as of June 30, 2019 has been calculated using a discount rate of 3.87%. The following presents the University's proportionate share of the net OPEB liability calculated using a discount rate 1% higher and 1% lower than the current discount rate (in thousands).

	1% Decrease	Current Discount Rate	1% Increase
University's total OPEB liability	\$ 287,953	\$ 235,636	\$ 195,460

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The University's proportionate share of the total OPEB liability as of June 30, 2019 has been calculated using health care trend rates of 7.6% for pre-Medicare medical and 8.1% 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	\$ 194,908	\$ 235,636	\$ 290,922

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 \$50,000 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).

	2019	2018
Unpaid claims, beginning of year	\$ 750	\$ 750
Claims incurred	303	344
Claims paid	(303)	(344)
Unpaid claims, end of year	<u>\$ 750</u>	<u>\$ 750</u>

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.

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

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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. 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 2019 were \$1,044,000.

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):

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	97	232
Claims paid	<u>(97)</u>	<u>(232)</u>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

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 may 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 reports the Bison Run Village as a capital asset with a carrying value of \$12,146,000 and a related deferred inflows of resources of \$12,146,000 for the year ended June 30, 2019.

The University has subsequently entered into a separate management agreement with the not-for-profit and is managing the facility on its behalf.

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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 is \$101,827,000.

Note 15: 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 Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* as amended and Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units – as amended to GASB Statement No. 14*.

During the year ended June 30, 2019, the Foundation provided \$34,514,000 of support to the University. Complete financial statements of the Foundation may be obtained from its Administrative Office at the following address: 222 South 22nd Street, Laramie, Wyoming 82070.

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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. During fiscal year 2019, the Foundation adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This amendment changes net asset classifications to net assets with donor restrictions and net assets without donor restrictions and provides for a change in reporting for various not-for-profit reporting items. Furthermore, ASU 2016-14 enhanced disclosures for not-for-profits including disclosures over liquidity.

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.

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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, 2019, approximately 88% of the total investments are included in the pool.

The summarized investments of the Foundation at June 30, 2019 are as follows (in thousands):

	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	\$ 65,951	\$ 65,951	\$ -	\$ -	\$ -
Emerging Markets Debt	22,962	22,962	-	-	-
Investment Grade Bonds	60,298	60,298	-	-	-
Opportunistic Credit	21,416	21,416	-	-	-
Equity					
Developed Foreign Equity	46,479	46,479	-	-	-
Emerging Markets Equity	50,644	50,644	-	-	-
US Large Cap Equity	80,522	80,522	-	-	-
US Small Cap Equity	26,220	15,377	-	-	10,843
Hedge Funds					
Event Driven	10,826	-	-	37	10,789
Fixed Income	17,807	-	-	-	17,807
Global Macro	41,703	-	-	-	41,703
Long/Short Equity	32,127	-	-	491	31,636
Multi-Strategy	565	-	-	365	200
Private Equity					
Buyout	64,507	-	-	344	64,163
Private Debt	13,894	-	-	-	13,894
Venture Capital	3,326	-	-	-	3,326
Real Assets					
Infrastructure	15,882	-	-	-	15,882
Natural Resources	12,702	-	-	-	12,702
Real Estate	19,004	-	-	-	19,004
	<u>\$ 606,835</u>	<u>\$ 363,649</u>	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 241,949</u>

In addition to the total investments at fair value, the Foundation held investment assets at cost or present value in the amount of \$3,875,000 at June 30, 2019, making total investments \$610,710,000.

Total assets held under split-interest agreements at June 30, 2019 included in the above table is \$6,240,000.

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The following table summarizes the changes in value of Level 3 investments for the fiscal year ended June 30, 2019 (in thousands):

Beginning market value	\$	10,876
Purchases		20
Transfer out		(9,192)
Realized gains		4,853
Unrealized gains (losses)		<u>(5,320)</u>
Ending market value	<u>\$</u>	<u>1,237</u>

At June 30, 2019, the fair value, unfunded commitments, and redemption rules of certain Level 3 investments and investments measured at NAV are as follows (in thousands):

Asset Class	<u>Unfunded Commitments</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Equity				
US Small Cap Equity (a)	\$ -	\$ 10,843	Quarterly	60-90 days
Hedge Funds				
Event Driven (b)	-	10,789	Quarterly	65 days
Fixed Income (c)	-	17,807	Varies	45-60 days
Global Macro (d)	-	41,703	Varies	90 days
Long/Short Equity (e)	-	31,636	Monthly	30 days
Multi-Strategy (f)	-	200	Varies	90 days
Private Equity (g)				
Buyout	49,619	64,507	None	N/A
Private Debt	4,296	13,894	None	N/A
Venture Capital	16,143	3,326	None	N/A
Real Assets (h)				
Infrastructure	8,307	15,882	None	N/A
Natural Resources	11,149	12,702	None	N/A
Real Estate	25,417	19,004	None	N/A
	<u>\$ 114,931</u>	<u>\$ 242,293</u>		

- (a) 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.
- (b) 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.
- (c) 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

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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.

- (d) Global macro hedge funds includes 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.
- (e) 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, 2019, 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.
- (f) 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, 2019, all lock-up periods have expired. However, some of the investments have terms that make full liquidity unavailable at the Foundation's report date.
- (g) 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 12 years.
- (h) 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 12 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, 2019 with a fair value of \$9,522,000.

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

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June 30, 2019, and therefore, no value has been assigned to these investments as of June 30, 2019. The Foundation is entitled to custodial fees ranging from 1.0% to 2.0% of all future dividends, distributions, or other cash or assets derived from these investments, with the remainder being transferred to the University of Wyoming.

The components of investment return for the year ended June 30, 2019 are as follows (in thousands):

Dividends and interest	\$	5,426
Net realized gains		19,638
Net unrealized loss		7,935
Investment management fees		<u>(5,824)</u>
Total investment return		27,175
Gross endowment distribution (operating)		<u>(19,953)</u>
Net investment return (nonoperating)	\$	<u><u>7,222</u></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, 2019 (in thousands):

Due within 1 year	\$	11,617
Due 1 to 5 years		12,073
Due 5 years and later		<u>1,814</u>
		25,504
Less allowance for uncollectible pledges		(794)
Less discount to present value		<u>(953)</u>
Total pledges receivable	\$	<u><u>23,757</u></u>

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Building, Property and Equipment

Property and equipment consists of the following as of June 30, 2019 (in thousands):

Marian H. Rochelle Gateway Center	\$	30,070
Furniture and equipment		5,591
		35,661
Less accumulated depreciation		(7,503)
	\$	28,158

During the year ended June 30, 2019, depreciation expense of \$2,276,000 was recognized.

Endowments

Total managed endowments at the Foundation were \$531,646,000 at June 30, 2019. Included in these totals were custodial endowments totaling \$216,748,000 at June 30, 2019.

The managed endowments at June 30, 2019 consist of 1,533 individual funds 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's governing board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), adopted by the State of Wyoming in 2010, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor-gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 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

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- Other resources of the Foundation
- The investment policies of the Foundation

Endowment net asset composition by type of fund as of June 30, 2019 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Donor-restricted endowment funds	\$ 1,716	\$ 302,334	\$ 304,050
Board-designated endowment funds	10,748	-	10,748
Total endowed net assets	<u>\$ 12,464</u>	<u>\$ 302,334</u>	<u>\$ 314,798</u>

Changes in endowment net assets for the year ended June 30, 2019 (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment net assets, beginning of year	\$ 12,428	\$ 286,094	\$ 298,522
Investment return	644	16,596	17,240
Contributions	5	14,683	14,688
Appropriation of endowment assets for expenditure	(442)	(10,974)	(11,416)
Manager and administrative fees	(171)	(4,065)	(4,236)
Balance, June 30, 2019	<u>\$ 12,464</u>	<u>\$ 302,334</u>	<u>\$ 314,798</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. These deficiencies may result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that were deemed prudent by the Foundation's governing board. In accordance with GAAP, deficiencies of this nature that are reported in net assets without donor restrictions were \$0 as of June 30, 2019.

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.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to Financial Statements
June 30, 2019

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.

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 year 2019, the distribution method uses a calculation with 40% based on a 4.0% 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, 2019 (in thousands):

Cash	\$	1,548
Investments		610,710
Pledges receivable		23,757
Other receivables		1,154
		<hr/>
Financial assets at year end		637,169
Less funds unavailable for general expenditure within one year due to contractual or donor-imposed restrictions		364,038
		<hr/>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>273,131</u>

The Foundation has over \$530 million in cash and investments within their managed endowments, which is included in the financial assets at year-end. The Foundation monitors current use accounts, totaling \$61 million, which supports students, faculty, facilities, and academic programs at the University of Wyoming. The Foundation's investment portfolio has \$373.6 million with liquidity of one to two days, which can be accessed to meet all the current needs if called upon.

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
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 than 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
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 than 2014. Additional years will be displayed as they become available.

Notes to Schedule:

Benefit changes. There have been no changes in benefit terms

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 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
2019	0.544250900%	\$ 1,317	\$ 934	141%	71.22%
2018	0.570902500%	\$ 491	\$ 898	54.68%	87.99%

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 displayed as they become available.

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
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 displayed as they become available.

Notes to Schedule:

Benefit changes. There have been no changes in benefit terms

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)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 314	\$ 320	\$ 308
Interest	525	572	1,168
Changes of benefit terms	-	-	(16,753)
Differences between expected and actual experience	1,284	-	-
Changes of assumptions or other inputs	2	(278)	(739)
Benefit payments	<u>(1,906)</u>	<u>(1,741)</u>	<u>(1,955)</u>
Net Change in Total OPEB Liability	219	(1,127)	(17,971)
Total OPEB Liability - Beginning	<u>14,200</u>	<u>15,327</u>	<u>33,298</u>
Total OPEB Liability - Ending	<u>\$ 14,419</u>	<u>\$ 14,200</u>	<u>\$ 15,327</u>
Covered-Employee Payroll	\$ 183,778	\$ 236,707	\$ 228,864
Total OPEB Liability as a Percentage of Covered-Employee Payroll	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 2017, the discount rate was changed from 2.85% in 2016 to 3.58% in 2017. Effective for Fiscal Year 2018, the discount rate was changed from 3.58% in 2017 to 3.87% in 2018. 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.

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
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 2019 the discount rate was changed since the prior measurement period from 3.58% in 2017 to 3.87% 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.

University of Wyoming

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

University of Wyoming

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	434,280,000	1,786,652	436,066,652	0.41%
Non-Current Assets & Deferred Outflows	1,402,638,000	(370,410)	1,402,267,590	-0.03%
Current Liabilities	(86,560,000)	(1,252,603)	(87,812,603)	1.45%
Non-Current Liabilities & Deferred Inflows	(513,804,000)		(513,804,000)	
Current Ratio	5.017		4.966	-1.02%
Total Assets & Deferred Outflows	1,836,918,000	1,416,242	1,838,334,242	0.08%
Total Liabilities & Deferred Inflows	(600,364,000)	(1,252,603)	(601,616,603)	0.21%
Total Net Position	(1,236,554,000)	(163,639)	(1,236,717,639)	0.01%
Operating Revenues	(240,107,000)	3,671,178	(236,435,822)	-1.53%
Operating Expenses	548,584,000	(14,399)	548,569,601	
Nonoperating (Revenues) Exp	(283,849,000)	(116,966)	(283,965,966)	0.04%
Change in Net Position	(28,646,000)	3,539,813	(25,106,187)	-12.36%

DRAFT

Turnaround Impact - To adjust improperly impaired buildings		F	0	0	0	0	0	1,168,985	0	(1,168,985)	0	0
	Impairment expense							1,168,985				
	Beginning net position									(1,168,985)		
Turnaround impact for improperly treating Cowboy Joe as an agency fund in prior year		F	0	0	0	0	1,964,189	0	0	(1,964,189)	0	0
	Miscellaneous Revenue						1,964,189					
	Beginning Net Position									(1,964,189)		
Total passed adjustments			<u>1,786,652</u>	<u>(370,410)</u>	<u>(1,252,603)</u>	<u>0</u>	<u>3,671,178</u>	<u>(14,399)</u>	<u>(116,966)</u>	<u>(3,703,452)</u>	<u>542,776</u>	<u>(542,776)</u>
							Impact on Change in Net Position		3,539,813			
							Impact on Net Position		(163,639)			

Board of Trustees
University of Wyoming
Wyoming Public Media
Laramie, Wyoming

As part of our audit of the financial statements of Wyoming Public Media (the Network) as of and for the year ended June 30, 2019, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Network's significant accounting policies are described in Note 1 of the audited financial statements.

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Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- Recording activities related to benefits paid from the University's fringe pool

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for uncollectible receivables
- Allocation of expenses
- In-kind calculation

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Related parties
- Restatement of prior year financial statements

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Board of Trustees
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Wyoming Public Media
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Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- To record 2019 grant activity (activity accounted for on entity 10 (UW) vs entity 13 (WPM))
- To remove accounts receivable and underwriting revenue for contracts in which service has not been provided and WPM has not been paid
- To remove grant revenues recorded twice
- Record prepaid expenses previously expensed

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole

Auditor's Judgments About the Quality of the Network's Accounting Principles

During the course of the audit, we made the following observations regarding the Network's application of accounting principles:

- The prior year financials were restated to remove the accrued compensated absences liability as the Network is not responsible for paying the liability

Other Information in Documents Containing Audited Financial Statements

The audited financial statements are included in the Network's annual report to the Corporation of Public Broadcasting (CPB). As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

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Consultation with Other Accountants

During our audit we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Loan payable
- Removal of the accrued compensated absence liability

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)

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INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of Wyoming Public Media (the Network) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Network's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control. Accordingly, we do not express an opinion on the effectiveness of the Network's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be *material weaknesses*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Network's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be *deficiencies or material weaknesses*.

Material Weaknesses

Revenue and Expense Recognition

During our testing, we noted cut-off errors and recording the transactions in the improper period in the following areas:

- Agreements for services being received by the Network over an extended period of time were expensed when paid rather than recognized ratably over the service period. An adjusting journal entry of approximately \$78,000 was recorded for this matter.

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- Revenue was recognized upon receipt of underwriting contracts rather than recognized ratably over the period of the contract. A passed adjusting journal entry was proposed for this error.
- Accounts receivable and unearned revenue were recorded for underwriting contracts for which services have not been provided and payment has not been received. An adjusting journal entry of approximately \$97,000 was recorded for this matter.

We recommend the Network review all transactions for proper cut-off and accounting treatment to help ensure all transactions are recorded and recognized in the proper period.

Accounting for Grants Activity

In our testing we noted that WyoCloud is properly set up to automatically record grant revenue on the Network's entity in WyoCloud (entity 13) when expenditures are recorded in the grants module (PPM). However, we noted all other activity, including cash received in advance of eligibility requirements being met or related receivables, is being tracked in the University's entity in WyoCloud (entity 10). As a result, this resulted in the following audit adjustments required to be recorded as part of the audit:

- Record unearned revenue for cash received on FY19 CPB grants for which eligibility requirements had not been met of approximately \$319,000
- Remove the double recognition of revenue on the FY19 CPB grant of approximately \$317,000 (*i.e.* recognized automatically by WyoCloud and in year-end presentation entry to adjust prior year unearned revenue balance)
- Record grant receivable of approximately \$5,500 for expenditures incurred but not reimbursed by grantor as of June 30, 2019

We recommend the University ensure all grants activity is set up to flow to the proper entities in WyoCloud and/or year-end processes and procedures are established to ensure these items are properly recorded.

Accounting for Compensated Absences

The 2018 financial statements were restated to remove the compensated absences accrual as University departments, such as the Network, are no longer responsible for covering the related expenses since a central fringe pool was established by the University in previous years.

We recommend that when significant changes are made across the University management review the accounting implications associated with the change and evaluate the impact and necessary changes required for any standalone financial statements issued.

Board of Trustees
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Wyoming Public Media
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Significant Deficiencies

Classification of Cash and Net Position

In prior years cash was not properly classified between unrestricted and restricted; restricted cash was not considered in the calculation of restricted net position; and cash restricted for capital expenditures was not classified as a long-term asset.

Third party restrictions on use of funds should be reported as restricted and considered in the calculation of restricted net position. Additionally, restricted cash that is not available to fund current operations should be disclosed as a long-term asset. Corrections were made to the 2018 financial statements to properly reflect third-party restrictions on cash balances and net position. Also, restricted cash that is not available to fund current operations was reclassified to a long-term asset. We recommend management implement a way to track these restrictions within the general ledger.

Deficiencies

Year-end Close

The University, as part of fiscal year 2019 close ensured that all activity of the Network, as it relates to University operations, is recorded in WyoCloud. For CPB reporting guidelines certain other presentation entries are required to be made. In order to reduce the risk of error occurring and to help ensure all transactions are properly accounted for we recommend that management clearly document all items that should be done as part of year-end close procedures, including where and how information is obtained. In addition, as all activity is now in WyoCloud, we also recommend that management consider performing monthly reconciliations to help create efficiencies in year-end close process and to provide improved information to make management decisions throughout the year.

* * * * *

This communication is intended solely for the information and use of management, the Board of Trustees of the University of Wyoming, the Wyoming Public Media Public Advisory Council, others within the Network and is not intended to be and should not be used by anyone other than these specified parties.

December 11, 2019

Wyoming Public Media

Independent Auditor's Report and Financial Statements

June 30, 2019 and 2018

Wyoming Public Media
June 30, 2019 and 2018

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Independent Auditor's Report

Board of Trustees
University of Wyoming
Wyoming Public Media
Laramie, Wyoming

We have audited the accompanying financial statements of Wyoming Public Media (the Network), a public media entity licensed to the Trustees of the University of Wyoming, reported as part of the University of Wyoming, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Network'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 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 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 opinion.

Board of Trustees
University of Wyoming
Wyoming Public Media

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Network, as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Network are intended to present the financial position, the changes in financial position and cash flows of only that portion of the University of Wyoming that is attributable to the transactions of the Network. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the 2018 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

Denver, Colorado
December 11, 2019

Wyoming Public Media

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2019 and 2018

Introduction and Reporting Entity

The following discussion and analysis summarizes the financial position and activities of Wyoming Public Media (WPM or the Network) for the years ended June 30, 2019 and 2018. WPM Management prepared the following discussion, and it should be read with the financial statements and related footnotes prepared by the University of Wyoming (UW) and which follow this section.

WPM is licensed to the Trustees of the University of Wyoming appointed by the Governor of Wyoming. Institutional oversight rests with the President through the office of the Vice President of Research and Economic Development. Direction and operation of the Network is delegated to the WPM General Manager who leads the operation with the mandate of providing a nationally recognized public broadcasting service to the public of Wyoming and ensuring Federal Communications Commission (FCC) and Corporation for Public Broadcasting (CPB) compliance at the broadcast and Institutional levels. WPM operates under the CPB General Provision and Eligibility Criteria based on the Communications Act and applicable to Community Service Grant recipients. It maintains a Public Advisory Council. WPM is the third largest state network in the United States by geographic reach, and the only Wyoming-based public radio entity serving the citizens of Wyoming.

WPM provides high quality information and cultural content via four broadcast services and one digital platform: Wyoming Public Radio, Classical Wyoming, Jazz Wyoming, Wyoming Sounds, and wyomingpublicmedia.org. In addition, the Network produces and distributes two podcast programs: HumaNature.org and TheModernWest.org. WPM is a multi-platform content producer.

WPM is a charter member of National Public Radio (NPR), an affiliate of Public Radio International (PRI) and American Public Media (APM). Its primary service, Wyoming Public Radio (WPR), broadcasts a varied schedule of news and information, Americana/Classical/Jazz music formats, and entertainment programming. Information programming is generated by NPR, BBC, APM, and local production. WPM employs 22 full-time professionals in engineering, technology, programming/production, fundraising, and administration. Of these, nine are professional journalists, supplemented by part-time/work study employees and stringers around the state and in Washington, D.C. Two full-time journalists cover cultural affairs and podcasting production under the auspices of the cultural department. WPM professionals consistently win state and national media awards and are multi-year Edward R. Murrow awardees. Content is produced for both local and global distribution. Stories, features, and podcasts often air on NPR, reaching an audience of close to four million individuals per airing.

The Wyoming Public Radio service originates from the UW campus and is distributed via satellite to transmitters around the state. In addition, several communities are able to receive the 24-hour Classical Wyoming, Jazz Wyoming, and Wyoming Sounds signals on either analog or HD radio. All four services are available globally via internet streaming and generate a global audience. Currently the combined signals reach approximately 95% of the state's 570,000 citizens. According to the most recent audience statistics, over 66,000 people aged 12 and above listen to WPM each week, and over 8,000 households and businesses contribute financially.

Wyoming Public Media Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2019 and 2018

WPM operates under a strategic plan created in 2011 by the incoming General Manager and the UW Administration that addresses four key initiatives: 1) connect Wyoming via terrestrial and digital multi-platform delivery systems, 2) increase Wyoming-centric programming for local national/global distribution, 3) establish fiscal stability for current and future operations, and 4) build involvement with Wyoming communities and institutions. The plan worked well under several UW administrations and with the current "Breaking Through: 2017-2022" strategic plan.

Addressing WPM strategic Initiative No. 1 to connect all Wyoming via terrestrial radio, WPM continued establishing sites along major Interstates: I-80 (Nebraska to Utah) and I-25/I 90 (Cheyenne to Ranchester/Buffalo to Sundance). Secondary roads connected Rawlins to Cody/Lowell, Lander/Rock Springs to Jackson, and Torrington to Newcastle. Off-highway locations were improved with Classical Wyoming and Wyoming Sounds services implemented. At this time, the Douglas upgrade from 450 watts to 30,000 is about to be completed, delayed by one year due to UW financial systems changes. Improvements in Sheridan were delayed by almost nine months due to a change in UW Regulation 3-1, which extended the UW Trustee approval process and impacted winter accessibility to the site. This information was shared with listeners inquiring about delays. Today people driving through Wyoming are able to adjust their tuners and find the Wyoming Public Radio signal with few interruptions, and the Classical Wyoming and Wyoming Sounds signals are present in more locations.

Due to budget cuts in 2017 and 2018, WPM temporarily suspended continuation of its original \$5 million 5-year request to the state to upgrade and digitize the statewide technology, pending further articulation of UW's legislative directions. WPM proposes reinstating these requests in coming years, as high-cost equipment and technology reaches its expected lifetime, and replacement/upgrade costs that reach beyond the operating budget of the Network.

WPM continued to upgrade satellite network connectivity in new uplink facilities and downlink receivers. This new technology strengthens program distribution throughout the state and access to digital data for listeners with text capable receivers.

In tandem with analog radio, digital HD Radio technology upgrades continue to serve Buffalo, Gillette, and Sundance. Sites in Cody/Powell, Saratoga and Mountain View were completed in 2019, WPM radio now serves over 55% of the listening audience with an HD radio signal. This also provides Classical Wyoming and Wyoming Sounds to audiences that would not be able to ordinarily receive an analog signal in the same region of the state. Expansion of HD to Douglas and Evanston is planned as part of the upgrades

Connecting Wyoming digitally, WPM responded to a global transition from analog to multi-platform digital technology as a means of accessing radio content. In addition, WPM continues to develop content for new digital platforms and keeps up with evolving national directions. Wyomingpublicmedia.org provides a content-rich experience for individuals, students, and teachers. It is connected to the national public radio/NPR digital backbone, thus capturing national traffic. Content delves into areas such as Wind River Reservation, UW Highlights, Wyoming Stories, Wyoming History, Wyoming Destinations, Health, Education, Energy, Natural Resources, etc. Two podcasts, HumaNature and The Modern West, were created to target audiences beyond Wyoming's borders and continue to grow in numbers and in peer recognition. The public affairs program, Open Spaces, is now a radio, online, and podcast program.

Wyoming Public Media

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2019 and 2018

Mobile use of technology was introduced for smartphone access to national and local content and continues to grow.

Total website views for the year ended June 30, 2018 to the year ended June 30, 2019 (wyomingpublicmedia.org, TheModernWest.org, HumaNaturePodcast.org, and WyomingSounds.org) grew from 2,660,522 to 3,611,795. Total unique podcast downloads (HumaNature, Open Spaces, The Modern West, and Spoken Words) grew from 173,733 to 477,000.

Addressing WPM strategic initiative No. 2 to increase Wyoming-centric programming and content, WPM created a number of radio and multi-platform modules and programs which can be found on wyomingpublicmedia.org under a variety of tabs. In 2019, WPM added two museum-related modules to the mix. Statewide coverage was expanded with addition of Wyoming regional on-site reporters, and 2019 saw the addition of a Northeast Wyoming Reporter, a Wind River Reservation/Central Wyoming reporter, as well as a multi-state Mountain West Bureau Reporter -- a CPB-funded initiative that began in 2018. All expansion funding came from non-university sources. A number of production projects are created in conjunction with UW MFA students. As part of its strategic outreach initiative, WPM brings national public broadcasting programs and initiatives to Wyoming, including the Story Corps project, entertainers Ira Glass and David Sedaris, journalists Scott Simon, Lakshmi Singh, Lynn Neary, David Greene, Susan Stamberg, Don Gonyea, NPR Presidents/CEO's Kevin Klose, Gary Knell, and Jarl Mohn, among others.

Addressing WPM Strategic Initiative No. 3 to establish fiscal stability to current and future operations, WPM reorganized the fundraising department and upgraded procedures to match public broadcasting industry Best Practices and regulations. In 2018/2019, administrative fundraising costs were well under the 20% benchmark used by the philanthropic industry. WPM works with the UW Foundation, and in 2019, added NPR as a national collaborator in a system-wide beta test. Activity supported through WPM fundraising is considered as "service to community," and assessed and evaluated annually by the CPB as per FCC guidelines. A strong service activity report card also affects WPM's ability to maintain federal funding.

Addressing Strategic Initiative No. 4 to build involvement with communities, WPM sponsors activities in towns and cities throughout Wyoming, holds meet-and-greet opportunities with management, and funds a robust statewide public service announcement program online. Complying with federal requirements, WPM provides a detailed annual report evidencing its public service commitment in areas of programming, education, addressing diverse audiences, health and welfare, promoting a strong electorate, and increasing community involvement in civic life. As required by federal law, reports are available on the WPM website and are part of the Congressional record. WPM maintains a public file as per FCC regulations.

Building involvement with institutions includes activities with Wyoming's education entities, governmental departments, and UW students, staff, and faculty. WPM's UW content can be found on the wyomingpublicmedia.org website under UW Highlights. WPM administers an Intern program for UW students, and in 2018/2019, celebrated the acceptance of its 40th Intern since 2013.

Wyoming Public Media Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2019 and 2018

Audience for WPM has increased significantly over approximately 50 years of broadcasting. Finances have steadily strengthened due to outstanding audience and business support. The 2018 and 2019 cash basis operating budget is over \$3 million, of which 65% is funded from sources outside the University. An endowment was added after the turn of the century as per Best Practices recommendations for public broadcasting. CPB had in previous years designated WPM as a "soaring" station in its Financial Health and Audience Service analysis of all CPB radio grantees, and this position still holds. The University of Wyoming surveyed state residents about their perceptions of the University, finding that WPM and UW Athletics were the most recognized entities of the University. The findings are evidence that WPM continues to serve the people of Wyoming with a strong and well received broadcast and media service that fulfills outreach missions of the University.

The 2015 and 2016 UW position freeze adversely affected WPM in budgetary and compliance areas. As of June 2016, UW's reversal on positions based on federal compliance requirements reinstated compliance status. Nonetheless, WPM continues to absorb funding of one compliance position with donor restricted funding as state funding was cut. The setback costs WPM \$100,000 annually and is reflected in the statement in net position nonoperating revenues. This obligation has continued into the 2017/2018/2019 operation.

WPM addressed one regulatory infraction in 2017 and 2018 as precipitated by UW Trustee directive and subsequently reversed by UW Trustee directive. Management engaged appropriate FCC legal assistance, notified UW Administration and the CBP as per federal requirements. No fines or restrictions were imposed; WPM absorbed the legal costs.

In November 2019, WPM negotiated the forgiveness of the total \$166,694 outstanding balance on the loan with the former UW Outreach School, as the funding WPM received to repay it was discontinued. The loan payable balances will be removed from WPM's financial statements in FY 2020.

WPM's trajectory as a leading Wyoming statewide media with national prominence continued as per UW's charge to the General Manager. The network transitioned into digital media operations and platforms with global reach. Directional changes were made in the network's engineering of digital operations, news content and coverage scope, national content submissions, cultural reporting, community outreach, and a restructured fundraising model. WPM's General Manager assumes leadership roles in numerous national organizations as per position requirements and serves on regional and national broadcasting boards dealing with public broadcasting directions, technologies, and delivery systems. WPM employees are assigned to serve on national boards in areas of programming, engineering, technology, and emerging distribution platforms. Leading staff members participate in national training initiatives, and industry professional consultants and leaders are engaged in areas requiring national visioning. Though the smallest state network in the U.S. with a population of 577,000, WPM retains a position of prominence in the national public radio area as evidenced by its national and regional grants and its high number of state and federal legislator endorsements.

Wyoming Public Media

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2019 and 2018

Overview of the Financial Statements

WPM's financial statements consist of the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows (direct method). These statements are prepared in conformity with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Government Accounting Standards Board Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Statement 34 requires the classification of net position into three categories – net investment in capital assets; restricted; and unrestricted. Statement 35 applies Statement 34 to colleges and universities.

The statement of net position includes assets, liabilities, and net position of WPM as of June 30, 2019 and 2018. This statement is classified into current and noncurrent assets and liabilities, with net position classified in the categories noted above. The statement of revenues, expenses and changes in Net Position depicts the operating revenues and expenses resulting in net operating income or loss, which is then combined with nonoperating revenues and expenses to provide the total change in net position. Significant recurring sources of WPM's revenues (including general revenue from the University of Wyoming, indirect administrative support from the University of Wyoming, and investment income (loss)) expended for operations are considered nonoperating revenues according to definitions prescribed by the Governmental Accounting Standards Board.

These diversified revenue streams are critically important sources of funds used to supplement operating revenue in the delivery of WPM programs and services. Under this required reporting format, operating expenses will always exceed operating revenues and the statement of revenues, expenses and changes in net position will reflect a loss from operations every year. The statement of cash flows shows the sources and uses of cash from operations, noncapital financing activities, capital and related financing activities, and investing activities. The financial statements also include notes that explain important information in the financial statements and provide more detailed data.

Financial Highlights

The financial position of WPM at June 30, 2019 remains strong. Net position totaled \$3,379,094 as of June 30, 2019, \$3,703,612 as of June 30, 2018 and \$3,731,756 as of June 30, 2017 (note 2018 and 2017 amounts include the impact of the restatement item noted on page 9). WPM's net position decreased by 8.8% or \$324,518 in FY 2019 as compared with a decrease in FY 2018 of 0.8% or \$28,144 (includes the impact of the restatement noted above). The decrease in both years was primarily due to losses incurred in FY 2019 and FY 2018.

Revenues and expenses are categorized as either operating or nonoperating and an operating income or loss is displayed. Significant recurring sources of the University's revenues, including WPM's share of state appropriations received as general revenues from UW, indirect administrative support, gifts, and investment income (loss) expended for operations are considered nonoperating revenues according to definitions prescribed by GASB.

Wyoming Public Media
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019 and 2018

WPM's operating revenue and support increased from \$2,174,701 in FY 2018 to \$2,394,428 in FY 2019. The 10.1% or \$219,727 increase in FY 2019 operating revenue is primarily due to \$181,743 of increased membership contributions. WPM's operating revenue and support increased 2.0% or \$42,121 from \$2,132,580 in FY 2017 to \$2,174,701 in FY 2018.

Operating expenses increased \$378,099 from \$4,003,413 in FY 2018 to \$4,381,512 in FY 2019. The \$378,099 increase in FY 2019 operating expenses is primarily due to indirect administrative support from the University of Wyoming (UW). WPM's operating expenses increased 0.4% or \$16,487 from \$3,986,926 in FY 2017 to \$4,003,413 in FY 2018.

The net operating loss for FY 2019 was \$1,987,084 which included noncash depreciation expense of \$162,661, while the net operating loss for FY 2018 was \$1,828,712 which included noncash depreciation of \$198,197. The net operating loss for FY 2017 was \$1,854,346 which included noncash depreciation of \$117,847.

Net nonoperating revenues were \$1,653,004 in FY 2019, compared to \$1,530,373 in FY 2018. Included in nonoperating revenues are general revenue and indirect administrative support from the University of Wyoming (UW), and investment income. The higher net nonoperating revenues in FY 2019 compared to FY 2018 were primarily due to increased indirect administrative support from UW. Net nonoperating revenues were \$1,530,373 in FY 2018, compared to \$2,011,439 in FY 2017. The lower net nonoperating revenues in FY 2018 was primarily due to a reduction in general revenue from UW, as UW did not continue the multi-year infrastructure request to the legislature.

WPM's land, equipment and buildings, net of accumulated depreciation, totaled \$904,223, \$913,054 and \$956,463 at June 30, 2019, 2018 and 2017 respectively.

Wyoming Public Media
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019 and 2018

Financial Analysis of the Statements

WPM's condensed financial statements are presented below for FY 2019, FY 2018 and FY 2017.

Condensed Statements of Net Position

	2019	2018 (As Restated)	2017*
Assets			
Current assets	\$ 1,476,866	\$ 1,781,057	\$ 2,656,547
Noncurrent assets	2,494,819	2,460,570	2,014,001
Total assets	<u>3,971,685</u>	<u>4,241,627</u>	<u>4,670,548</u>
Liabilities			
Current liabilities	545,897	461,321	697,000
Noncurrent liabilities	46,694	76,694	241,792
Total liabilities	<u>592,591</u>	<u>538,015</u>	<u>938,792</u>
Net Position			
Net investment in capital assets	737,529	746,360	789,769
Restricted for			
Nonexpendable endowment	129,700	120,138	120,138
Expendable, donor purpose	247,238	624,894	569,394
Expendable, capital projects	432,942	432,942	-
Unrestricted	1,831,685	1,779,278	2,252,455
Total net position	<u>\$ 3,379,094</u>	<u>\$ 3,703,612</u>	<u>\$ 3,731,756</u>

* Amounts have not been restated

Current assets consist primarily of cash and cash equivalents, accounts receivable and contributions receivable, and prepaid assets such as prepaid lease rentals. Noncurrent assets consist primarily of cash held for the acquisition of capital items, investments and property and equipment. Current liabilities consist of accounts payable and accrued expenses and unearned revenues. Noncurrent liabilities consist of accrued expenses and a loan payable.

Restatements of Prior Year Financial Statements

In FY 2017, the University of Wyoming created a fringe pool, a portion of which, is used to absorb the costs associated with leave payouts. In prior years, certain leave related liabilities were also allocated to WPM, when they should not have been after the creation of the fringe pool. The impact of removing the leave liabilities that should not have been allocated in prior years resulted in a restatement to net position as of June 30, 2017 was \$270,195. The additional impact on FY 2018 net position was \$49,939.

Wyoming Public Media
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019 and 2018

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018 (As Restated)	2017*
Total operating revenue and support	\$ 2,394,428	\$ 2,174,701	\$ 2,132,580
Operating expenses	<u>4,381,512</u>	<u>4,003,413</u>	<u>3,986,926</u>
Operating loss	<u>(1,987,084)</u>	<u>(1,828,712)</u>	<u>(1,854,346)</u>
State appropriations - general revenue	762,480	794,397	1,229,163
Other nonoperating revenues	<u>890,524</u>	<u>735,976</u>	<u>782,276</u>
Nonoperating revenue	<u>1,653,004</u>	<u>1,530,373</u>	<u>2,011,439</u>
Additions to permanent endowments	9,562	-	-
Increase (decrease) in net position	<u>(324,518)</u>	<u>(298,339)</u>	<u>157,093</u>
Net position, beginning of year, as previously reported	3,703,612	3,731,756	3,574,663
Adjustment applicable to the year ended June 30, 2017	<u>-</u>	<u>270,195</u>	<u>-</u>
Net position, beginning of year, as restated	<u>3,703,612</u>	<u>4,001,951</u>	<u>3,574,663</u>
Net position, end of year	<u>\$ 3,379,094</u>	<u>\$ 3,703,612</u>	<u>\$ 3,731,756</u>

* Amounts have not been restated

Operating revenues consist primarily of membership contributions, underwriting contributions, and community service grants. In FY 2018, WPM changed its accounting policies with respect to classification of member contributions. These are now reported as operating revenues rather than nonoperating revenues.

Operating expenses consist primarily of broadcasting; programming and production; management and general; and fundraising, underwriting, and grant solicitation expense.

Nonoperating revenues consist primarily of state appropriations, investment income, and indirect administrative support from the University of Wyoming.

Wyoming Public Media
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2019 and 2018

Condensed Statement of Cash Flows

	2019	2018 (As Restated)	2017*
Net cash used in operating activities	\$ (931,182)	\$ (1,236,473)	\$ (904,273)
Net cash provided by noncapital financing activities	762,480	794,397	1,229,163
Net cash used in capital financing activities	(165,981)	(141,678)	(50,174)
Net cash provided by investing activities	5,690	18,866	20,272
	<u>(328,993)</u>	<u>(564,888)</u>	<u>294,988</u>
Net increase (decrease) in cash			
Cash, beginning of year	<u>1,869,525</u>	<u>2,434,413</u>	<u>2,139,425</u>
Cash, end of year	<u>\$ 1,540,532</u>	<u>\$ 1,869,525</u>	<u>\$ 2,434,413</u>

* Amounts have not been restated

The net cash flows from operating activities were used primarily for payments to suppliers and employees, and for employee benefits.

Request for Information

This financial report is designed to provide donors, members, investment managers, foundations, and taxpayers with a general overview of WPM's finances and to account for the funding it receives. Additional details can be requested by mail at the following address:

Wyoming Public Media
Department 3984
1000 East University Avenue
Laramie, Wyoming 82071

Wyoming Public Media
Statements of Net Position
June 30, 2019 and 2018

Assets

	2019	2018 (Restated - Note 11)
Current Assets		
Cash and cash equivalents	\$ 540,450	\$ 906,882
Restricted cash and cash equivalents	567,140	529,701
Accounts receivable, net of \$0 and \$400 allowance for uncollectible accounts for 2019 and 2018, respectively	30,440	19,390
Grants receivable	5,445	-
Contributions receivable, net of \$63,215 and \$32,423 allowance for uncollectible accounts for 2019 and 2018, respectively	214,226	208,722
Inventory	6,300	6,635
Prepaid expenses	112,865	109,727
	<u>1,476,866</u>	<u>1,781,057</u>
Total current assets		
Noncurrent Assets		
Restricted cash and cash equivalents	432,942	432,942
Investments restricted for endowments	1,157,654	1,114,574
Capital assets, net	904,223	913,054
	<u>2,494,819</u>	<u>2,460,570</u>
Total noncurrent assets		
Total assets	<u>3,971,685</u>	<u>4,241,627</u>

Wyoming Public Media
Statements of Net Position (continued)
June 30, 2019 and 2018

Liabilities and Net Position

	2019	2018 (Restated - Note 11)
Current Liabilities		
Accounts payable	45,435	12,884
Other accrued liabilities	4,088	4,341
Current portion of loan payable	120,000	90,000
Underwriting and grants received in advance	376,374	354,096
Total current liabilities	545,897	461,321
Noncurrent Liabilities		
Loan payable, less current portion	46,694	76,694
Total noncurrent liabilities	46,694	76,694
Total liabilities	592,591	538,015
Net Position		
Net investment in capital assets	737,529	746,360
Restricted for		
Nonexpendable - endowment	129,700	120,138
Expendable		
Donor purpose	247,238	624,894
Capital projects	432,942	432,942
Unrestricted	1,831,685	1,779,278
Total net position	\$ 3,379,094	\$ 3,703,612

Wyoming Public Media
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2019 and 2018

	2019	2018 (Restated - Note 11)
Operating Revenues		
Membership contributions	\$ 1,606,504	\$ 1,424,761
Program underwriting	445,626	383,868
Corporation for Public Broadcasting Community Service		
Programs Acquisition, Rural Expansion, and Other Grants	317,319	353,012
Grants - other	24,979	13,060
Total operating revenues	2,394,428	2,174,701
Operating Expenses		
Broadcasting	668,931	778,395
Programming and production	1,388,954	1,254,002
Management and general	1,663,504	1,333,784
Fundraising, underwriting, and grant solicitation	497,462	439,035
Depreciation	162,661	198,197
Total operating expenses	4,381,512	4,003,413
Operating Loss	(1,987,084)	(1,828,712)
Nonoperating Revenues		
General revenue from the University of Wyoming	762,480	794,397
Indirect administrative support from the University of Wyoming	851,316	635,170
Investment income	39,208	60,067
Miscellaneous income	-	40,739
Total nonoperating revenues	1,653,004	1,530,373
Loss Before Other Revenues, Expenses, Gains and Losses	(334,080)	(298,339)
Additions to permanent endowments	9,562	-
Decrease in Net Position	(324,518)	(298,339)
Net Position, Beginning of Year, as Previously Reported	3,703,612	3,731,756
Adjustment applicable to the year ended June 30, 2017		270,195
Net Position, Beginning of Year, as Restated		4,001,951
Net Position, End of Year	\$ 3,379,094	\$ 3,703,612

Wyoming Public Media
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018 (Restated - Note 11)
Cash Flows from Operating Activities		
Membership contributions	\$ 1,601,000	\$ 1,393,299
Program underwriting	454,271	264,940
Community service grants	339,436	366,072
Payments to vendors	(1,458,582)	(1,438,937)
Payments to employees	(1,269,376)	(1,222,097)
Payments for benefits	(597,931)	(624,654)
Miscellaneous cash receipts	-	24,904
	<u>(931,182)</u>	<u>(1,236,473)</u>
Cash Flows from Noncapital Financing Activities		
General revenue from the University of Wyoming	762,480	794,397
	<u>762,480</u>	<u>794,397</u>
Net cash provided by noncapital financing activities	<u>762,480</u>	<u>794,397</u>
Cash Flows from Capital Financing Activities		
Property and equipment acquisitions	(169,381)	(141,678)
Proceeds from sale of assets	3,400	-
	<u>(165,981)</u>	<u>(141,678)</u>
Net cash used in capital financing activities	<u>(165,981)</u>	<u>(141,678)</u>
Cash Flows from Investing Activities		
Interest received	39,649	18,866
Additions to permanent endowment from interest earnings	2,052	-
Purchase of investments including reinvestment of earnings	(36,011)	-
	<u>5,690</u>	<u>18,866</u>
Net cash provided by investing activities	<u>5,690</u>	<u>18,866</u>
Net Decrease in Cash	<u>(328,993)</u>	<u>(564,888)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,869,525</u>	<u>2,434,413</u>
Cash and Cash Equivalents, End of Year		
(Including current restricted cash balances of \$567,140 and \$529,701 and noncurrent restricted cash balance of \$432,942 for 2019 and 2018, respectively)	<u>\$ 1,540,532</u>	<u>\$ 1,869,525</u>

Wyoming Public Media
Statements of Cash Flows (continued)
Years Ended June 30, 2019 and 2018

	2019	(Restated - Note 11)
Reconciliation of Operating Loss to Net		
Cash Used in Operating Activities		
Operating loss	\$ (1,987,084)	\$ (1,828,712)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense	162,661	198,197
Miscellaneous revenue	-	24,904
Noncash expenses		
Indirect administrative support from the University of Wyoming	851,316	635,170
Change in assets and liabilities		
Accounts receivable	(11,050)	(4,325)
Grants receivable	(5,445)	-
Contributions receivable	(5,504)	(31,462)
Inventory	335	(2,511)
Prepaid expenses	(4,097)	(84,042)
Accounts payable	45,661	(28,627)
Other accrued liabilities	(253)	(462)
Underwriting and grants received in advance	22,278	(114,603)
Net cash used in operating activities	<u>\$ (931,182)</u>	<u>\$ (1,236,473)</u>
Noncash Investing, Capital and Noncapital Financing Activities		
Property and equipment acquisitions in accounts payable	\$ -	\$ (13,110)
Change in fair value of investments	31,709	323,157

Wyoming Public Media

Notes to Financial Statements

June 30, 2019 and 2018

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

Nature of Operations

Wyoming Public Media (the Network) is a public media entity licensed to the Trustees of the University of Wyoming (the University) and is reported as part of the University of Wyoming. These financial statements are intended to present the financial position, the changes in financial position and cash flows of only that portion of the University that is attributable to the transactions of the Network. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2019 and 2018, the changes in its financial position or cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Financial results for the University are presented in separate financial statements prepared by the University.

The Network is comprised of 24 separate radio stations and associated translators, KBUW-FM – Buffalo, KDUW-FM – Douglas, KEUW-FM – Torrington, KSUW-FM – Sheridan, KUWA-FM – Afton, KUWC-FM – Casper, KUWD-FM – Sundance, KUWE-FM – Evanston, KUWG-FM – Gillette, KUWI-FM – Rawlins, KUWJ-FM – Jackson, KUWK-FM – Kaycee, KUWL-FM Jazz – Laramie, KUWN-FM – Newcastle, KUWP-FM – Powell/Cody, KUWR-FM – Laramie, KUWT-FM – Thermopolis, KUWV-FM – Lingle, KUWW-FM – Fort Washakie, KUWX-FM – Pinedale, KUWY-FM Classical – Laramie, KUWZ-FM – Rock Springs/Green River, KAIW-FM – Saratoga, and KZUW-FM – Reliance.

Basis of Accounting and Presentation

The financial statements of the Network have been prepared on the accrual basis of accounting whereby revenues are recorded when earned and all expenses are recorded when they have been incurred for all exchange transactions, while those from government-mandated nonexchange transactions (*i.e.* grants) are recognized when all applicable eligibility requirements are met.

Reporting Guidelines

The Network is reported as a single purpose business-type activity entity. In addition, the Network's financial statements have been prepared in accordance with the Corporation for Public Broadcasting's (CPB) *Application Principles of Accounting and Financial Reporting to Public Telecommunications Entities*.

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 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.

Wyoming Public Media

Notes to Financial Statements

June 30, 2019 and 2018

Cash and Cash Equivalents

The Network considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019 and 2018, cash and cash equivalents consist of claims on cash with the University and cash and cash equivalents held by the University of Wyoming Foundation (the Foundation).

Investments Restricted for Endowment

Investments restricted for endowment are held in the Foundation's Endowment Fund, which is a pooled investment of individual endowments benefiting the University and its related entities including the Network. In accordance with GASB No. 72, *Fair Value Measurement and Application*, for investments in pooled funds, the fair value is determined as the number of units or shares held in the fund multiplied by the price per unit or shares. Investments are reported at the net asset value (NAV).

Accounts Receivable

Accounts receivable consists of amounts due for underwriting. Accounts receivable is recorded net of estimated uncollectible amounts.

Contributions Receivable

Contributions receivable consists of amounts due for unconditional promises to give to the Network. Contributions receivable is recorded net of estimated uncollectible amounts which is based upon a review of outstanding pledges, historical collections and existing economic conditions.

Inventories

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

Prepaid Expenses

Prepaid expenses represent payments for benefits not yet received, such as prepaid rent or membership dues paid in advance. The expenses are amortized and recognized in the period in which the benefit is received.

Capital Assets

Capital assets are recorded at historical cost at the date of purchase, or acquisition value at the date of donation if acquired by gift. For equipment, the Network's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Wyoming Public Media

Notes to Financial Statements

June 30, 2019 and 2018

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 Network:

Buildings and improvements	50 years
Equipment	3 – 7 years

Underwriting and Grants Received in Advance

Underwriting and grants received in advance represents unearned amounts from contract sponsors which have not yet been earned under the terms of the agreement and on grants awards for which the Network has not met all of the applicable eligibility requirements.

Net Position

Net position of the Network 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 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 Network. Restricted nonexpendable net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Network, 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 which may be used for the operation of the Network at the discretion of the governing board.

The Network first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Classification of Revenues

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

Operating revenues – Operating revenues include activities that are considered to be principal ongoing operations of the Network and include sources that are primarily used to provide services to the Network’s audience, such as (1) membership contributions, (2) program underwriting and (3) grants. Revenue from membership contributions is recognized when an unconditional promise to give exists. Unrestricted grants are recorded as revenues at the time the grant awards are received and when eligibility requirements have been met. Restricted support and revenues are recognized upon incurring the appropriate expenses or meeting the eligibility requirements.

Nonoperating revenues – Nonoperating revenues include all those revenues not considered to be operating revenues as defined above, such as state appropriations received from the University, investment income, and indirect administrative support from the University.

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

In-kind Contributions

Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. However, if the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated services from volunteers are not included in the accompanying financial statements as there is no measureable and objective basis for determining the fair value of these contributions.

Indirect Administrative Support

Indirect support from the University consists of allocated institutional support and operation and maintenance costs incurred by the University for which the Network receives benefits. The fair value of this support is recognized in the statements of revenues, expenses and changes in net position as indirect administrative support and also as expense in the management and general and fundraising, underwriting and grant solicitation functional expense categories as detailed in Note 7. The University also provides donated facilities consisting of office and studio space which is valued in accordance with the guidelines established by the CPB.

Note 2: Cash and Cash Equivalents

Deposits

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.

Deposits for the Network represents the Network's prorated share of commingled cash and cash equivalents held and invested by the University acting as the Network's fiscal agent or held and invested by the Foundation. The Network's deposits are held as follows:

	2019	2018
Deposits held by the University	\$ 1,463,769	\$ 1,797,840
Deposits held by Foundation	76,763	71,685
Total deposits	\$ 1,540,532	\$ 1,869,525

Additional information on the University's and Foundation's cash and cash equivalents can be found in their separately issued financial statements.

Wyoming Public Media

Notes to Financial Statements

June 30, 2019 and 2018

Note 3: Endowment Funds

The University of Wyoming Trustees established a quasi-endowment fund which totals \$954,077 and \$917,578 as of June 30, 2019 and 2018, respectively. The funds cannot be withdrawn without University of Wyoming's Board of Trustees approval. The earnings from the account are available to the Network. The quasi-endowment is included in unrestricted net position on the statements of net position.

The Network has also received gifts as endowments from third parties. As of June 30, 2019 and 2018 total gifts and unspent earnings are \$203,577 and \$196,996, respectively, of which \$129,700 and \$120,138, respectively, are corpus and are not expendable. The corpus is reported in restricted net position on the statements of net position.

The quasi-endowment and other endowments are held in the Foundation's Endowment Fund which is a pooled investment of individual endowments benefiting the University and its related entities including the Network. The Foundation maintains a separate accounts for each participant in the pool.

Investment income, gains and losses and expenses of the pool are allocated to each participant based on their share of ownership in the pool and are reflected as investment income in the accompanying statements of revenues, expenses and changes in net position.

The investments within the Foundation's Endowment Fund are exposed to risks that have the potential to result in losses. Those risks and their definitions are:

- Credit risk – the risk an insurer or counterparty to an investment will not fulfill its obligation
- Custodial risk – the risk that in the case of default by the counterparty a government will be unable to recover its deposit/investment or collateralizing securities in the possession of an outside party
- Concentration risk – the risk of loss attributable to the size of a government's investment in a single issuer
- Interest rate risk – the risk that changes in interest rates will adversely affect the fair value of investments
- Foreign currency risk – the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment

The investment committee of the Foundation, 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 investments 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.

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

Further information on the investments held by the Foundation can be found in their separately issued financial statements.

The following summarizes the Network's activity and net asset value per share of the underlying portfolio for the years ended June 30, 2019 and 2018:

Balance, July 1, 2017	\$ 1,057,538
Additions (including income reinvested in pool)	-
Distributions	-
Realized/unrealized gain (loss)	<u>57,036</u>
Balance, July 1, 2018	1,114,574
Additions (including income reinvested in pool)	36,011
Distributions	-
Realized/unrealized gain (loss)	<u>7,069</u>
Balance, June 30, 2019	<u>\$ 1,157,654</u>

Note 4: Capital Assets

Capital assets activity for the years ended June 30, 2019 and 2018, was:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 50,272	\$ -	\$ -	\$ 50,272
Capital assets, being depreciated				
Equipment	2,705,297	156,271	253,770	2,607,798
Buildings	<u>507,455</u>	<u>-</u>	<u>-</u>	<u>507,455</u>
Total capital assets, being depreciated	3,212,752	156,271	253,770	3,115,253
Less: accumulated depreciation	<u>(2,349,970)</u>	<u>(162,661)</u>	<u>(251,329)</u>	<u>(2,261,302)</u>
Capital assets, net	<u>\$ 913,054</u>	<u>\$ (6,390)</u>	<u>\$ 2,441</u>	<u>\$ 904,223</u>

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated				
Land	\$ 50,272	\$ -	\$ -	\$ 50,272
Capital assets, being depreciated				
Equipment	2,550,509	154,788	-	2,705,297
Buildings	507,455	-	-	507,455
Total capital assets, being depreciated	3,057,964	154,788	-	3,212,752
Less: accumulated depreciation	(2,151,773)	(198,197)	-	(2,349,970)
Capital assets, net	<u>\$ 956,463</u>	<u>\$ (43,409)</u>	<u>\$ -</u>	<u>\$ 913,054</u>

Note 5: Loan Payable

In November 2010, the Network entered into a loan agreement with the University of Wyoming Outreach School. The loan is to provide the financial resources necessary for the Network to construct a new transmitter in southeast Wyoming. The noninterest bearing loan of \$300,000 is due in annual principal payments of \$30,000 for 10 years beginning December 1, 2012. Due to anticipated additional costs of the transmitter, an additional advance of \$2,962 was made during the construction period and will be paid with the final payment. Unused funds of \$16,268 were returned upon completion of the project in fiscal year 2012 and will reduce the repayment for the period 2021-2022. The outstanding balance on the loan is \$166,694 as of June 30, 2019 and 2018. Maturities of the loan are as follows:

Year Ending June 30	
2020	\$ 120,000
2021	30,000
2022	<u>16,694</u>
	<u>\$ 166,694</u>

See discussion of forgiveness of the loan in the subsequent events footnote (Note 12).

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

Note 6: Corporation for Public Broadcasting Grants

CPB is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSG) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the *Communications Act*, CSG funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds recordkeeping, audits, financial reporting, mailing lists and licensee status with the Federal Communications Commission.

Note 7: Functional Allocation of Contributed Support

The indirect administrative support has been allocated to the functional expense areas in which the support was used or consumed. For the years ended June 30, 2019 and 2018 the allocations were as follows:

	<u>2019</u>	<u>2018</u>
Management and general	\$ 848,664	\$ 623,427
Fundraising, underwriting and grant solicitation	<u>2,652</u>	<u>11,743</u>
Total	<u>\$ 851,316</u>	<u>\$ 635,170</u>

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

Note 8: Operating Leases

The Network has several operating leases for the use of broadcast towers and equipment which expire in various years through 2026. These leases require various minimum monthly payments.

Future minimum lease payments at June 30, 2019, were:

Year Ending June 30		
2020	\$	114,040
2021		63,484
2022		34,535
2023		28,444
2024		23,074
Thereafter		<u>52,900</u>
	<u>\$</u>	<u>316,477</u>

Rental expense under the leases for the years ended June 30, 2019 and 2018, totaled \$85,710 and \$94,476, respectively, and is included in local programming and production and broadcasting expense in the accompanying statements of revenues, expenses and changes in net position.

Note 9: Related-party Transactions

The University of Wyoming Foundation (the Foundation) is a not-for-profit corporation formed to promote the welfare, development, growth and well-being of the University. The Foundation operates independently of the University, but supports University activities including those of the Network. The Foundation's financial records are maintained separately from the University's financial accounting system. The Foundation is utilized as an investment vehicle of the Network.

During the years ended June 30, 2019 and 2018, the Network received revenue from other University departments of \$47,914 and \$39,402, respectively, and paid expenses to other University departments of \$144,077 and \$83,299, respectively.

Note 10: Risk Management

The Network is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters, teachers' liability and employee health and accident benefits. The Network is covered through commercial insurance coverage which is purchased by the University for claims arising from such matters other than those related to employee health, long term disability, and workers' compensation. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The state of Wyoming self-insures employee health and workers' compensation benefits for all state employees, including Network employees, who are considered University employees.

Wyoming Public Media
Notes to Financial Statements
June 30, 2019 and 2018

Note 11: Restatements of Prior Year Financial Statements

Compensated Absences

In prior years, the Network was allocated their share of the compensated absences liability. In 2017, the University of Wyoming implemented a central fringe pool from which this liability is paid and therefore this liability is no longer being allocated to any University departments, including the Network. This change increased the beginning net position as of July 1, 2017 by \$270,195. Additionally, the change in net position for the year ended June 30, 2018 increased by \$49,939.

Reclassification of Cash and Cash Equivalents and Restricted Net Position

In prior years, the Network did not report restricted cash and cash equivalents. Additionally, cash and cash equivalents held for the acquisition of capital related items is to be reported as a noncurrent asset as it is not available for current operations and should also be included in restricted net position as the funds were received via a state appropriation. These changes had no impact on beginning net position or change in net position.

Note 12: Subsequent Event

On November 15, 2019, the remaining balance of the loan with the University of Wyoming Outreach School was forgiven.

University of Wyoming

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	1,476,866	1,222	1,478,088	0.08%
Non-Current Assets & Deferred Outflows	2,494,819	(2,482)	2,492,337	-0.10%
Current Liabilities	(545,897)	(11,824)	(557,721)	2.17%
Non-Current Liabilities & Deferred Inflows	(46,694)		(46,694)	
Current Ratio	2.705		2.650	-2.03%
Total Assets & Deferred Outflows	3,971,685	(1,260)	3,970,425	-0.03%
Total Liabilities & Deferred Inflows	(592,591)	(11,824)	(604,415)	2.00%
Total Net Position	(3,379,094)	13,084	(3,366,010)	-0.39%
Operating Revenues	(2,394,428)	718	(2,393,710)	-0.03%
Operating Expenses	4,381,512	(26,615)	4,354,897	-0.61%
Nonoperating (Revenues) Exp	(1,662,566)	10,308	(1,652,258)	-0.62%
Change in Net Position	324,518	(15,589)	308,929	-4.80%

DRAFT

Major Enterprise Fund

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

DRAFT

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		Operating Revenues		Operating Expenses		Nonoperating (Revenues) Exp		Net Position		Net Effect on Following Year	
			Current	Non-Current	Current	Non-Current	DR	CR	DR	CR	DR	CR	DR	CR	Change in Net Position	Net Position
			DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR
Prior year state appropriations revenue was understated. This is to show the effect of the amount of revenue being recognized in FY19 instead of the prior year.		F	0	0	0	0	0	0	0	7,826	(7,826)	0	0	0	0	
	General revenue from the University of Wyoming									7,826						
	Beginning net position										(7,826)					
To reverse prior year effect of errors in revenue recognition recognized early for underwriting contracts		F	0	0	0	0	(9,884)	0	0	0	9,884	0	0	0	0	
	Underwriting revenues						(9,884)									
	Beginning net position										9,884					
To reverse effect of legal invoices not accrued in FY18		F	0	0	0	0	0	(2,535)	0	2,535	0	0	0	0	0	
	Expense							(2,535)								
	Beginning net position										2,535					
In prior year additions to permanent endowments were recorded as part of investment income and were therefore not reported as part of nonexpendable net position. This was corrected through FY19 by reducing income to increase the amount added to Additions to permanent endowments		F	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Investment income									(7,510)						
	Additions to permanend endowments									7,510						
To record effect of miscalculations in the amount of earned vs unearned revenue on underwriting contracts		F	1,222	0	(11,824)	0	10,602	0	0	0	0	(10,602)	10,602	(10,602)	10,602	
	Unearned revenue				(11,824)								11,824			
	Underwriting revenue						10,602						(10,602)			
	Receivable		1,222											(1,222)		
To record difference in amount confirmed and investment value reported in financial statements		J	0	(2,482)	0	0	0	0	2,482	0	0	(2,482)	2,482	(2,482)	2,482	
	Investments			(2,482)									2,482			
	Investment Income								2,482			(2,482)				

To show effect of assets disposed in years prior to FY18 but not removed from asset management system until FY19		F	0	0	0	0	0	(24,080)	0	24,080	0	0	
	Loss on sale of assets							(24,080)					
	Beginning net position									24,080			
Total passed adjustments			1,222	(2,482)	(11,824)	0		718	(26,615)	10,308	28,673	(13,084)	13,084

Impact on Change in Net Position (15,589)

Impact on Net Position 13,084

University of Wyoming

Independent Accountant's Report on Applying Agreed-upon Procedures
Performed on the Intercollegiate Athletics Program as
Required by NCAA Bylaw 3.2.4.15.1
Year Ended June 30, 2019

University of Wyoming
June 30, 2019

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Independent Accountant's Report on Applying Agreed-upon Procedures

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

We have performed the procedures enumerated in this report, which were agreed to by the University of Wyoming (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (the Statement) of the University and related notes are in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.15.1 for the year ended June 30, 2019. Management of the University is solely responsible for the Statement and the compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purpose for which this report has been requested or for any other purpose.

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

1. We obtained the Statement, as prepared by the administration of the University and compared the amounts disclosed in the Statement to the University's general ledger.

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

2. We compared the amount of each operating revenue and expense category reported in the Statement during the year ended June 30, 2019, to supporting schedules provided by the administration of the University, noting that they agreed without exception. We recalculated the totals per the supporting schedules, without exception. The following revenue reporting categories were less than 4.0% of total revenues, and the following expense categories were less than 4.0% of total expenses, and therefore, as prescribed in the NCAA Agreed-upon Procedures Guidelines, no procedures were performed for these categories:

Revenues

- a. Indirect University support
- b. Guarantees
- c. In-kind contributions
- d. Compensation and benefit provided by a third party
- e. Media rights
- f. NCAA distributions
- g. Conference distributions

To the Board of Trustees of the
University of Wyoming

- h. Program, novelty, parking and concession sales

Expenses

- a. Guarantees
 - b. Coaching salaries, benefits and bonuses paid by a third party
 - c. Support staff/administrative compensation, benefits and bonuses paid by a third party
 - d. Recruiting
 - e. Sports equipment, uniforms and supplies
 - f. Game expenses
 - g. Spirit groups
 - h. Athletic facilities debt service, leases and rental fees
 - i. Direct overhead and administrative expenses
 - j. Indirect University support
 - k. Medical expenses and medical insurance
 - l. Memberships and dues
 - m. Other operating expenses and transfers to University
 - n. Student-athlete meals (non-travel)
3. We inquired of the University's management whether there were any of the following revenues, expenses or other reporting items during the year ended June 30, 2019, and University management represented that there were none:

Revenues

- a. Transfer back to the University
- b. Indirect institutional support – athletic facilities debt service, lease and rental fees
- c. Sports camp revenues

Expenses

- a. Severance payments
- b. Sports camp expenses
- c. Bowl expenses

To the Board of Trustees of the
University of Wyoming

4. We compared each revenue and expense amount reported in the Statement to prior year amounts and current year budget estimates. We noted no variances greater than 10% between amounts reported in the Statements and current year budget estimates. We obtained and documented an understanding of any significant variances (10% change) from prior year amounts, as noted below:

Current Year Actual Versus Prior Year Actual

- *Contributions* – Decreased \$1,800,431, or 23%, due to decrease in Cowboy Joe Club activity. Cowboy Joe Club revenue decreased in FY19 due to decrease in pre-paid Wildcatter Suites.
 - *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – Increased by \$868,626, due to retention incentives paid and overall cost of living increases.
 - *Support Staff/ Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – Increased by \$1,933,553 due to primarily Cowboy Joe Club and Rodeo not being included in payroll during FY18. In addition, several new support staff and administrative positions were added throughout the year to support the creation of new departments including Training Table during FY19.
 - *Fund Raising, Marketing and Promotion* – Increased \$1,409,073 or 29%, due to Gift in Kind being reported in other expenses in FY18 and moved to fundraising in FY19.
5. For revenue and expense categories that exceeded 4% of total revenues and expenses, we compared and agreed a sample, defined as 10% of operating receipts and expenses unless otherwise noted, from the supporting schedules to adequate supporting documentation, as noted below:

Operating Revenues

6. *Ticket Sales* – We compared the detail of ticket sales revenue to tickets sold, complementary tickets provided and unsold tickets for the year ended June 30, 2019, per the supporting schedule to the related revenue reported in the Statement, noting they agreed without exception. For football and men’s basketball ticket revenue, we compared the detail of the number of tickets multiplied by ticket prices to the detail of revenues for those sports, noting that they agreed without exception.
7. *Student Fees* – We compared and agreed the detail of student fees reported by the University in the Statement for the reporting to student enrollments during the same reporting period and recalculated the totals within 0.39% difference. We obtained documentation of the institution’s methodology for allocating student fees to intercollegiate athletic programs. The University is not reporting an allocation of student fees countable as generated revenue to each individual sport.
8. *Direct State or Other Government Support* – We compared a sample of direct state support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.
9. *Direct University Support* – We compared a sample of direct institutional support recorded by the University during the reporting period with corroborative supporting documentation and recalculated totals without exception.

To the Board of Trustees of the
University of Wyoming

10. *Contributions* – We obtained the supporting documentation for contributions received specifically to support athletics, noting that all contributions were received from the Cowboy Joe Club. We selected a sample of contributions, agreed them to supporting documentation, and recalculated totals without exception.
11. *Royalties, Licensing, Advertisements and Sponsorships* – We selected a sample from the listing of revenues and obtained the Fanatics Retail Group (\$6,833) agreement related to the University’s participation in revenues from royalties, licensing, advertisements and sponsorships during the year ended June 30, 2019, and documented the relevant terms and conditions. We agreed the amounts per the contract to the supporting schedule of such revenues and the total of the supporting schedule to the Statement without exception.
12. *Athletics Restricted Endowment and Investment Income* – We selected a sample from the listing of endowments used by the University and compared and agreed the classification and use of endowment and investment income reported in the statement during the year ended June 30, 2019, to the uses of income defined within the related endowment agreement and recalculated totals.
13. *Other Revenues* – We performed the minimum agreed-upon procedures referenced for all revenue categories and recalculated totals without exception.

Operating Expenses

14. *Athletic Student Aid* – As the University utilized the NCAA Compliance Assistance (CA) software, we selected a sample of 10% of the student athletes (40 students), with a maximum sample size of 40, from the listing of the University student aid recipients. We obtained individual student account detail for each selection and compared total aid allocated from the squad list 2018-2019 to the students’ account screenshots. We recalculated totals for each sport and overall. We performed the following and noted findings, as discussed below:
 - a. We compared the equivalency value in the CA software for each student athlete (rounded to two decimal places) to supporting documentation. For each student athlete, we noted:
 - i. If an athlete participates in more than one sport, the award was only included in one sport.
 - ii. Other expenses related to attendance were not included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course related materials were included.
 - iii. The grant amount represented the full cost of tuition for an academic year, rather than a semester.
 - iv. No sports were discontinued during fiscal year 2019.
 - v. None had exhausted their athletics eligibility.
 - vi. Only athletic grants were awarded in sports which the NCAA conducts championship competitions, emerging sports for women or football.
 - vii. Grants-in-aid were valid for revenue distribution purposes in NCAA sports that did not meet the minimum contests and participants’ requirements of Bylaw 20.9.6.3.

To the Board of Trustees of the
University of Wyoming

- viii. The University is providing grants to student-athletes listed on the CRDE as “Exhausted Eligibility (fifth-year)” or “Medical” and receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency did not exceed maximum equivalency limits.
- x. If a selected student received a Pell Grant, the value of the grant was not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.

Finding:

- a. We noted one student who was not paid total cost of attendance award. Upon identification of this administrative discrepancy, the University corrected the error and paid the athlete the additional funds.
15. *Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities* – We obtained a listing of coaches employed by the University during the year ended June 30, 2019. We selected a sample of five coaches’ contracts (Jermaine Kimbrough, Men’s Basketball, Bojan Jankovic – Women’s Basketball, Jacob Dickert – Football, Bart Miller – Football, Bryan Berryhill – Head Men’s and Women’s Track and Field, Quincy Howe – Men’s and Women’s Track and Field, Ethan Kyle - Wrestling) that included football and men’s and women’s basketball.
- We obtained and agreed payroll summary registers for the reporting year for each selection to the related coaching salaries, benefits and bonuses paid by the University. Terminal leave for one employee tested was charged in error to Athletics instead of the University’s central fringe pool. Athletics identified the error in July 2019 and the error was corrected by the University in fiscal year 2020.
- We compared and agreed the totals recorded to the employment contracts executed for the sample selected and recalculated totals without exception.
16. *Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities* – We selected a sample of 14 athletic support staff/administrative personnel employed by the University (Sean O’Sullivan – Media Relations, Amil Anderson – Media relations, James Hignett – Tennis Complex, Mary Lyle – Sports Medicine, Timothy Becker - Facilities, Jacob Chapman - Football, Colton Rindler – Facilities, Jack Gadlin - Facilities, McCade Ford - Wrestling, Kara Saylor – Sports Medicine, China Jude – Director’s Office, Sophie Pomrehn – Sports Performance, Shalee Lehning – Academic Counselor, Vanessa Stines – Training Table). We obtained supporting salary information for each selection, recalculated and agreed the information to the expense recorded by the University in the Statement without exception.
17. *Team Travel* – We obtained documentation of the University’s travel policies and compared them to the NCAA policies, noting no exceptions. We obtained the general ledger detail for team travel and compared to the amount reported in the Statement and recalculated the total without exception.

To the Board of Trustees of the
University of Wyoming

18. *Fundraising, Marketing and Promotion* – We obtained general ledger detail and compared to total expenses reported without exception. We selected a sample of transactions to view supporting documentation to validate existence of the transactions and accuracy of recording and recalculated totals without exception.

Agreed-upon Procedures Related to Affiliates and Outside Organizations

19. The University identified the University of Wyoming Foundation (the Foundation) as an outside intercollegiate athletics-related organization incurring expenses on behalf of Athletics which are not under the University's accounting control. We confirmed activity with the Foundation and ensured the activity was included in the Statement.
20. We obtained the audited financial statements as of and for the year ended June 30, 2019 for the Foundation and the management letter for the Foundation noting no matters that would significantly affect the Statement.

Agreed-upon Procedures Related to Internal Control

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

Additional Minimum Agreed-upon Procedures

22. *Grants-in-Aid* – We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA noting a difference in the amount of \$545,080 due to the equivalencies certified and calculated on the 12-credit hour semester as compared to the actual number of credit hours the students are enrolled in for the semester.

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

Increase to mandatory fees, new technology & advising fees:

Men's Cross Country

Men's Track, Indoor & Outdoor

Women's Cross Country

Women's Swimming and Diving

Women's Track, Indoor & Outdoor

International student insurance rates increase in addition to mandatory fees:

Women's Basketball

Women's Tennis

To the Board of Trustees of the
University of Wyoming

Increase to Rocky Mountain Scholarship (RMS) & Western Undergraduate Exchange (WUE) scholarships resulted in less Athletic Aid being required:

Women's Golf

Increase in the number of Wyoming resident athletes and decrease in the number of non-resident Athletes:

Women's Soccer

23. *Sports Sponsorship* – We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports reported by the University meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward meeting the minimum-contest requirements. We ensured that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. No exceptions noted.

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

24. *Pell Grants* – We agreed the total number of Division I student-athletes that received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the institutions financial aid records, of all student-athlete Pell Grants, noting the amounts agreed without exception.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission. The variance in grants from prior year to current year was +9.

Agreed-upon Procedures for Other Reporting Items

25. *Excess Transfers to Institution and Conference Realignment Expenses* – We inquired of the University's management whether there were any excess transfers to the University and conference realignment expenses during the year ended June 30, 2019, and University management represented that there were none.
26. *Total Athletics Related Debt* – We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period, noting the total amount outstanding as of June 30, 2019 was \$2,492,775. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained which totaled the original loan amount of \$4,000,000. We agreed the total annual maturities and total outstanding athletic related debt to supporting documentation without exception.
27. *Total Institutional Debt* – We agreed the total outstanding University debt of \$77,950,128 to supporting documentation and the University's June 30, 2019, audited financial statements, without exception, for principal and interest payments.

To the Board of Trustees of the
University of Wyoming

28. *Value of Athletics Dedicated Endowments* – We obtained a confirmation directly from the Foundation of all Athletics dedicated endowments maintained by the Foundation. We agreed the fair market value in the schedules to supporting documentation, the general ledger and the University’s June 30, 2019, audited financial statements without exception.
29. *Value of Institutional Endowments* – We agreed the total fair market value of the University’s endowments to supporting documentation, the University’s general ledger and June 30, 2019, audited financial statements without exception.
30. *Total Athletics Related Capital Expenditures* – We obtained a schedule of Athletics-related capital expenditures made by Athletics and the University during the reporting period. We obtained general ledger detail and compared to the total expenses reported without exception. We selected a sample of transactions to validate existence of transactions and accuracy of recording and recalculated totals without exception.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on evaluating whether the University’s Statement and the related notes were prepared in compliance with the NCAA Bylaw 3.2.4.15.1. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

* * * * *

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

Denver, Colorado
DATE

University of Wyoming
Intercollegiate Athletics Program
Statement of Revenues and Expenses (Unaudited)
Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
Operating Revenues						
Ticket sales	\$ 2,703,302	\$ 578,103	\$ 346,115	\$ 87,277	\$ 257,056	\$ 3,971,853
Direct state or other government support	1,613,044	481,702	164,832	1,213,678	526,743	3,999,999
Student fees	-	-	-	-	2,268,940	2,268,940
Direct University support	4,142,521	1,054,699	905,846	3,891,852	3,527,875	13,522,793
Indirect University support	-	-	-	-	536,584	536,584
Guarantees	350,000	100,000	-	-	-	450,000
Contributions	190,434	3,310	-	368,551	9,004,879	9,567,174
In-kind	109,758	45,841	39,482	98,407	983,431	1,276,919
Compensation and benefits provided by a third party	42,140	25,900	6,500	184,400	32,029	290,969
Media rights	970,857	158,046	-	-	-	1,128,903
NCAA distributions	-	-	-	-	1,166,603	1,166,603
Conference distributions (Non Media and Non Bowl)	70,202	602,888	12,336	-	-	685,426
Conference distributions	1,501,863	-	-	-	-	1,501,863
Program, novelty, parking and concession sales	182,214	50,861	33,056	14,204	460,725	741,060
Royalties, licensing, advertisement and sponsorships	-	-	-	-	2,016,137	2,016,137
Athletics restricted endowment and investments income	377,579	32,787	90,644	368,656	1,045,346	1,915,012
Other operating revenue	204,462	-	9,688	47,723	1,744,744	2,006,617
	<u>12,458,376</u>	<u>3,134,137</u>	<u>1,608,499</u>	<u>6,274,748</u>	<u>23,571,092</u>	<u>47,046,852</u>
Total operating revenues						

University of Wyoming
Intercollegiate Athletics Program
Statement of Revenues and Expenses (Unaudited) (continued)
Year Ended June 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-program Specific	Total
Operating Expenditures						
Athletics student aid	2,735,878	442,368	460,866	3,137,317	282,442	7,058,871
Guarantees	700,000	346,500	23,500	53,150	-	1,123,150
Coaching salaries, benefits and bonuses paid by the University and related entities	5,150,657	1,266,916	781,969	2,155,518	-	9,355,060
Coaching salaries, benefits and bonuses paid by a third party	36,340	16,900	5,500	176,400	-	235,140
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	1,043,060	221,043	143,928	336,846	7,678,103	9,422,980
Support staff/administrative compensation, benefits and bonuses paid by a third party	5,800	9,000	1,000	8,000	32,029	55,829
Recruiting	528,216	161,632	52,871	165,358	-	908,077
Team travel	1,047,270	532,672	486,441	1,534,794	9,699	3,610,876
Sports equipment, uniforms and supplies	1,010,603	48,374	21,914	522,504	195,246	1,798,641
Game expenses	169,038	179,800	194,852	92,417	663,424	1,299,531
Fundraising, marketing and promotion	328,538	1,971	10	5,258	5,941,846	6,277,623
Spirit groups	-	-	-	-	91,248	91,248
Athletic facilities debt service, leases and rental fees	450,000	-	-	-	-	450,000
Direct overhead and administrative expenses	48,252	7,279	8,379	20,396	1,389,804	1,474,110
Indirect University support	-	-	-	-	536,584	536,584
Medical expenses and medical insurance	-	-	225	120	1,247,499	1,247,844
Memberships and dues	100	16	724	4,671	519,005	524,516
Student-athlete meals (non-travel)	396,248	36,005	28,060	120,635	798,410	1,379,358
Other operating expenses	165,185	59,175	42,829	158,211	879,182	1,304,582
	<u>13,815,185</u>	<u>3,329,651</u>	<u>2,253,068</u>	<u>8,491,595</u>	<u>20,264,521</u>	<u>48,154,020</u>
Total operating expenditures						
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ (1,356,809)</u>	<u>\$ (195,514)</u>	<u>\$ (644,569)</u>	<u>\$ (2,216,847)</u>	<u>\$ 3,306,571</u>	<u>\$ (1,107,168)</u>

University of Wyoming
Intercollegiate Athletics Program
Notes to the Statement of Revenues and Expenses
Year Ended June 30, 2019
(Unaudited)

Note 1: Summary of Presentation Policies

The accompanying Schedule of Revenues and Expenses presents only the transactions of Athletics, which includes the activities of Cowboy Joe Club, an affiliated athletics organization under the University's control, and not other transactions for the University. Cowboy Joe Club activity is supervised by the Senior Associate Athletic Director for Development and Revenue Enhancement. The purpose of the Cowboy Joe Club is to promote the University by providing financial support. Athletics cash is maintained and accounted for within the University's pooled cash.

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

For reporting purposes, the primary sports in which Athletics participates are reported separately. All other sports have been combined and reported within the category "Other Sports". The administrative functions of Athletics, which supports all sports, have been combined and reported within the category "Non-program Specific".

Note 2: Concentration of Donor Sources

Cowboy Joe Club is the single largest donor source to Athletics with 100% of cash contributions of the total contributions for the year ended June 30, 2019. The cash contributions received from the Cowboy Joe Club represent gifts from various donors made for the benefit of Athletics. The Foundation is the single largest source of athletics restricted endowment and investments income. The restricted endowments and investment income are used for various expenses for Athletics. The total funds available by the Foundation for the benefit of Athletics is \$1,106,647 as of June 30, 2019.

Note 3: Property, Plant and Equipment

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

University of Wyoming
Intercollegiate Athletics Program
Notes to the Statement of Revenues and Expenses
Year Ended June 30, 2019
(Unaudited)

At June 30, 2019, Athletic property, plant and equipment consisted of:

	Balance June 30, 2018	Additions	Disposals	Transfers	Balance June 30, 2019
Cost of capital assets					
Infrastructure	\$ 558,621	\$ -	\$ -	\$ -	\$ 558,621
Land improvements	10,047,621	-	-	-	10,047,621
Buildings	96,601,098	69,914,354	-	-	166,515,452
Equipment	4,754,597	285,288	2,147,084	142,097	3,034,898
Construction in progress	69,690,537	327,166	-	70,017,703	-
	<u>181,652,474</u>	<u>70,526,808</u>	<u>2,147,084</u>	<u>70,159,800</u>	<u>180,156,592</u>
Accumulated depreciation					
Infrastructure	543,858	1,640	-	-	545,498
Land improvements	5,446,424	656,911	-	-	6,103,335
Buildings	35,293,092	3,914,368	-	-	39,207,460
Equipment	4,137,002	204,098	2,138,036	25,374	2,228,438
	<u>45,420,376</u>	<u>4,777,017</u>	<u>2,138,036</u>	<u>25,374</u>	<u>48,084,731</u>
Net book value	<u>\$ 136,232,098</u>	<u>\$ 65,749,791</u>	<u>\$ 4,285,120</u>	<u>\$ 70,185,174</u>	<u>\$ 132,071,861</u>

Note 4: Long-term Liabilities

Long-term liabilities of Athletics consisted of the following at June 30, 2019:

Internal administrative loan payable in the amount of \$4,000,000 due to the University of Wyoming in annual principal and interest installments of \$400,000 in the year ended June 30, 2016, and \$450,000 each year thereafter, through June 30, 2025, interest bearing 2.5% secured by equipment, as of June 30, 2019

\$ 2,492,775

University of Wyoming
Intercollegiate Athletics Program
Notes to the Statement of Revenues and Expenses
Year Ended June 30, 2019
(Unaudited)

Aggregate maturities required on the long-term liability as of June 30, 2019 are as follows:

2020	\$	387,681
2021		397,373
2022		407,307
2023		417,490
2024		427,927
Thereafter		<u>454,997</u>
	<u>\$</u>	<u>2,492,775</u>

The University of Wyoming's debt is comprised of revenue bonds totaling \$77,950,128 and capital leases of \$3,822,938.

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

Single Audit Reports and Schedule of Expenditures of Federal Awards

June 30, 2019

University of Wyoming
(A Component Unit of the State of Wyoming)
June 30, 2019

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Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned by Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total	
DEPARTMENT OF AGRICULTURE										
AGRICULTURAL RESEARCH_BASIC AND APPLIED RESEARCH	10.001					\$193,156	\$224,527	RESEARCH AND DEVELOPMENT	\$50,162,202	
			SOUTH DAKOTA STATE UNIVERSITY	3TF612						
			SOUTH DAKOTA STATE UNIVERSITY	3TM612						
AGRICULTURAL RESEARCH_BASIC AND APPLIED RESEARCH	10.001		SOUTH DAKOTA STATE UNIVERSITY	3TP612	\$6,091	\$20,036	\$224,527	RESEARCH AND DEVELOPMENT	\$50,162,202	
AGRICULTURAL RESEARCH_BASIC AND APPLIED RESEARCH	10.001		SOUTH DAKOTA STATE UNIVERSITY	3TQ612	\$7,980	\$11,335	\$224,527	N/A	\$0	
PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	10.025					\$256,884	\$256,884	RESEARCH AND DEVELOPMENT	\$50,162,202	
WILDLIFE SERVICES	10.028					\$5,656	\$5,656	RESEARCH AND DEVELOPMENT	\$50,162,202	
FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM	10.156					\$14,247	\$14,247	RESEARCH AND DEVELOPMENT	\$50,162,202	
			WY DEPARTMENT OF AGRICULTURE	22916PD001						
			WY DEPARTMENT OF AGRICULTURE	04262017REV001						
			WY DEPARTMENT OF AGRICULTURE	04262017REV002						
			WY DEPARTMENT OF AGRICULTURE	16-SCBGP-WY-0023						
			WY DEPARTMENT OF AGRICULTURE	04052018REV002						
			WY DEPARTMENT OF AGRICULTURE	04162018REV002						
			WY DEPARTMENT OF AGRICULTURE	04162018REV005						
			WY DEPARTMENT OF AGRICULTURE	04162018REV006						
			WY DEPARTMENT OF AGRICULTURE	06262018REV002						
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170		WY DEPARTMENT OF AGRICULTURE	02282019ACS001		\$91,531	\$153,025	RESEARCH AND DEVELOPMENT	\$50,162,202	
			WY DEPARTMENT OF AGRICULTURE	6916PD002						
			WY DEPARTMENT OF AGRICULTURE	021616J02						
			WY DEPARTMENT OF AGRICULTURE	16-SCBGP-WY-0023						
			WY DEPARTMENT OF AGRICULTURE	02152018REV001						
			WY DEPARTMENT OF AGRICULTURE	04162018REV001						
			WY DEPARTMENT OF AGRICULTURE	04162018REV003						
			WY DEPARTMENT OF AGRICULTURE	04162018REV004						
			WY DEPARTMENT OF AGRICULTURE	04172018REV002		\$61,494	\$153,025	N/A	\$0	
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170					\$275,464	\$275,464	RESEARCH AND DEVELOPMENT	\$50,162,202	
COOPERATIVE FORESTRY RESEARCH	10.202									
PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE HATCH ACT	10.203					\$1,308,065	\$1,308,065	RESEARCH AND DEVELOPMENT	\$50,162,202	
ANIMAL HEALTH AND DISEASE RESEARCH	10.207					\$32,339	\$32,339	RESEARCH AND DEVELOPMENT	\$50,162,202	
			UTAH STATE UNIVERSITY	120833035						
			UTAH STATE UNIVERSITY	200592-441						
			UTAH STATE UNIVERSITY	201207-513						
			UTAH STATE UNIVERSITY	201207-544						
			UTAH STATE UNIVERSITY	201207-594		\$86,615	\$222,321	RESEARCH AND DEVELOPMENT	\$50,162,202	
			UTAH STATE UNIVERSITY	140867009-354						
			UTAH STATE UNIVERSITY	140867061-132						
			UTAH STATE UNIVERSITY	150893-00001-226						
			UTAH STATE UNIVERSITY	150893-00001-231						
			UTAH STATE UNIVERSITY	201207-486						
			UTAH STATE UNIVERSITY	200592-486		\$8,231	\$135,706	\$222,321	N/A	\$0
SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION	10.215									
AGRICULTURAL AND RURAL ECONOMIC RESEARCH, COOPERATIVE AGREEMENTS AND COLLABORATIONS	10.250		UNIVERSITY OF DELAWARE	59-6000-4-0064		\$9,953	\$9,953	RESEARCH AND DEVELOPMENT	\$50,162,202	
INTEGRATED PROGRAMS	10.303		COLORADO STATE UNIVERSITY	G-13521-2		\$149	\$149	RESEARCH AND DEVELOPMENT	\$50,162,202	
HOMELAND SECURITY_AGRICULTURAL	10.304					\$88,348	\$96,960	RESEARCH AND DEVELOPMENT	\$50,162,202	
HOMELAND SECURITY_AGRICULTURAL	10.304		KANSAS STATE UNIVERISTY	517051		\$8,612	\$96,960	N/A	\$0	
ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE	10.307					\$69,530	\$97,336	RESEARCH AND DEVELOPMENT	\$50,162,202	
ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE	10.307		UTAH STATE UNIVERSITY	14082301		\$27,806	\$97,336	RESEARCH AND DEVELOPMENT	\$50,162,202	

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI)	10.310		COLORADO STATE UNIVERSITY	G-91600-1		\$173,614	\$428,077	RESEARCH AND DEVELOPMENT	\$50,162,202
AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI)	10.310		COLORADO STATE UNIVERSITY	136673		\$3,535	\$428,077	RESEARCH AND DEVELOPMENT	\$50,162,202
AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI)	10.310		MONTANA STATE UNIVERSITY	G104-16-WS256	\$57,890	\$249,004	\$428,077	RESEARCH AND DEVELOPMENT	\$50,162,202
AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI)	10.310		UNIVERSITY OF TENNESSEE, KNOXVILLE	09252017REV001		\$1,924	\$428,077	N/A	\$0
CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS PROGRAM	10.329		MONTANA STATE UNIVERSITY	G205-17-W6336		\$94,467	\$219,878	RESEARCH AND DEVELOPMENT	\$50,162,202
CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS PROGRAM	10.329					\$125,411	\$219,878	RESEARCH AND DEVELOPMENT	\$50,162,202
ALFALFA AND FORAGE RESEARCH PROGRAM	10.330				\$72,781	\$142,948	\$142,948	RESEARCH AND DEVELOPMENT	\$50,162,202
CROP INSURANCE EDUCATION IN TARGETED STATES	10.458				\$114,964	\$239,555	\$239,555	N/A	\$0
COOPERATIVE EXTENSION SERVICE	10.500				-\$11,665	\$1,187,379	\$1,307,980	RESEARCH AND DEVELOPMENT	\$50,162,202
COOPERATIVE EXTENSION SERVICE	10.500		UTAH STATE UNIVERSITY	130677012		\$1,544	\$1,307,980	RESEARCH AND DEVELOPMENT	\$50,162,202
COOPERATIVE EXTENSION SERVICE	10.500		KANSAS STATE UNIVERSITY	10312017				N/A	\$0
COOPERATIVE EXTENSION SERVICE	10.500		KANSAS STATE UNIVERSITY	S19107		\$18,716	\$1,307,980	N/A	\$0
COOPERATIVE EXTENSION SERVICE	10.500					\$100,341	\$1,307,980	N/A	\$0
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.551		WY DEPARTMENT OF FAMILY SERVICES	10072017J01		\$487,851	\$487,851	SNAP CLUSTER	\$487,851
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561		WY DEPARTMENT OF FAMILY SERVICES	09122018REV003		\$1,142,121	\$1,142,121	RESEARCH AND DEVELOPMENT	\$50,162,202
FOREST HEALTH PROTECTION	10.680					\$2,798	\$2,798	RESEARCH AND DEVELOPMENT	\$50,162,202
NORMAN E. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP	10.777					\$16,824	\$16,824	RESEARCH AND DEVELOPMENT	\$50,162,202
SOIL AND WATER CONSERVATION	10.902					\$271,476	\$286,476	RESEARCH AND DEVELOPMENT	\$50,162,202
SOIL AND WATER CONSERVATION	10.902					\$15,000	\$286,476	N/A	\$0
SOIL SURVEY	10.903					\$177,533	\$177,533	RESEARCH AND DEVELOPMENT	\$50,162,202
CONSERVATION STEWARDSHIP PROGRAM	10.924					\$34,875	\$34,875	N/A	\$0
SUSTAINABLE RANGELANDS ROUNDTABLE 2015	10.RD	15-CS-11132421-157				\$56,405	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
COMPARING THE UTILITY OF EDNA AND VISUAL ENCOUNTER SURVEYS FOR AMPHIBIAN MONITORING	10.RD	15-CS-11020603-015				\$7,858	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
SYNTHESIS AND MODELING OF CONIFER FOREST REGENERATION AFTER MOUNTAIN PINE BEETLE EPIDEMICS	10.RD	14-JV-1221634-103				\$80	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
FEN INVENTORY PROJECT	10.RD	15-CS-11021400-011				\$17,247	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
USFS THUNDER BASIN PRAIRIE DOG SITUATION ASSESSMENT	10.RD	15-CS-11020609-027				\$491	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
TRACING POLLUTION SOURCES AND POLLUTION HOTSPOTS WITH NITROGEN ISOTOPEs	10.RD	16-CS-11011100-002				\$267	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
RARE PLANT WORK ON THE BIGHORN NATIONAL FOREST 2016 AND 2017	10.RD	16-CS-11020200-026				-\$1,069	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
EXTENT OF YELLOWSTONE CUTTHROAT TROUT HYBRIDIZATION WITH RAINBOW TROUT IN THE NORTH FORK SHOSHONE RIVER	10.RD	17-CS-11021400-012				\$719	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
COLUMBIAN SHARP-TAILED GROUSE LIFE HISTORY AND HABITAT USE INVESTIGATIONS	10.RD	17-CS-11020600-013				\$9,598	\$91,596	RESEARCH AND DEVELOPMENT	\$50,162,202
USFS R2 DATA-WYOMING RARE SPECIES CONSERVATION PARTNERSHIP	10.U01	16-CS-11020000-049					\$10,912	N/A	\$0
INTEGRATED MONITORING IN BIRD CONSERVATION REGIONS IN WYOMING	10.U02	18-CS-11020000-035				\$20,330	\$20,330	N/A	\$0
PRIORITY SPECIES INVENTORY PROJECT	10.U03	15-CS-11020200-021				\$874	\$874	N/A	\$0
BROAD SCALE FLORISTIC INVENTORY OF THE CLEARWATER UNIT OF THE NEZ PERCE-CLEARWATER NATIONAL FOREST, IDAHO	10.U04	15-CS-11011700-048				\$72	\$72	N/A	\$0
BLACK HILLS FOREST ARCHAEOLOGICAL REPOSITORY CURATORIAL SERVICES	10.U05	16-CS-11020300-055				\$7,890	\$7,890	N/A	\$0
BIGHORN NATIONAL FOREST EAST TENSLEEP CREEK TRAIL CONSTRUCTION	10.U06	16-PA-11020200-009				\$64	\$64	N/A	\$0
REGIONAL LODGEPOLE PINE COMMUNITY STUDY	10.U07	17-CS-11020000-038				\$3,878	\$3,878	N/A	\$0
SHOSHONE NATIONAL FOREST: MIDDLE FORK STOCK BYPASS NEW TRAIL CONSTRUCTION PART II	10.U08	18-PA-11021400-004				\$17,198	\$17,198	N/A	\$0
BIGHORN CANYON EDELMAN TRAIL 025 REROUTE PROJECT	10.U09	18-PA-11020200-012				\$12,526	\$12,526	N/A	\$0
MEDICINE BOW NATIONAL FOREST: BRUSH CREEK/HAYDEN RANGER DISTRICT TRAIL MAINTENANCE	10.U10	18-PA-11020602-027				\$21,833	\$21,833	N/A	\$0
THE RUCKELSHAUS INSTITUTE: FACILITATION TRAINING SESSIONS TO BUILD COLLABORATIVE CAPACITY	10.U11	17-CS-11020000-060				\$3,806	\$3,806	N/A	\$0
CONTENT AND PRINTING OF WYOMING THISTLE FIELD GUIDE	10.U12	18-CS-11020000-027				\$2,493	\$2,493	N/A	\$0
BRIDGER TETON NATIONAL FOREST CAMPGROUND FENCING	10.U13	18-PA-11040303-071				\$12,285	\$12,285	N/A	\$0
MEDICINE BOW NATIONAL FOREST TRAIL MAINTENANCE AND REROUTES	10.U14	18-PA-11020600-045				\$6,470	\$6,470	N/A	\$0
SCIENCE SYNTHESIS OF DISEASE TRANSMISSION AND ITS IMPACT ON BIGHORN SHEEP POPULATIONS	10.U15	18-JV-11221635-181				\$4,305	\$4,305	N/A	\$0
MOVEMENTS AND SPACE-USE OF FERRUGINOUS HAWKS IN WYOMING OIL AND GAS FIELDS	10.U16	18-JV-11221635-189				\$8,000	\$8,000	N/A	\$0
SO AGR CURATORIAL SERVICES AND DATABASE UPGRADE	10.U17	18-CS-11020300-034				\$8,260	\$8,260	N/A	\$0
TOTAL DEPARTMENT OF AGRICULTURE						\$256,272	\$7,416,634		

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF COMMERCE									
ECONOMIC DEVELOPMENT_TECHNICAL ASSISTANCE	11.303					\$19,200	\$19,200	N/A	\$0
APPLIED METEOROLOGICAL RESEARCH	11.468					\$3,309	\$3,309	RESEARCH AND DEVELOPMENT	\$50,162,202
CENTER FOR SPONSORED COASTAL OCEAN RESEARCH_COASTAL OCEAN PROGRAM	11.478				\$27,904	\$77,702	\$77,702	RESEARCH AND DEVELOPMENT	\$50,162,202
MANUFACTURING EXTENSION PARTNERSHIP	11.611					-\$47,938	-\$47,938	N/A	\$0
TOTAL DEPARTMENT OF COMMERCE					\$27,904	\$52,273			
DEPARTMENT OF DEFENSE									
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS	12.002					\$144,081	\$144,081	N/A	\$0
BASIC AND APPLIED SCIENTIFIC RESEARCH	12.300					\$151,364	\$151,364	RESEARCH AND DEVELOPMENT	\$50,162,202
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420		3M COMPANY (CANADA)	W81XWH-15-2-0048	-\$24,382	-\$9,613	-\$9,854	RESEARCH AND DEVELOPMENT	\$50,162,202
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420					-\$241	-\$9,854	RESEARCH AND DEVELOPMENT	\$50,162,202
BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND ENGINEERING	12.630					\$104,375	\$113,352	RESEARCH AND DEVELOPMENT	\$50,162,202
BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND ENGINEERING	12.630		NATIONAL SCIENCE TEACHERS ASSOCIATION	19-871-042		\$8,977	\$113,352	N/A	\$0
LANGUAGE GRANT PROGRAM	12.900					\$96,401	\$96,401	N/A	\$0
GENCYBER GRANTS PROGRAM	12.903					\$51,841	\$57,102	RESEARCH AND DEVELOPMENT	\$50,162,202
GENCYBER GRANTS PROGRAM	12.903					\$5,261	\$57,102	N/A	\$0
RESEARCH AND TECHNOLOGY DEVELOPMENT	12.910					\$11,244	\$11,244	RESEARCH AND DEVELOPMENT	\$50,162,202
SEED DISPERSAL NETWORKS AND NOVEL ECOSYSTEM FUNCTION IN HAWAII	12.RD	15-043	UNIVERSITY OF NEW HAMPSHIRE	15-043		\$26,687	\$26,687	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL DEPARTMENT OF DEFENSE					-\$24,382	\$590,377			
DEPARTMENT OF THE INTERIOR									
AGRICULTURE ON INDIAN LANDS	15.034					\$141,521	\$141,521	RESEARCH AND DEVELOPMENT	\$50,162,202
CULTURAL RESOURCE MANAGEMENT	15.224					\$13,201	\$57,732	RESEARCH AND DEVELOPMENT	\$50,162,202
CULTURAL RESOURCE MANAGEMENT	15.224					\$44,531	\$57,732	N/A	\$0
WILD HORSE AND BURRO RESOURCE MANAGEMENT	15.229					\$235	\$235	RESEARCH AND DEVELOPMENT	\$50,162,202
FISH, WILDLIFE AND PLANT CONSERVATION RESOURCE MANAGEMENT	15.231					\$946,260	\$989,634	RESEARCH AND DEVELOPMENT	\$50,162,202
FISH, WILDLIFE AND PLANT CONSERVATION RESOURCE MANAGEMENT	15.231		WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES	SBSI-C-18-01		\$38,331	\$989,634	RESEARCH AND DEVELOPMENT	\$50,162,202
FISH, WILDLIFE AND PLANT CONSERVATION RESOURCE MANAGEMENT	15.231					\$5,043	\$989,634	N/A	\$0
WILDLAND FIRE RESEARCH AND STUDIES PROGRAM	15.232					-\$404	\$1,240	RESEARCH AND DEVELOPMENT	\$50,162,202
WILDLAND FIRE RESEARCH AND STUDIES PROGRAM	15.232		COLORADO STATE UNIVERSITY	G-09352-2		\$1,644	\$1,240	RESEARCH AND DEVELOPMENT	\$50,162,202
ENVIRONMENTAL QUALITY AND PROTECTION RESOURCE MANAGEMENT	15.236					-\$93	\$41,350	RESEARCH AND DEVELOPMENT	\$50,162,202
ENVIRONMENTAL QUALITY AND PROTECTION RESOURCE MANAGEMENT	15.236					\$41,443	\$41,350	N/A	\$0
RANGELAND RESOURCE MANAGEMENT	15.237					-\$324	\$21,995	RESEARCH AND DEVELOPMENT	\$50,162,202
RANGELAND RESOURCE MANAGEMENT	15.237					\$22,319	\$21,995	N/A	\$0
CHALLENGE COST SHARE	15.238					\$21,213	\$21,213	RESEARCH AND DEVELOPMENT	\$50,162,202
FISHERIES AND AQUATIC RESOURCES MANAGEMENT	15.244		WY STATE PARKS AND CULTURAL RESOURCES	01132017J01		\$65,200	\$65,200	N/A	\$0
ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM	15.252		WY DEPARTMENT OF ENVIRONMENTAL QUALITY	061712SA7		\$149,130	\$811,921	RESEARCH AND DEVELOPMENT	\$50,162,202
ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM	15.252		WY DEPARTMENT OF ENVIRONMENTAL QUALITY	092211SA1		\$662,791	\$811,921	N/A	\$0
ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM	15.252		WY DEPARTMENT OF ENVIRONMENTAL QUALITY	61416PD001		\$56,235	\$56,235	RESEARCH AND DEVELOPMENT	\$50,162,202
WATER DESALINATION RESEARCH AND DEVELOPMENT PROGRAM	15.506					\$12,237	\$12,237	RESEARCH AND DEVELOPMENT	\$50,162,202
CULTURAL RESOURCES MANAGEMENT	15.511								
SPORT FISH RESTORATION PROGRAM	15.605		WY GAME AND FISH DEPARTMENT	2246					
SPORT FISH RESTORATION PROGRAM	15.605		WY GAME AND FISH DEPARTMENT	2823					
SPORT FISH RESTORATION PROGRAM	15.605		WY GAME AND FISH DEPARTMENT	2633		\$119,544	\$119,478	RESEARCH AND DEVELOPMENT	\$50,162,202
SPORT FISH RESTORATION PROGRAM	15.605		WY GAME AND FISH DEPARTMENT	2247		-\$66	\$119,478	FISH AND WILDLIFE CLUSTER	\$39,441
FISH AND WILDLIFE MANAGEMENT ASSISTANCE	15.608		UNIVERSITY OF NEVADA - RENO	UNR-17-45		-\$2,773	\$127,419	RESEARCH AND DEVELOPMENT	\$50,162,202
FISH AND WILDLIFE MANAGEMENT ASSISTANCE	15.608					\$117,800	\$127,419	RESEARCH AND DEVELOPMENT	\$50,162,202
FISH AND WILDLIFE MANAGEMENT ASSISTANCE	15.608		WY GAME AND FISH DEPARTMENT	2238		\$6,846	\$127,419	N/A	\$0

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WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611		WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT	2066 2067 2364		\$78,989	\$724,951	RESEARCH AND DEVELOPMENT	\$50,162,202
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611		WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT	2581 2595 2632 2641 2830 2854 2865 2915 2972		\$606,455	\$724,951	RESEARCH AND DEVELOPMENT	\$50,162,202
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611		CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE	P1580002		\$22,611	\$724,951	FISH AND WILDLIFE CLUSTER	\$39,441
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611		WY GAME AND FISH DEPARTMENT	2821		\$16,896	\$724,951	FISH AND WILDLIFE CLUSTER	\$39,441
WILDLIFE CONSERVATION AND RESTORATION	15.625		WY GAME AND FISH DEPARTMENT	2525		\$24,694	\$24,694	N/A	\$0
STATE WILDLIFE GRANTS	15.634		WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT	2266 2267 2265		\$7,960	\$574,033	RESEARCH AND DEVELOPMENT	\$50,162,202
STATE WILDLIFE GRANTS	15.634		WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT	2479 2445 2629 2630 2653 2759 2826 2827 2899		\$527,148	\$574,033	RESEARCH AND DEVELOPMENT	\$50,162,202
STATE WILDLIFE GRANTS	15.634		NEW MEXICO DEPARTMENT OF GAME AND FISH	51600-0000063733		\$5,565	\$574,033	N/A	\$0
STATE WILDLIFE GRANTS	15.634		WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT WY GAME AND FISH DEPARTMENT	1004106 2905 075C0406674		\$33,360	\$574,033	N/A	\$0
SERVICE TRAINING AND TECHNICAL ASSISTANCE (GENERIC TRAINING)	15.649					\$2,928	\$2,928	N/A	\$0
MIGRATORY BIRD MONITORING, ASSESSMENT AND CONSERVATION	15.655					\$12,696	\$12,696	N/A	\$0
ADAPTIVE SCIENCE	15.670					\$21,925	\$24,355	RESEARCH AND DEVELOPMENT	\$50,162,202
ADAPTIVE SCIENCE	15.670		WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES	SBSI-C-17-06		\$2,430	\$24,355	RESEARCH AND DEVELOPMENT	\$50,162,202
COOPERATIVE ECOSYSTEM STUDIES UNITS	15.678					\$12,478	\$12,478	RESEARCH AND DEVELOPMENT	\$50,162,202
ASSISTANCE TO STATE WATER RESOURCES RESEARCH INSTITUTES	15.805				\$20,947	\$114,404	\$114,404	RESEARCH AND DEVELOPMENT	\$50,162,202
U.S. GEOLOGICAL SURVEY RESEARCH AND DATA COLLECTION	15.808					\$105,459	\$105,459	RESEARCH AND DEVELOPMENT	\$50,162,202
NATIONAL COOPERATIVE GEOLOGIC MAPPING PROGRAM	15.810					\$1,184	\$1,119	RESEARCH AND DEVELOPMENT	\$50,162,202
NATIONAL COOPERATIVE GEOLOGIC MAPPING PROGRAM	15.810		WY STATE GEOLOGICAL SURVEY	11282017REV001		-\$65	\$1,119	N/A	\$0
COOPERATIVE RESEARCH UNITS PROGRAM	15.812					\$344,534	\$344,534	RESEARCH AND DEVELOPMENT	\$50,162,202

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NATIONAL LAND REMOTE SENSING_ EDUCATION OUTREACH AND RESEARCH	15.815		AMERICA VIEW, INC	AV18-WY-01		\$13,151	\$13,151	N/A	\$0
COOPERATIVE RESEARCH AND TRAINING PROGRAMS D RESOURCES OF THE NATIONAL PARK SYSTEM	15.945				\$22,529	\$328,477	\$345,392	RESEARCH AND DEVELOPMENT	\$50,162,202
COOPERATIVE RESEARCH AND TRAINING PROGRAMS D RESOURCES OF THE NATIONAL PARK SYSTEM	15.945					\$16,915	\$345,392	N/A	\$0
POTENTIAL POPULATION SIZE OF SIERRA NEVADA BIGHORN SHEEP	15.RD	P1560014	CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE	P1560014		\$100,304	\$100,181	RESEARCH AND DEVELOPMENT	\$50,162,202
DEVELOPING AN INVENTORY AND MONITORING FRAMEWORK OF HEBACEOUS RIPARIAN WETLANDS	15.RD	L16PX01385				-\$123	\$100,181	RESEARCH AND DEVELOPMENT	\$50,162,202
SOCIOECONOMIC REPORTS FOR BLM CASPER FIELD OFFICE AND BLM ARIZONA COLORADO RIVER DISTRICT	15.U01	L14PX01859				-\$2,169	-\$2,169	N/A	\$0
TOTAL DEPARTMENT OF THE INTERIOR						<u>\$43,476</u>	<u>\$4,865,616</u>		
DEPARTMENT OF JUSTICE									
STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	16.550					\$33,409	\$33,409	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE							<u>\$33,409</u>		
DEPARTMENT OF STATE									
ACADEMIC EXCHANGE PROGRAMS - GRADUATE STUDENTS	19.400		AMERICA-MIDEAST EDUCATIONAL AND TRAINING SERVICES, INC.	20320-19		\$5,668	\$5,668	N/A	\$0
PROFESSIONAL AND CULTURAL EXCHANGE PROGRAMS - CITIZEN EXCHANGES	19.415		BALL STATE UNIVERSITY	05182018REV001		\$5,490	\$5,490	N/A	\$0
TOTAL DEPARTMENT OF STATE							<u>\$11,158</u>		
DEPARTMENT OF TRANSPORTATION									
HIGHWAY RESEARCH AND DEVELOPMENT PROGRAM	20.200		WY DEPARTMENT OF TRANSPORTATION	091916JJ03		\$112,550	\$112,550	RESEARCH AND DEVELOPMENT	\$50,162,202
			WY DEPARTMENT OF TRANSPORTATION	091916JJ02					
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION	RS07216					
			WY DEPARTMENT OF TRANSPORTATION	RS06216					
			WY DEPARTMENT OF TRANSPORTATION	RS08216					
			WY DEPARTMENT OF TRANSPORTATION	RS02217					
			WY DEPARTMENT OF TRANSPORTATION	LTAP0217					
			WY DEPARTMENT OF TRANSPORTATION	RS01217					
			WY DEPARTMENT OF TRANSPORTATION	RS03217					
			WY DEPARTMENT OF TRANSPORTATION	RS06217					
			WY DEPARTMENT OF TRANSPORTATION	RS09217					
HIGHWAY PLANNING AND CONSTRUCTION	20.205		WY DEPARTMENT OF TRANSPORTATION	RS08217		\$392,168	\$1,104,171	RESEARCH AND DEVELOPMENT	\$50,162,202

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			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION	RS02218					
			WY DEPARTMENT OF TRANSPORTATION	RS06218					
			WY DEPARTMENT OF TRANSPORTATION	RS03218					
			WY DEPARTMENT OF TRANSPORTATION	RS08218					
			WY DEPARTMENT OF TRANSPORTATION	RS09218					
			WY DEPARTMENT OF TRANSPORTATION	RS02219					
			WY DEPARTMENT OF TRANSPORTATION	RS03219					
			WY DEPARTMENT OF TRANSPORTATION	LTAP0219					
			WY DEPARTMENT OF TRANSPORTATION	RS01219					
HIGHWAY PLANNING AND CONSTRUCTION	20.205		WY DEPARTMENT OF TRANSPORTATION	RS05219		\$322,720	\$1,104,171	RESEARCH AND DEVELOPMENT	\$50,162,202
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION						
			WY DEPARTMENT OF TRANSPORTATION	RS05214					
			WY DEPARTMENT OF TRANSPORTATION	HRRR018					
			WY DEPARTMENT OF TRANSPORTATION	01032018REV001					
			WY DEPARTMENT OF TRANSPORTATION	LTAP0218					
HIGHWAY PLANNING AND CONSTRUCTION	20.205		WY DEPARTMENT OF TRANSPORTATION	RS04218		\$389,283	\$1,104,171	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$389,283
HIGHWAY TRAINING AND EDUCATION	20.215		WY DEPARTMENT OF TRANSPORTATION	HRRR019		\$21,658	\$21,658	RESEARCH AND DEVELOPMENT	\$50,162,202
			WY DEPARTMENT OF TRANSPORTATION						
FORMULA GRANTS FOR RURAL AREAS	20.509		WY DEPARTMENT OF TRANSPORTATION	5311-18-TA-02					
			WY DEPARTMENT OF TRANSPORTATION	5311-19-FTA-02		\$1,350,185	\$1,350,185	N/A	\$0
			WY DEPARTMENT OF TRANSPORTATION						
STATE PLANNING AND RESEARCH	20.515		WY DEPARTMENT OF TRANSPORTATION	5304-18-FTA-63					
			WY DEPARTMENT OF TRANSPORTATION	112108UW3		\$138,274	\$138,274	N/A	\$0
			WY ASSOCIATION OF SHERIFFS AND CHIEFS OF POLICE						
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		WY ASSOCIATION OF SHERIFFS AND CHIEFS OF POLICE	11292017REV002		\$5,976	\$5,976	HIGHWAY SAFETY CLUSTER	\$5,976
			WY ASSOCIATION OF SHERIFFS AND CHIEFS OF POLICE	DUI - 405D - 20.616					
			NORTH DAKOTA STATE UNIVERSITY	DTRT113-G-UTC38					
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		NORTH DAKOTA STATE UNIVERSITY	FAR0023136		\$166,022	\$166,022	RESEARCH AND DEVELOPMENT	\$50,162,202
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703		WY OFFICE OF HOMELAND SECURITY	HM-HMP-0562-16-01-00		\$28,846	\$37,055	RESEARCH AND DEVELOPMENT	\$50,162,202
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703		WY OFFICE OF HOMELAND SECURITY	HM-HMP-0562-16-01-00		\$8,209	\$37,055	N/A	\$0
TOTAL DEPARTMENT OF TRANSPORTATION						\$2,935,891			
NATIONAL AERONAUTICS & SPACE ADMINISTRATION									
			JET PROPULSION LABORATORY	1536285					
SCIENCE	43.001		JET PROPULSION LABORATORY	1607989		\$108,132	\$861,653	RESEARCH AND DEVELOPMENT	\$50,162,202
			JET PROPULSION LABORATORY			\$24,050	\$861,653	RESEARCH AND DEVELOPMENT	\$50,162,202
SCIENCE	43.001		PLANETARY SCIENCE INSTITUTE	1443		\$19,625	\$861,653	RESEARCH AND DEVELOPMENT	\$50,162,202
			SMITHSONIAN ASTROPHYSICAL OBSERVATORY	G09-20107X		\$2,800	\$861,653	RESEARCH AND DEVELOPMENT	\$50,162,202
SCIENCE	43.001		UNIVERSITY OF COLORADO, BOULDER	1554876		\$37,582	\$861,653	RESEARCH AND DEVELOPMENT	\$50,162,202
			PACIFIC SCIENCE CENTER FOUNDATION	2018-1048E		\$24,998	\$861,653	N/A	\$0
			INSTITUTE OF MUSEUM & LIBRARY SERVICES	A18-0139-S003					
AERONAUTICS	43.002					\$358,613	\$639,722	RESEARCH AND DEVELOPMENT	\$50,162,202
AERONAUTICS	43.002				\$136,479	\$281,109	\$639,722	RESEARCH AND DEVELOPMENT	\$50,162,202
EDUCATION	43.008					\$384,830	\$1,227,974	RESEARCH AND DEVELOPMENT	\$50,162,202

Federal Awarding Agency/Program Title	Federal CFDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned By Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
EDUCATION	43.008					\$843,144	\$1,227,974	N/A	\$0
GEOGRAPHICALLY DISTRIBUTED CITIZEN SCIENTIST TRAINING FOR THE 2017 CITIZEN CATE EXPERIMENT	43.RD	N67286C-N	ASSOCIATION OF UNIVERSITIES FOR RESEARCH AND ASTRONOMY	N67286C-N		\$197	\$28,931	RESEARCH AND DEVELOPMENT	\$50,162,202
UNVEILING HIDDEN BLACK HOLES IN THE COSMIC WEB: DARK MATTER HALOS OF WISE QUASARS FROM PLANCK CMB LENSING	43.RD	R920	DARTMOUTH COLLEGE	R920		\$15,358	\$28,931	RESEARCH AND DEVELOPMENT	\$50,162,202
THE YOUNG STAR GROUPS IN DWARF GALAXIES	43.RD	HST-AR-14285.002-A	SPACE TELESCOPE SCIENCE INSTITUTE	HST-AR-14285.002-A		\$13,376	\$28,931	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION						\$160,529	\$2,758,280		
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES									
PROMOTION OF THE ARTS, PARTNERSHIP AGREEMENTS	45.025		WY ARTS COUNCIL	10102017REV001		\$16,793	\$16,793	N/A	\$0
PROMOTION OF THE HUMANITIES, CHALLENGE GRANTS	45.130		WY ARTS COUNCIL	11132017REV001		\$7,931	\$7,931	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES									
							\$24,724		
NATIONAL SCIENCE FOUNDATION									
ENGINEERING GRANTS	47.041		UNIVERSITY OF COLORADO	PO 1001022908		\$4,452	\$1,525,863	RESEARCH AND DEVELOPMENT	\$50,162,202
ENGINEERING GRANTS	47.041		UNIVERSITY OF COLORADO	PO 1000902001	\$35,696	\$1,470,186	\$1,525,863	RESEARCH AND DEVELOPMENT	\$50,162,202
ENGINEERING GRANTS	47.041		UNIVERSITY OF UTAH	10040381-UW		\$51,225	\$1,525,863	RESEARCH AND DEVELOPMENT	\$50,162,202
MATHEMATICAL AND PHYSICAL SCIENCES	47.049		CARNEGIE MELLON UNIVERSITY	1122454-373099		\$25,592	\$1,020,388	RESEARCH AND DEVELOPMENT	\$50,162,202
MATHEMATICAL AND PHYSICAL SCIENCES	47.049		NATIONAL RADIO ASTRONOMY OBSERVATORY	12152017REV001		\$9,873	\$1,020,388	RESEARCH AND DEVELOPMENT	\$50,162,202
MATHEMATICAL AND PHYSICAL SCIENCES	47.049					\$984,923	\$1,020,388	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		UNIVERSITY OF CALIFORNIA	F100GRA293/EAR-1331939-UWYO		\$27,906	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		COLUMBIA UNIVERSITY	25(GG00393)		\$21,251	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		CUAHSI	1338606-09		\$30,983	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		INCORPORATED RESEARCH INSTITUTIONS FOR SEISMOLOGY (IRIS)	SU-19-1001-00-UWY		\$15,634	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		JOHN HOPKINS UNIVERSITY	2003371899		\$12,881	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		NATIONAL CENTER FOR ATMOSPHERIC RESEARCH	Z15-16886		\$90,627	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050				\$21,302	\$3,990,066	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOSCIENCES	47.050		UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN	091955-17276		\$17,575	\$4,206,923	RESEARCH AND DEVELOPMENT	\$50,162,202
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070		CARNEGIE MELLON UNIVERSITY	1122007-370694		\$6,273	\$406,467	RESEARCH AND DEVELOPMENT	\$50,162,202
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070					\$400,194	\$406,467	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOLOGICAL SCIENCES	47.074		COLD SPRING HARBOR LABORATORY	920728-SV / 52160113 / 213 / 413		\$43,934	\$2,265,587	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOLOGICAL SCIENCES	47.074				\$470,556	\$2,221,575	\$2,265,587	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOLOGICAL SCIENCES	47.074		TERESA TIBBETTS	082905UW1		\$78	\$2,265,587	RESEARCH AND DEVELOPMENT	\$50,162,202
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075		ESAL LLC	11012017REV002		\$28,651	\$179,548	RESEARCH AND DEVELOPMENT	\$50,162,202
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075					\$150,897	\$179,548	RESEARCH AND DEVELOPMENT	\$50,162,202
EDUCATION AND HUMAN RESOURCES	47.076		COLORADO STATE UNIVERSITY	G-46373-13		\$25,414	\$1,528,742	RESEARCH AND DEVELOPMENT	\$50,162,202
EDUCATION AND HUMAN RESOURCES	47.076				\$112,297	\$1,283,378	\$1,528,742	RESEARCH AND DEVELOPMENT	\$50,162,202
EDUCATION AND HUMAN RESOURCES	47.076		SAN FRANCISCO STATE UNIVERSITY	S18-0005		\$32,766	\$1,528,742	RESEARCH AND DEVELOPMENT	\$50,162,202
EDUCATION AND HUMAN RESOURCES	47.076		TEMPLE UNIVERSITY	259858-UWY		\$187,184	\$1,528,742	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTERNATIONAL SCIENCE AND ENGINEERING	47.079					-\$3,192	-\$3,192	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTEGRATIVE ACTIVITIES	47.083		BOISE STATE UNIVERSITY	8220-PO126529		\$46,453	\$4,176,777	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTEGRATIVE ACTIVITIES	47.083		JACKSON STATE UNIVERSITY	2016-633196UM		\$443,221	\$4,176,777	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTEGRATIVE ACTIVITIES	47.083		MONTANA STATE UNIVERSITY	G138-17-W6274		\$485,187	\$4,176,777	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTEGRATIVE ACTIVITIES	47.083				\$202,773	\$3,076,857	\$4,176,777	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF INTEGRATIVE ACTIVITIES	47.083		NORTH DAKOTA STATE UNIVERSITY	FAR0030276		\$125,059	\$4,176,777	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL NATIONAL SCIENCE FOUNDATION						\$842,624	\$15,307,103		
SMALL BUSINESS ADMINISTRATION									
SMALL BUSINESS DEVELOPMENT CENTERS	59.037					\$595,480	\$595,480	N/A	\$0
FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM	59.058					\$88,347	\$88,347	N/A	\$0

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TOTAL SMALL BUSINESS ADMINISTRATION							\$683,827		
DEPARTMENT OF VETERANS AFFAIRS									
VA ASSISTANCE TO UNITED STATES PARALYMPIC INTEGRATED ADAPTIVE SPORTS PROGRAM	64.034		ALBANY COUNTY ALBANY COUNTY	12062016REV001 11132018ABW001	\$26,191	\$35,175	\$35,175	N/A	\$0
TOTAL DEPARTMENT OF VETERANS AFFAIRS						\$26,191	\$35,175		
ENVIRONMENTAL PROTECTION AGENCY									
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	66.461					\$87,724	\$101,494	RESEARCH AND DEVELOPMENT	\$50,162,202
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	66.461					\$13,770	\$101,494	N/A	\$0
SCIENCE TO ACHIEVE RESULTS (STAR) RESEARCH PROGRAM	66.509					\$53,627	\$53,627	RESEARCH AND DEVELOPMENT	\$50,162,202
CONSOLIDATED PESTICIDE ENFORCEMENT COOPERATIVE AGREEMENTS RESEARCH, DEVELOPMENT, MONITORING, PUBLIC EDUCATION, TRAINING, DEMONSTRATIONS, AND STUDIES	66.700 66.716		EXTENSION FOUNDATION EXTENSION FOUNDATION	SA-2017-30 SA-2019-28		\$2,800 \$31,383	\$2,800 \$31,383	RESEARCH AND DEVELOPMENT N/A	\$50,162,202 \$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY							\$189,304		
DEPARTMENT OF ENERGY									
STATE ENERGY PROGRAM	81.041		WY BUSINESS COUNCIL	188245		\$3,930	\$3,930	N/A	\$0
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		ALPENGLOW INSTRUMENTS LLC	04242019ACS002		\$72,272	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049				\$87,620	\$1,852,036	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		KANSAS STATE UNIVERSITY	519174		\$910	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		STANFORD UNIVERSITY	61975355-135443		\$167,215	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		STATE UNIVERSITY OF NEW YORK	16-22		\$47,262	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		UNIVERSITY OF UTAH	10049491-WY		\$89,968	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		UNIVERSITY OF WASHINGTON, SEATTLE	UWSC10123		\$26,949	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		UT-BATTELLE LLC	4000145385		\$33,540	\$2,290,152	RESEARCH AND DEVELOPMENT	\$50,162,202
CONSERVATION RESEARCH AND DEVELOPMENT	81.086		WESTERN RESEARCH INSTITUTE	UW17-10G663		\$48,706	\$48,706	RESEARCH AND DEVELOPMENT	\$50,162,202
RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	81.087				\$34,944	\$50,319	\$537,072	RESEARCH AND DEVELOPMENT	\$50,162,202
RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	81.087		WEST VIRGINIA UNIVERSITY	10-733-UW-2		\$486,753	\$537,072	RESEARCH AND DEVELOPMENT	\$50,162,202
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089		BATTELLE ENERGY ALLIANCE	202612		\$84,462	\$5,854,327	RESEARCH AND DEVELOPMENT	\$50,162,202
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089		PENNSYLVANIA STATE UNIVERSITY	5526-UW-DOE-6825	\$3,986,601	\$5,411,462	\$5,854,327	RESEARCH AND DEVELOPMENT	\$50,162,202
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089					\$891	\$5,854,327	RESEARCH AND DEVELOPMENT	\$50,162,202
FOSSIL ENERGY RESEARCH AND DEVELOPMENT NUCLEAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION	81.121		SOUTHERN STATES ENERGY BOARD	SSEB-ECO25-940-UWY-2017-001		\$357,512	\$5,854,327	RESEARCH AND DEVELOPMENT	\$50,162,202
ADVANCED RESEARCH PROJECTS AGENCY - ENERGY WILDFIRES AND REGIONAL CLIMATE VARIABILITY, MECHANISMS, MODELING AND PREDICTION 1	81.RD	381977	BATTELLE ENERGY ALLIANCE UNIVERSITY OF COLORADO	157819 1553524		-\$2,640 \$69,552	-\$2,640 \$69,552	N/A RESEARCH AND DEVELOPMENT	\$0 \$50,162,202
MEASUREMENT-BASED STABILITY ASSESSMENT--REAL TIME MEASUREMENT UNITS	81.RD	7248680	BATTELLE MEMORIAL INSTITUTE - PACIFIC NORTHWEST DIVISION	381977		\$60,465	\$144,791	RESEARCH AND DEVELOPMENT	\$50,162,202
QUALITY ASSURANCE AND DATA REDUCTION FOR THE BEIJING-ARIZONA SKY SURVEY (BASS)	81.RD	7283082	LAWRENCE BERKELEY NATIONAL LABORATORY	7248680		\$753	\$144,791	RESEARCH AND DEVELOPMENT	\$50,162,202
GEOPHYSICAL LOGGING OF LBL EAST RIVER BOREHOLES NEAR CRESTED BUTTE, CO	81.RD	7434120	LAWRENCE BERKELEY NATIONAL LABORATORY	7283082		\$81,345	\$144,791	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL DEPARTMENT OF ENERGY						\$4,109,165	\$8,945,890		
DEPARTMENT OF EDUCATION									
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS SPECIAL EDUCATION, GRANTS TO STATES	84.007 84.027	A	WY DEPARTMENT OF EDUCATION	07142017REV001		\$449,858 \$14,058	\$449,858 \$14,058	STUDENT FINANCIAL ASSISTANCE RESEARCH AND DEVELOPMENT	\$55,283,724 \$50,162,202
FEDERAL WORK-STUDY PROGRAM	84.033					\$439,034	\$439,034	STUDENT FINANCIAL ASSISTANCE	\$55,283,724
FEDERAL PERKINS LOAN PROGRAM	84.038					\$5,530,910	\$5,530,910	STUDENT FINANCIAL ASSISTANCE	\$55,283,724
TRIO_STUDENT SUPPORT SERVICES	84.042	A				\$403,010	\$403,010	TRIO CLUSTER	\$2,295,399
TRIO_UPWARD BOUND	84.047	A				\$520,721	\$838,197	TRIO CLUSTER	\$2,295,399
TRIO_UPWARD BOUND	84.047	M				\$317,476	\$838,197	TRIO CLUSTER	\$2,295,399
FEDERAL PELL GRANT PROGRAM	84.063					\$10,197,740	\$10,197,740	STUDENT FINANCIAL ASSISTANCE	\$55,283,724
TRIO_EDUCATIONAL OPPORTUNITY CENTERS	84.066					\$635,552	\$721,763	TRIO CLUSTER	\$2,295,399
TRIO_EDUCATIONAL OPPORTUNITY CENTERS	84.066	A				\$86,211	\$721,763	TRIO CLUSTER	\$2,295,399
TRIO_MCNAIR POST-BACCALAUREATE ACHIEVEMENT	84.217	A				\$332,429	\$332,429	TRIO CLUSTER	\$2,295,399
FEDERAL DIRECT STUDENT LOANS	84.268					\$38,649,324	\$38,649,324	STUDENT FINANCIAL ASSISTANCE	\$55,283,724
RESEARCH IN SPECIAL EDUCATION	84.324		UNIVERSITY OF KANSAS	FY2019-006		\$28,587	\$28,587	RESEARCH AND DEVELOPMENT	\$50,162,202
GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	84.334	S			\$2,479,579	\$3,507,521	\$3,507,521	N/A	\$0

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MATHEMATICS AND SCIENCE PARTNERSHIPS	84.366	B	WY DEPARTMENT OF EDUCATION	1601506MSPA2					
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	D	WY DEPARTMENT OF EDUCATION	17015017MSPPOA1	\$49,199	\$458,938	\$458,938	N/A	\$0
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	D	CENTER FOR CIVIC EDUCATION	126726		\$20,612	\$22,693	N/A	\$0
TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS (TEACH GRANTS)	84.379		NATIONAL WRITING PROJECT	92-WY01-SEED2017-IL		\$2,081	\$22,693	N/A	\$0
TOTAL DEPARTMENT OF EDUCATION						\$16,858	\$16,858	STUDENT FINANCIAL ASSISTANCE	\$55,283,724
					\$2,528,778	\$61,610,920			
NATIONAL ARCHIVES & RECORDS ADMINISTRATION									
NATIONAL HISTORICAL PUBLICATIONS AND RECORDS GRANTS	89.003		WY STATE PARKS AND CULTURAL RESOURCES	08282018REV002		\$1,240	\$1,240	N/A	\$0
NORTH DAKOTA CARBON CAPTURE AND EOR ECONOMIC IMPACT STUDY	89.RD	09132018REV001	UNIVERSITY OF NORTH DAKOTA	09132018REV001		\$23,796	\$23,796	RESEARCH AND DEVELOPMENT	\$50,162,202
TOTAL NATIONAL ARCHIVES & RECORDS ADMINISTRATION							\$25,036		
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART D_DISEASE PREVENTION AND HEALTH PROMOTION SERVICES AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.043		WY DEPARTMENT OF HEALTH	DD-2018-01		\$22,557	\$22,557	N/A	\$0
CONSOLIDATED HEALTH CENTERS (COMMUNITY HEALTH CENTERS, MIGRANT HEALTH CENTERS, HEALTH CARE FOR THE HOMELESS, AND PUBLIC HOUSING PRIMARY CARE)	93.092		WY DEPARTMENT OF HEALTH	131895		-\$31,294	-\$31,294	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.224		STATE OF OREGON	132917	\$125,345	\$327,850	\$349,011	RESEARCH AND DEVELOPMENT	\$50,162,202
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243		COLORADO STATE UNIVERSITY	G-61102-01		\$21,161	\$349,011	N/A	\$0
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		COLORADO STATE UNIVERSITY	G-61104-01		\$10,499	\$21,303	RESEARCH AND DEVELOPMENT	\$50,162,202
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		UNIVERSITY OF COLORADO, DENVER	FY19.347.003		\$7,287	\$21,303	RESEARCH AND DEVELOPMENT	\$50,162,202
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		COLORADO STATE UNIVERSITY	G-51101-2		\$3,517	\$21,303	N/A	\$0
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		GEORGE MASON UNIVERSITY	08282018REV001		\$31,081	\$286,813	RESEARCH AND DEVELOPMENT	\$50,162,202
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		REGENTS OF THE UNIVERSITY OF MICHIGAN	SUBK0007305		\$61,877	\$286,813	RESEARCH AND DEVELOPMENT	\$50,162,202
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		WASHINGTON STATE UNIVERSITY	1R01DA040965		\$193,855	\$286,813	RESEARCH AND DEVELOPMENT	\$50,162,202
RESEARCH INFRASTRUCTURE PROGRAMS	93.351					\$7,784	\$7,784	RESEARCH AND DEVELOPMENT	\$50,162,202
NURSE EDUCATION, PRACTICE QUALITY AND RETENTION GRANTS	93.359					\$3,031	\$3,031	RESEARCH AND DEVELOPMENT	\$50,162,202
IMPROVING THE HEALTH OF AMERICANS THROUGH PREVENTION AND MANAGEMENT OF DIABETES AND HEART DISEASE AND STROKE	93.426		NORTH DAKOTA DEPARTMENT OF HEALTH	4531 HLH 3969		\$32,888	\$32,888	N/A	\$0
ACL ASSISTIVE TECHNOLOGY	93.464					\$321,230	\$321,230	N/A	\$0
FAMILY TO FAMILY HEALTH INFORMATION CENTERS	93.504		WY GOVERNOR'S COUNCIL ON DEVELOPMENTAL DISABILITIES	12062018ACV001	\$5,000	\$67,712	\$67,712	N/A	\$0
UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES EDUCATION, RESEARCH, AND SERVICE	93.632					\$608,393	\$608,393	N/A	\$0
EMPOWERING OLDER ADULTS AND ADULTS WITH DISABILITIES THROUGH CHRONIC DISEASE SELF-MANAGEMENT EDUCATION PROGRAMS D FINANCED BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.734		WY DEPARTMENT OF HEALTH	189436		\$33,599	\$33,599	N/A	\$0
STATE PUBLIC HEALTH ACTIONS TO PREVENT AND CONTROL DIABETES, HEART DISEASE, OBESITY AND ASSOCIATED RISK FACTORS AND PROMOTE SCHOOL HEALTH FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDING (PPHF)	93.757		WY DEPARTMENT OF HEALTH	05022018REV004		\$28,174	\$28,174	N/A	\$0
MEDICAL ASSISTANCE PROGRAM	93.778		WY DEPARTMENT OF HEALTH	031516J01		\$1,487	\$327,793	RESEARCH AND DEVELOPMENT	\$50,162,202
MEDICAL ASSISTANCE PROGRAM	93.778		WY DEPARTMENT OF HEALTH	06262018REV001		\$326,306	\$327,793	MEDICAID CLUSTER	\$326,306
CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	93.779		MOUNTAIN-PACIFIC QUALITY HEALTH FOUNDATION	HHSM-500-2014-QIN0091		\$64,143	\$64,143	N/A	\$0
OPIOID STR	93.788		WY DEPARTMENT OF HEALTH	189093		\$9,531	\$9,531	N/A	\$0
CARDIOVASCULAR DISEASES RESEARCH	93.837				\$223,235	\$587,869	\$587,869	RESEARCH AND DEVELOPMENT	\$50,162,202
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847		AUGUSTA UNIVERSITY	32307-30		\$23,715	\$68,115	RESEARCH AND DEVELOPMENT	\$50,162,202
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847		ION CHANNEL PHARMACOLOGY	02142019ACS001		\$17,556	\$68,115	RESEARCH AND DEVELOPMENT	\$50,162,202
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847					\$26,844	\$68,115	RESEARCH AND DEVELOPMENT	\$50,162,202

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EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853				\$16,192	\$474,072	\$474,072	RESEARCH AND DEVELOPMENT	\$50,162,202
ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH	93.855				\$80,325	\$868,100	\$868,100	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		GLYCOBAC	05022018REV001		\$25,510	\$6,618,990	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859				\$793,135	\$6,446,423	\$6,618,990	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEVADA, LAS VEGAS	18-22QR-UW-PG73					
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEVADA, LAS VEGAS	18-22QR-UW-MSRP-02					
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEVADA, LAS VEGAS	18-22QR-UW-MSRP-01					
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEVADA, LAS VEGAS	18-22QN-UW-05-BS					
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEVADA, LAS VEGAS	GR-07334		\$148,571	\$6,618,990	RESEARCH AND DEVELOPMENT	\$50,162,202
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		UNIVERSITY OF NEW MEXICO	3RN79		-\$1,514	\$6,618,990	RESEARCH AND DEVELOPMENT	\$50,162,202
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865				\$624,300	\$1,397,682	\$1,407,459	RESEARCH AND DEVELOPMENT	\$50,162,202
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865		UNIVERSITY OF DENVER	SC37630-02		\$6,929	\$1,407,459	RESEARCH AND DEVELOPMENT	\$50,162,202
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865		UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO	160540/160538		\$2,848	\$1,407,459	RESEARCH AND DEVELOPMENT	\$50,162,202
AGING RESEARCH	93.866				\$241,057	\$1,636,267	\$1,636,267	RESEARCH AND DEVELOPMENT	\$50,162,202
MEDICAL LIBRARY ASSISTANCE	93.879		UNIVERSITY OF UTAH	10039576-06		\$87,334	\$87,334	N/A	\$0
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	93.898		WY DEPARTMENT OF HEALTH	191307		\$4,627	\$4,627	RESEARCH AND DEVELOPMENT	\$50,162,202
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958		WY DEPARTMENT OF HEALTH	01302018REV001		\$55,909	\$55,909	N/A	\$0
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959		WY DEPARTMENT OF HEALTH	08312018REV002		\$112,181	\$112,181	N/A	\$0
PPHF GERIATRIC EDUCATION CENTERS	93.969				\$167,982	\$867,058	\$867,058	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$2,276,571	\$15,739,181			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
AMERICORPS	94.006		SERVE WYOMING	17AC189526					
			SERVE WYOMING	18AC200617					
			SERVE WYOMING	14AFHWY0010005		\$127,899	\$127,899	N/A	\$0
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							\$127,899		
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$10,247,128	\$121,352,697			

Please Note:
Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

University of Wyoming
(A Component Unit of the State of Wyoming)
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the University of Wyoming (the University) under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position or cash flows of the University.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in the U.S. Office of Management and Budget Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance as the University either uses its negotiated indirect cost rate or the indirect cost rate agreed upon through the grant agreement.

3. Federal Loan Funds – Not Subject to Compliance

The University has certain federal student loan funds not subject to continuing compliance requirements, such as the Federal Direct Student Loans. Since there are no continuing compliance requirements other than required loan payments, the outstanding loan balances have not been included in the Schedule. New loans made during the year under this program are included in the Schedule.

4. Federal Loan Funds – Subject to Further Compliance

The federal loan programs listed subsequently are administered directly by the University, and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2019, are as follows:

CFDA Number	Program Name	Outstanding Balance at June 30, 2019
84.038	Federal Perkins Loan program	\$4,442,000

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Independent Auditor's Report

Board of Trustees
University of Wyoming
Laramie, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the University of Wyoming (the University), a component unit of the State of Wyoming, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated **December 11, 2019**, which contained an "Emphasis of Matter" paragraph regarding a restatement of the financial statements. Our report includes a reference to other auditors who audited the financial statements of the University of Wyoming Foundation (the Foundation), the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the University of Wyoming Foundation (the Foundation), the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Trustees
University of Wyoming

Our consideration of internal control was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002 and 2019-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The University's Response to Findings

The University's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denver, Colorado
December 11, 2019

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Independent Auditor's Report

Board of Trustees
University of Wyoming
Laramie, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the University of Wyoming's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2019. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Board of Trustees
University of Wyoming

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-004. Our opinion on each major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-004, that we consider to be a significant deficiency.

Board of Trustees
University of Wyoming

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated **December 11, 2019**, which contained unmodified opinions on those financial statements, a reference to the reports of other auditors and a paragraph emphasizing matters regarding the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Denver, Colorado
December 11, 2019

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP):

Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting :

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

3. Noncompliance material to the financial statements noted?

Yes No

Federal Awards

4. Internal control over major federal programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

4. Type of auditor’s report issued on compliance for major federal programs:

Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

7. Identification of major federal programs:

CFDA Number (s)	Name of Federal Program or Cluster
	Research and Development Cluster
	Health Center Program Cluster
84.334S	Gaining Early Awareness and Readiness for Undergraduate Programs

8. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.

9. Auditee qualified as a low-risk auditee? Yes No

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Section II – Financial Statement Findings

Reference Number	Finding
2019-001	<p>Finding: Restatement of Prior Year Financial Statements</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the University should have controls in place to ensure transactions are recorded in accordance with applicable accounting standards/guidance.</p> <p>Condition: The following issues were noted during the 2019 audit, causing the prior period's financial statements to be restated:</p> <ul style="list-style-type: none"> a) The University has corrected its accounting for capital state appropriations to be in compliance with GASB 33, <i>Accounting and Financial Reporting for Nonexchange Transactions</i>. Per GASB 33, revenue should be recognized when all eligibility requirements have been met. Eligibility requirements are conditions established by enabling legislation or the provider that are required to be met before a transaction can occur. For capital state appropriations eligibility requirements, include that an appropriation exists and the period to which the appropriation applies has begun. It also requires any match or other contingent requirements stipulated in the legislation have been met. The University determined that for two capital state appropriations the eligibility requirements had been met in previous years and therefore, revenue should have been recognized at that time. This adjustment increased beginning net position at July 1, 2018 by \$98,855,000. b) The University corrected its accounting for student loans. There are certain loan programs administered by the University in the medical and dental fields whereby the loans will be forgiven if the student works within the State of Wyoming for a certain length of time subsequent to their graduation. The University was recording the entire loan receivable and was not estimating an allowance for the potential amounts that will be forgiven. An allowance was recorded based on historical forgiveness rates based on the underlying program in which the student is enrolled. This adjustment decreased beginning net position at July 1, 2018 by \$27,656,000. c) Approximately \$5,600,000 of CIP projects were expensed in a prior year, when they should have been capitalized on the statement of net position. This adjustment increased beginning net position at July 1, 2018. <p>Effect: The items outlined above resulted in a restatement of the beginning net position of approximately \$76,761,000.</p> <p>Causes:</p> <ul style="list-style-type: none"> a) Management was not aware of all the requirements associated with GASB 33 and thus was waiting until the State of Wyoming made the funds available to draw in its WOLFS system before revenue was recorded. b) Historically, the University recorded the full amount of the loan receivable and charged off the amounts forgiven as work requirements were completed.

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
	<p>c) During fiscal year 2019, management did an extensive review of the CIP projects and discovered the projects that had erroneously been expensed in the prior years. In addition, current policies and procedures do not clearly define all year-end tasks relating to CIP and the review process was not adequate to identify this error in the prior years.</p> <p>Recommendation: We recommend that the University strengthens controls over the application of accounting standards to ensure transactions are recorded in compliance with both existing and new guidance. We also recommend that the University implement a process to reconcile CIP on a quarterly basis and continue to strengthen its existing review policies and procedures to ensure the timely and accurate presentation of financial information necessary for external reporting.</p> <p>Views of Responsible Officials: The University agrees with the finding. See separate auditee document for planned corrective actions.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
2019-002	<p>Finding: Financial Information Preparation</p> <p>Criteria or Specific Requirement: Accounting tasks such as cross-checks and reviews play a key role in proving the accuracy of accounting data and financial information that comprise interim and year-end financial statements and other financial reports on a timely basis.</p> <p>Condition: During our review of the financial information, we encountered numerous problems with the timeliness and/or accuracy of the information provided. Multiple requests to provide and correct information were required to be made during the audit process, including the identification of multiple adjusting journal entries and waived audit entries.</p> <p>Effect: By not providing accurate information in a timely manner, proper quality control and preliminary reviews cannot be adequately performed. Failure to review information creates a situation where errors made by the preparer may go undetected.</p> <p>Causes: During fiscal year 2019, the University was impacted as a result of turnover in key positions. Policies and procedures do not clearly define all year-end tasks to be performed.</p> <p>Recommendation: We recommend that the University continue to strengthen its existing review policies and procedures to ensure the timely and accurate presentation of financial information necessary for external reporting. We also recommend the year-end checklist be updated to reflect all journal entries required to be made as part of the closing process, including all financial statement presentation entries.</p> <p>Views of Responsible Officials: The University agrees with the finding. See separate auditee document for planned corrective actions.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
2019-003	<p>Finding: Schedule of Expenditures of Federal Awards Preparation</p> <p>Criteria or Specific Requirement: Per Uniform Guidance 2 CFR 200.510(b), auditees receiving federal funds must prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the federal awards expended each year. At a minimum the schedule must include the following items:</p> <ol style="list-style-type: none"> (1) List individual federal programs by federal agency. For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name. (2) For federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included. (3) Provide total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster. (4) Include the total amount provided to subrecipients from each federal program. (5) For loan or loan guarantee programs described in §200.502 basis for determining federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total federal awards expended for loan or loan guarantee programs in the schedule. (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) Costs. <p>At the University, the SEFA is prepared by the office of sponsored programs based on information contained in the InfoEd and the grant subledger systems.</p> <p>Condition: The University does not have adequate internal controls to ensure the SEFA accurately reports all federal assistance the University receives. The University's SEFA excluded \$12.2 million of federal expenditures. In addition, we identified 18 federal awards incorrectly classified under the wrong CFDA number (\$3 million). Total expenditures reported on the SEFA are \$121.4 million.</p> <p>Effect: Errors in the SEFA effect the accuracy of information reported to the federal government in the University's data collection form. In addition, appropriate major program determination by the auditor is dependent upon the accuracy and completeness of the information included in the SEFA. The above conditions resulted in an additional major program being required for testing late in the audit process.</p> <p>Cause: The report used to prepare the SEFA did not properly capture all projects classified as federal. In addition, the information included in the system did not contain the correct information to properly classify the awards in the system.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
	<p>Recommendation: We recommend that the University complete a review of federal grants administered by the University to help ensure that the required information is accurately included in the University's systems used to compile the SEFA. Additionally, we recommend that a process be developed to capture all required information during the set-up of new federal grant awards, including a process to obtain any missing information necessary for SEFA preparation and a verification process to ensure the information is input correctly into the systems. This information should be maintained in the University's InfoEd system.</p> <p>Views of Responsible Officials: The University agrees with the finding. See separate auditee document for planned corrective actions.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2019-004	<p>Finding: Procurement</p> <p>Programs:</p> <ul style="list-style-type: none"> (a) Research and Development Cluster (b) Gaining Early Awareness and Readiness for Undergraduate Programs <p>CFDA Number:</p> <ul style="list-style-type: none"> (a) Various (b) 84.334S <p>Sponsoring Agency:</p> <ul style="list-style-type: none"> (a) All Research and Development (b) Department of Education <p>Sponsor Award Number:</p> <ul style="list-style-type: none"> (a) Various (b) P334S11024 and P334S170010 <p>Award Period:</p> <ul style="list-style-type: none"> (a) Various (b) September 26, 2011 – September 25, 2018 and September 26, 2017 – September 25, 2024 <p>Criteria: General procurement standards outlined in 2 CFR 200.318(a) state that a non-federal entity must use its own documented procurement procedures which reflect applicable state, local and tribal laws and regulations, provided that the procurements conform to applicable federal law and the standards identified by the Uniform Guidance (sections 200.318 - 200.326). The Uniform Guidance outlines requirements over the proper oversight of contractors, having written standards of conduct for employees involved in contracting, awarding contracts to responsible contractors, maintaining records documenting the history of procurements including cost price analysis, conducting all transactions in a manner which provides full and open competition, utilizing the methods of procurement outlined in the Uniform Guidance, and ensuring every purchase order or contract includes the applicable provisions in Appendix II.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
	<p>Condition: The University updated its procurement policy to conform to Uniform Guidance on June 26, 2019. Therefore, the University's policies and procedures over procurement in effect during fiscal year 2019 did not conform to the requirements outlined by the Uniform Guidance as several required policies and procedures are not included. In addition, the Uniform Guidance establishes methods of procurements to be utilized which relate to the acquisition of both goods and services. While the University has specific guidance for the purchase of goods that comply with the methods of procurement, it does not have specific guidance for the purchases of services. Specifically, quotes were not required to be obtained between the small purchase threshold of \$7,500 and the threshold required to obtain bids of \$50,000 and as a result, five purchases of services tested under the R&D Cluster and three purchases tested under the Gaining Early Awareness and Readiness for Undergraduate Programs did not receive quotes from an adequate number of sources or have sole source justification.</p> <p>Questioned Costs:</p> <ul style="list-style-type: none"> (a) CFDA No. 47.047, Award No. 1444571 – \$43,200 CFDA No. 81.089, Award No. DE-FE0031624 – \$27,300 CFDA No. 47.050, Award No. AGS-1441831 – \$ 32,140 (b) CFDA No. 84.334S, Award No. P334S11024 – \$32,000 <p>Questioned costs were determined based upon the value of the transactions tested for which the correct procurement process was not followed. The costs questioned above were validated to be allowable costs of the respective program.</p> <p>Context: We compared the University's policies and procedures to the applicable sections of the Uniform Guidance. In addition, we selected the following for each major program:</p> <ul style="list-style-type: none"> (a) A total of 12 grants selected for testing within the R&D cluster comprised a population of 1,418 transactions qualifying for the procurement of goods and services. We selected all costs greater than the micropurchase threshold of \$7,500 (9 items) and tested a sample of expenditures under the micropurchase threshold (31 items) for a total of 40 transactions tested. Total expenditures for purchases of services under the R&D cluster were \$1,976,737. (b) Gaining Early Awareness and Readiness for Undergraduate Programs comprised a population of 463 transactions qualifying for the procurement of goods and services. We selected all costs greater than the micropurchase threshold of \$7,500 (10 items) and tested a sample of expenditures under the micropurchase threshold (30 items) for a total of 40 of transactions tested. Total expenditures for purchases of services under this program were \$212,015. <p>A non-statistical sampling methodology was used to select the samples.</p> <p>Effect: Not procuring goods and services in accordance with requirements outlined by the Uniform Guidance increases the risk that federal expenditures are not being used properly.</p> <p>Cause: The University's policies were not compared to Uniform Guidance to ensure all elements were incorporated prior to adoption.</p>

University of Wyoming
(A Component Unit of the State of Wyoming)
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2019

Reference Number	Finding
	<p>Identification as a Repeat Finding: 2018-07</p> <p>Recommendation: While the University revised its policies and procedures to conform to the requirements of Uniform Guidance as of June 26, 2019, all employees should be trained on these new policies and procedures and periodic reviews should be performed by the procurement office to ensure that policies are being followed.</p> <p>Views of Responsible Officials: The University agrees with the finding. See separate report for planned corrective actions.</p>

UNIVERSITY OF WYOMING

Vice President, Division of Administration
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Summary Schedule of Prior Audit Findings Year Ended June 30, 2019

Reference Number	Summary of Finding	Status
2018-001	With new accounting pronouncements becoming effective in the subsequent years, we recommend that the University verifies all information is available before adopting the new accounting standards and strengthens controls over this process to ensure new pronouncements are adopted properly and applicable transactions are recorded in compliance with any new guidance.	Partially implemented see finding 2019-001
2018-002	We recommend the University thoroughly examine how WyoCloud is set up and ensure that all grants management personnel understand this set up and how WyoCloud is recognizing receivables and revenue at year-end. Furthermore, we recommend that management more timely reconcile the grant receivable accounts and develop a grant “rollforward” schedule. This schedule serves as a strong control to help ensure the receivable balances are accurate and complete and begins with the current year’s ending balance, adds expenditures, subtracts receipts and “rolls” to an ending balance at the subsequent year-end.	Implemented
2018-003	Reconciliations are a vital control over cash accounts and as such, we recommend that the reconciliations be consistently performed monthly and performed as soon as possible past month-end.	Implemented
2018-004	Where possible, management should eliminate the segregation of duties conflicts by removing developer access to production systems housing the Banner and People Soft HRMS application code files. Developers should not have the ability to move code to production unless a compensating control is designed to detect when the other change management ITGC controls in place have been circumvented because of the segregation of incompatible duties issues.	Implemented
	Compensating controls to segregation of duties can include: Change log review to determine that only approved changes were moved into production, while confirming the change log is complete and/or change control meetings that discuss and follow-up on recent changes that have been moved into production, while monitoring for unauthorized changes.	

UNIVERSITY OF WYOMING

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Summary Schedule of Prior Audit Findings (continued) Year Ended June 30, 2019

Reference Number	Summary of Finding	Status
2018-005	We recommend that the University review its policies and procedures for recording fringe benefits and update them to be in accordance with the federal regulations noted above. We also recommend that the University review its time and effort reporting and coding within the system to help ensure that any fringe benefits charged during the period are equitably allocated across all related activities. If the system cannot be changed to accommodate the allocation of fringe benefits, policies and procedures should be established to ensure salary expenditure corrections are performed for all fringe benefits charged across multiple funding sources.	Implemented
2018-006	We recommend the University complete a campus-wide inventory as soon as possible and reconcile any differences noted with the University's asset management system, including correcting any tagging errors. We also recommend that University-wide training be held to train individuals receiving grants in the requirements associated with equipment management and University policy and procedures. Lastly, the University should review the WyoCloud system to ensure all required information for tracking assets purchased with federal funds is located within the system and reports be developed that can produce a comprehensive listing of all federal assets held by the University.	Implemented
2018-007	We recommend the University revise its policies and procedures to conform to the requirements of Uniform Guidance as soon as possible. In addition, employees should be trained on these new policies and procedures and periodic reviews should be performed by the procurement office to ensure that policies are being followed.	Partially implemented see finding 2019-004
2018-008	We recommend the University establish policies and procedures to ensure all copies of reports and supporting documentation are maintained within the University's InfoEd system. Furthermore, the InfoEd system tracks due dates for deliverables, and we recommend policies and procedures be implemented to review the InfoEd System for delinquent reports on a regular basis.	Implemented
2018-009	We recommend the University establish formalized policies and procedures over subrecipient monitoring, which should include the means (<i>i.e.</i> review of FAC website or audit certification letters) and frequency of monitoring the completion of subrecipient audits to help ensure the monitoring occurs within the timelines outlined by federal regulations. In addition, the timing of the review, the results of the review, and the issuance of management decisions and communications with subrecipients should be documented and maintained by the University.	Implemented