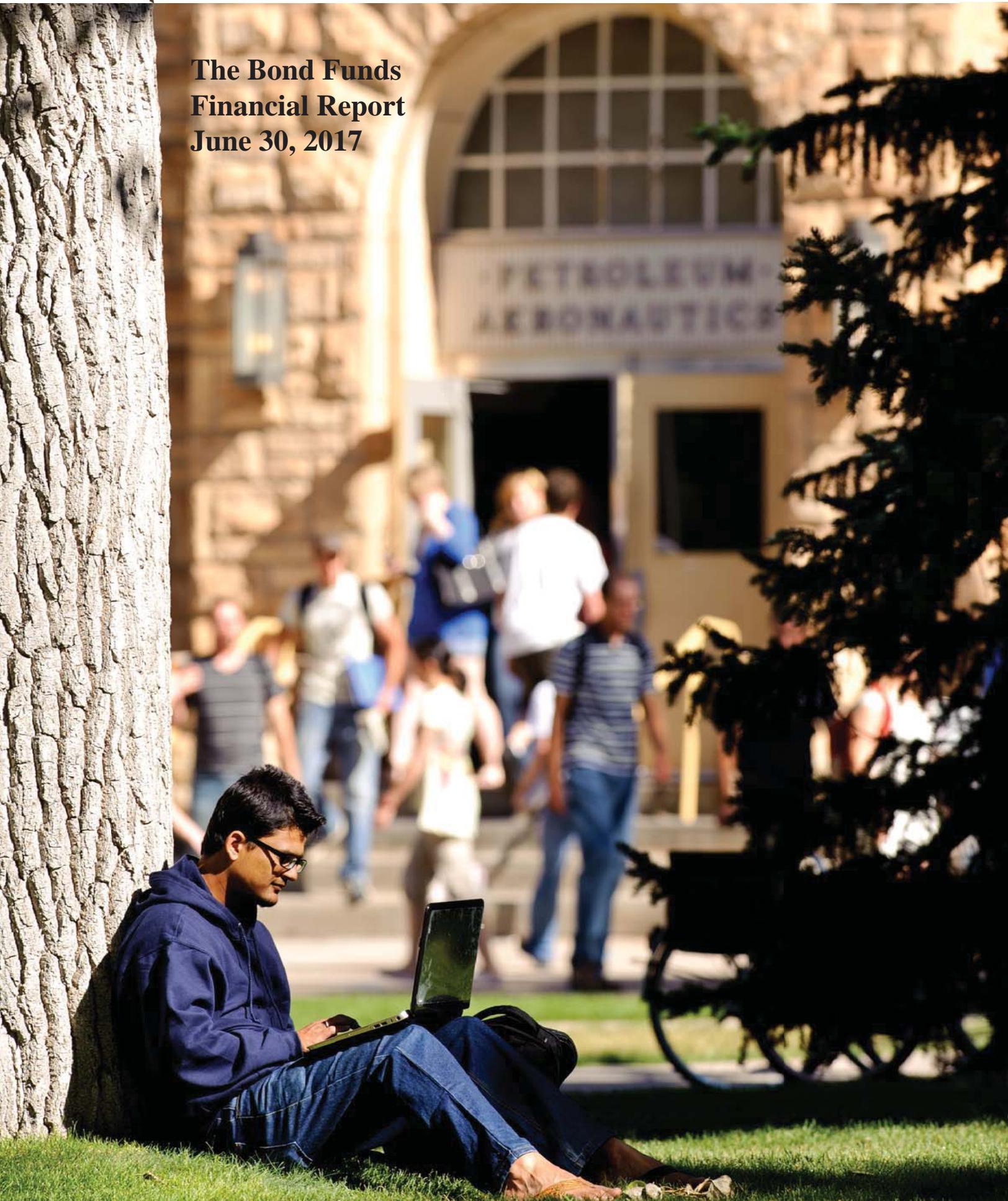




# UNIVERSITY OF WYOMING

**The Bond Funds  
Financial Report  
June 30, 2017**



**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**FINANCIAL REPORT**

**JUNE 30, 2017**

## CONTENTS

---

INDEPENDENT AUDITOR'S REPORT	1 and 2
------------------------------	---------

---

FINANCIAL STATEMENTS	
Statements of Net Position	3
Statements of Revenue, Expenses, and Changes in Net Position	4 and 5
Statements of Cash Flows	6 and 7
Notes to Financial Statements	8 - 24
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Bond Funds' Proportionate Share of the Net Pension Liability	25
Schedule of the Bond Funds' Contributions	26
Note to Required Supplementary Information	27
Schedule of Changes in the Bond Funds' Total OPEB Liability and Related Ratios	28
Note to Required Supplementary Information	28
SUPPLEMENTARY INFORMATION	
Schedule of Net Pledged Revenue	29 - 31
Debt Service Requirements of the May 12, 2009, May 12, 2010, November 18, 2011, and July 25, 2012, and October 26, 2016 Bond Resolutions	32 - 34
Schedule of Insurance Coverage (Unaudited)	35 - 39
Statement of Net Position: Fund Group Perspective	40
Statement of Revenue, Expenses, and Changes in Net Position: Fund Group Perspective	41
INFORMATION REQUIRED BY BOND RESOLUTIONS	
Independent Auditor's Report on Debt Compliance	42

---

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of certain Bond Funds (the "Bond Funds") of the University of Wyoming (the "University"), described in Note 1 to the financial statements, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Bond Funds' 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 audit. 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 University'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 University'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.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Funds as described in Note 1 to the financial statements as of June 30, 2017, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of a Matter – Change in Accounting Principle***

As discussed in Notes 1 and 9 to the financial statements, in 2017 the Bond Funds adopted new accounting guidance with implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaced GASB Statement No. 45. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Basis of Presentation*

As described in Note 1 of the financial statements, the financial statements include only those funds and activities of the University of Wyoming required to be reported under bond resolutions and does not purport to, and does not, present fairly the financial statements of the University of Wyoming.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that certain pension plan and other postemployment benefit plan information, on pages 25 through 28, 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bond Funds' basic financial statements. The Schedule of Net Pledged Revenue; Debt Service Requirements of the May 12, 2009, May 12, 2010, November 18, 2011, July 25, 2012, and October 26, 2016 Bond Resolutions; Schedule of Insurance Coverage (Unaudited); Statement of Net Position: Fund Group Perspective; and Statement of Revenue, Expenses, and Changes in Net Position: Fund Group Perspective (collectively, the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Schedule of Insurance Coverage*

The Schedule of Insurance Coverage has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### *Restriction on Use*

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



Cheyenne, Wyoming  
November 10, 2017

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**STATEMENTS OF NET POSITION  
June 30, 2017 and 2016**

	2017	2016
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents (Note 11)	\$ 21,936,714	\$ 33,136,308
Accounts receivable, net (Note 4)	1,398,132	1,973,034
Inventories	2,042,666	2,082,228
Prepaid expenses	1,318,210	1,132,796
<b>Total current assets</b>	<b>26,695,722</b>	<b>38,324,366</b>
Noncurrent Assets		
Equipment, net of accumulated depreciation (Note 2)	505,971	503,044
<b>Total assets</b>	<b>27,201,693</b>	<b>38,827,410</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Loss on Refunding	604,894	689,158
Pension-Related Deferred Outflows (Note 8)	879,260	1,114,887
<b>Total deferred outflows of resources</b>	<b>1,484,154</b>	<b>1,804,045</b>
Current Liabilities		
Accounts payable (Note 4)	1,170,517	1,574,702
Payroll and other current liabilities	694,567	579,823
Accrued compensated absences	475,299	284,400
Accrued bond interest payable	292,603	297,116
Payments for services received in advance	120,730	191,456
<b>Total current liabilities</b>	<b>2,753,716</b>	<b>2,927,497</b>
Noncurrent Liabilities		
Other postemployment benefits (Note 9)	594,738	1,177,512
Accrued compensated absences	475,298	284,400
Net pension liability (Note 8)	3,874,755	3,765,994
<b>Total noncurrent liabilities</b>	<b>4,944,791</b>	<b>5,227,906</b>
<b>Total liabilities</b>	<b>7,698,507</b>	<b>8,155,403</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Gain on Refunding	220,682	40,628
Pension-Related Deferred Inflows (Note 8)	135,100	92,937
Other Postemployment Benefit Related Deferred Inflow (Note 9)	-	-
<b>Total deferred inflows of resources</b>	<b>355,782</b>	<b>133,565</b>
<b>NET POSITION</b>		
Net investment in equipment	505,971	503,044
Restricted for maintenance required by bond resolution	500,000	500,000
Restricted for capital projects	2,569,619	2,696,511
Unrestricted	17,055,968	28,642,932
<b>Total net position</b>	<b>\$ 20,631,558</b>	<b>\$ 32,342,487</b>

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**STATEMENTS OF REVENUE, EXPENSES, AND  
CHANGES IN NET POSITION  
Years Ended June 30, 2017 and 2016**

	2017	2016
Revenue and Other Additions		
Sales:		
Merchandise	\$ 20,297,198	\$ 22,754,051
Utilities	46,753	148,494
Rents and fees:		
Residence hall and apartment rent	9,983,091	10,719,732
Telecommunications	2,819,500	3,298,365
Fees and games	1,733,712	1,713,004
Student fees	2,425,854	2,433,326
Nonenterprise revenue:		
Government royalties (Note 4)	13,365,000	13,365,000
Indirect cost recovery	900,000	900,000
Miscellaneous other funds	99,947	885,335
<b>Total operating revenues</b>	<b>51,671,055</b>	<b>56,217,307</b>
Operating Expenses		
Cost of sales	9,765,975	10,939,427
Operating expenses:		
Administrative assessment	1,550,990	1,626,442
Advertising	602,848	730,132
Contractual services	200,476	45,575
Credit card charges	105,369	107,049
Insurance	292,472	195,184
Laundry	40,486	57,418
Parts and supplies	1,002,112	1,092,711
Rent	194,580	232,593
Repairs and maintenance	1,244,865	1,461,666
Salaries	8,586,852	8,890,801
Salaries - benefits	3,376,874	4,524,813
Support services	1,343,861	813,854
Travel	126,076	106,701
Utilities	2,403,100	2,281,778
Utility reimbursement	(66,991)	(176,901)
Miscellaneous	434,678	622,054
Depreciation	121,004	47,841
<b>Total operating expenses</b>	<b>31,325,627</b>	<b>33,599,138</b>
<b>Operating income</b>	<b>\$ 20,345,428</b>	<b>\$ 22,618,169</b>

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**STATEMENTS OF REVENUE, EXPENSES, AND  
CHANGES IN NET POSITION (Continued)  
Years Ended June 30, 2017 and 2016**

	2017	2016
Nonoperating Revenues (Expenses) and Other Items		
Investment income:		
Plant funds	\$ 789,211	\$ 787,132
Other funds	1,178,508	1,295,339
University land income	943,051	201,371
Interest refund	798,927	790,560
Bond issuance costs	(118,563)	-
Interest on indebtedness	(4,297,660)	(4,631,858)
Principal payments on indebtedness	(4,865,000)	(4,640,000)
Expended for plant facilities	-	(48,308)
Mandatory transfers	(1,387,160)	438,356
Nonmandatory transfers (Note 5)	(25,110,972)	(15,590,907)
<b>Total nonoperating (expenses)</b>	<b>(32,069,658)</b>	<b>(21,398,315)</b>
<b>Increase (decrease) in net position</b>	<b>(11,724,230)</b>	<b>1,219,854</b>
Net Position, beginning of year, as previously reported	32,342,487	31,122,633
Adjustment to prior years (Note 9)	13,301	-
Net Position, beginning of year, as restated	32,355,788	31,122,633
Net Position, end of year	<b>\$ 20,631,558</b>	<b>\$ 32,342,487</b>

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016**

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Sales of merchandise	\$ 20,633,038	\$ 22,572,046
Sale of utilities	46,753	148,494
Residence hall and apartment rent	10,095,064	10,706,981
Telecommunications	2,907,555	3,298,685
Student fees and fees and games	4,159,566	4,146,330
Government royalties	13,365,000	13,365,000
Indirect cost recovery	900,000	900,000
Other receipts	1,042,320	885,335
Payments to suppliers	(17,539,698)	(16,424,117)
Payments to employees and fringe benefits	(12,775,733)	(12,266,490)
Payments to other University funds	(2,099,675)	(3,877,224)
<b>Net cash provided by operating activities</b>	<b>20,734,190</b>	<b>23,455,040</b>
<b>Cash Flows from Capital Financing Activities</b>		
Bond proceeds expended	-	(15,739)
Principal payments on indebtedness	(4,865,000)	(4,640,000)
Expended for plant facilities	-	(48,308)
Interest paid on capital debt	(4,302,173)	(4,656,144)
Purchase of equipment	(123,931)	(208,422)
Amortization of deferred loss on refinancing	84,264	84,263
Amortization of deferred gain on refinancing	(19,814)	(10,598)
Bond issuance costs paid	(118,563)	-
Cost of debt refunding	199,868	-
<b>Net cash (used in) capital financing activities</b>	<b>(9,145,349)</b>	<b>(9,494,948)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Net transfers to (from) other University funds	(26,498,132)	(15,152,551)
Interest refund	798,927	790,560
<b>Net cash (used in) noncapital financing activities</b>	<b>(25,699,205)</b>	<b>(14,361,991)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income	1,967,719	2,082,471
University land income	943,051	201,371
<b>Net cash provided by investing activities</b>	<b>2,910,770</b>	<b>2,283,842</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11,199,594)</b>	<b>1,881,943</b>
<b>Cash and Cash Equivalents</b>		
Beginning of year	33,136,308	31,254,365
End of year	\$ 21,936,714	\$ 33,136,308

*Continued*

**UNIVERSITY OF WYOMING**  
**THE BOND FUNDS**

**STATEMENTS OF CASH FLOWS (Continued)**  
**Years Ended June 30, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
Reconciliation		
Operating income	\$ 20,345,428	\$ 22,618,169
Depreciation expense	121,004	47,841
Net pension liability	108,762	1,012,097
Deferred outflows - pension	235,627	(663,810)
Deferred inflows - pension	42,163	73,082
Change in operating assets and liabilities:		
Accounts receivable	574,902	(194,436)
Inventory	39,562	(30,825)
Prepaid expenses	(185,414)	(46,838)
Accounts payable	(404,185)	541,287
Accrued liabilities and payments for services received in advance	(143,659)	98,473
<b>Net cash provided by operating activities</b>	<b>\$ 20,734,190</b>	<b>\$ 23,455,040</b>

See Notes to Financial Statements.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

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

Reporting entity: The financial statements include certain assets, deferred outflows, liabilities, deferred inflows, net position, and activity related to the Series May 12, 2009 Revenue Refunding Bonds, the Series May 12, 2010 Facilities Improvement and Revenue Refunding Bonds, the Series November 18, 2011 Facilities Improvement and Facilities Refunding Bonds, the Series July 25, 2012 Facilities Improvement and Facilities Refunding Bonds, and the Series October 26, 2016 Facilities Refunding Revenue Bonds (the “Bond Funds”).

The Bond Funds include operations from the following:

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

The Bond Funds also include the following plant funds:

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

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

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

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

Basis of accounting: The financial statements of the Bond Funds of the University of Wyoming reflect only the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and operating activities that relate to the bond resolutions and do not include any State of Wyoming funded activities. Since the bond resolutions do not require presentation of the investment in buildings and the associated bonds payable, they are not included within the accompanying Statement of Net Position.

**UNIVERSITY OF WYOMING**  
**THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

The Statement of Revenue, Expenses, and Changes in Net Position includes expenditures for plant facilities, debt service payments, and transfers to and from other agencies. The accompanying financial statements are, therefore, not a complete presentation of the University of Wyoming.

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

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

State statutes authorize investment in securities issued or guaranteed by the U.S. Treasury or agencies of the United States Government; bonds issued by Wyoming agencies or political subdivisions; corporate notes, bonds, and debentures; commercial paper; banker's acceptances; loans specifically identified by statutes; and other securities specifically authorized by the legislature.

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

The Bond Funds account for its investment at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenue, Expenses, and Changes in Net Position.

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

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

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

Bond issuance cost: Bond issuance costs are expensed in the period incurred.

Compensated absences: University employees may accrue vacation and unused sick leave based on the length of service, subject to certain limitations regarding the amount which will be paid upon termination. The estimated accrued compensated absences related to vacation and unused sick leave earned by the Bond Funds' employees as of June 30, 2017 and 2016 were \$950,597 and \$568,800, respectively.

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

**UNIVERSITY OF WYOMING**  
**THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

Net position: The Bond Funds' net position is classified as follows:

*Net investment in equipment:* This represents the Bond Funds' investment in equipment, net of accumulated depreciation and outstanding debt obligations related to equipment.

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

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

Classification of revenues: The Bond Funds has classified its revenues as either operating or nonoperating revenues according to the following criteria:

*Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions, such as: (1) student rents and fees, (2) sales and services of auxiliary enterprises, (3) government royalties, and (4) indirect cost recovery, representing revenue earned by the Bond Funds for its contribution to overhead costs of the University that are reimbursed under state and Federal contracts and grants.

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

Defined benefit pensions: For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (WRS) and additions to/deductions from the WRS's fiduciary net position have been determined on the same basis as they are reported by the WRS. 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.

Recent pronouncements:

*Adopted:*

The GASB released Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in June 2015, which replaced GASB Statement No. 45 and requires balance sheet recognition of a liability which resembles the current unfunded accrued liability. Management has elected to adopt this statement for the year ended June 30, 2017. The impact of adopting this statement is reflected in the financial statements.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Equipment**

Following are the changes in equipment for the years ended June 30, 2017 and 2016:

	<b>2017</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Equipment	\$ 3,858,247	\$ 123,931	\$ (16,250)	\$ 3,965,928
Less accumulated depreciation	(3,355,203)	(121,004)	16,250	(3,459,957)
<b>Equipment, net</b>	<b>\$ 503,044</b>	<b>\$ 2,927</b>	<b>\$ -</b>	<b>\$ 505,971</b>

	<b>2016</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Equipment	\$ 3,658,187	\$ 208,422	\$ (8,362)	\$ 3,858,247
Less accumulated depreciation	(3,315,724)	(47,841)	8,362	(3,355,203)
<b>Equipment, net</b>	<b>\$ 342,463</b>	<b>\$ 160,581</b>	<b>\$ -</b>	<b>\$ 503,044</b>

Equipment is recorded at cost at the date of acquisition, or acquisition value at the date of donation. The Bond Funds' capitalization policy for equipment includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. At management's discretion, certain bulk purchases of items that individually do not exceed \$5,000 may be capitalized and depreciated over an estimated blended life of the items. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, three to seven years for equipment.

**Note 3. Revenue Bonds Payable**

The University had the following revenue bond issues outstanding during the year ended June 30, 2017:

Series May 12, 2009 Revenue Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to redeem the September 1, 1999 Facilities Improvement and Refunding Revenue Bonds and to pay certain expenses in connection with the issuance of the Series 2009 Bonds. The outstanding principal balance at June 30, 2017 is \$1,775,000. The bonds mature through 2019. Interest rates on the outstanding principal balance is 4.0%.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

Series May 12, 2010 Facilities Improvement and Revenue Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to advance refund a portion of the outstanding Facilities Improvement Revenue Bonds, Series 2001 and fund construction of a visual arts facility and renovation of a residence hall. The outstanding principal balance as of June 30, 2017 is \$2,015,000 (Series A), \$19,560,000 (Series B), and \$18,000,000 (Series C). The bonds mature through 2030. Interest rates on the outstanding principal balance vary from 4.1% to 5.8%. The Series B and Series C bonds were issued as taxable direct payment Build America Bonds and Recovery Zone Economic Development Bonds, respectively, and are eligible for a Federal Direct Refund of interest paid on each interest payment date of 35% and 45% of the interest due on that date.

Series November 18, 2011 Facilities Improvement and Facilities Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to advance refund a portion of the outstanding Facilities Improvement Revenue Bonds, Series 2004 and fund construction of a joint facility (the UW/CC Joint Facility) located at the University of Wyoming/Casper College Center in Casper, Wyoming. The outstanding principal balance as of June 30, 2017 is \$5,635,000 (Series B). The bonds mature through 2024. Interest rates on the outstanding principal balance vary from 2.05% to 4.0%.

Series July 25, 2012 Facilities Improvement and Facilities Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to advance refund a portion of the outstanding Facilities Improvement Revenue Bonds, Series 2005 and fund construction and renovation of the performing arts complex, renovation and improvement of White Hall and expansion and improvement of the Half Acre Gym recreation center, all located on the University of Wyoming campus. The outstanding principal balance as of June 30, 2017 is \$24,805,000 (Series A) and \$8,225,000 (Series B). The bonds mature through 2032. Interest rates on the outstanding principal balance vary from 1.0% to 5.0%.

Series October 26, 2016 Facilities Refunding Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to advance refund a portion of the Facilities Improvement Revenue Bonds, Series 2011A. The outstanding principal balance as of June 30, 2017 is \$7,185,000. The bonds mature through 2031. Interest rates on the outstanding principal balance vary from 1.0% to 4.0%.

Revenue bonds payable activity for the years ended June 30, 2017 and 2016 was as follows:

	<b>2017</b>				
	<b>Balance June 30, 2016</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2017</b>	<b>Amounts Due Within One Year</b>
Revenue bonds payable	\$ 96,080,023	\$ 8,384,342	\$ (13,333,025)	\$ 91,131,340	\$ 5,580,119

	<b>2016</b>				
	<b>Balance June 30, 2015</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2016</b>	<b>Amounts Due Within One Year</b>
Revenue bonds payable	\$ 101,491,595	\$ -	\$ (5,411,572)	\$ 96,080,023	\$ 5,490,448

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

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

	Principal	Interest
2018	\$ 5,015,000	\$ 3,304,094
2019	5,175,000	3,144,897
2020	5,365,000	2,956,995
2021	5,580,000	2,749,987
2022	5,780,000	2,545,476
2023-2027	32,540,000	9,060,790
2028-2032	27,745,000	2,442,934
	<u>87,200,000</u>	<u>26,205,173</u>
Original issue discount/premium	<u>3,931,340</u>	
	<u>\$ 91,131,340</u>	

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

The University Pledged Revenue Fund received \$13,365,000 from the State of Wyoming for its share of Federal mineral royalties for each of the years ended June 30, 2017 and 2016. This represents approximately 25% and 23% of the gross revenue pledged to secure the Bond Funds for the years ended June 30, 2017 and 2016, respectively.

Accounts receivable has been reduced by an allowance for uncollectible accounts of \$553,502 and \$463,360, as of June 30, 2017 and 2016, respectively.

Accounts receivable include \$611,069 and \$1,122,179 due from various departments within the University and accounts payable include \$179,000 and \$580,207 due to various departments within the University as of June 30, 2017 and 2016, respectively.

**Note 5. Nonmandatory Transfers**

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

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

**Note 6. Commitments**

Housing Facilities has a contract for services with CTV for cable television programming and other related services. Future minimum payment requirements under this contract are as follows:

Fiscal year:			
	2018	CTV	\$ 161,520
	2019	CTV	161,520
	2020	CTV	20,190
			<u>\$ 343,230</u>

**Note 7. Retirement Commitment – TIAA**

Eligible University employees have the option of participating in either the Wyoming Retirement System (WRS) or Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA). TIAA is a private defined contribution retirement plan, which is portable to other institutions and states.

Some employees opt to participate in TIAA, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. Contributions are 16.62% of the employee's monthly salary of which the University will contribute 14.32% and the employee will contribute 2.30%. Contributions are funded as accrued and are immediately vested. The contributions for the years ended June 30, 2015, 2016, and 2017 were \$455,945, \$538,596, and \$462,248, respectively.

**Note 8. Retirement Commitment – Wyoming Retirement System**

Plan description: Substantially all employees of the Bond Funds, except those participating in the TIAA defined contribution plan, are provided with pensions through the Public Employee Pension Plan – a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). The authority to establish and amend benefits and contributions rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan 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>.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

Benefits provided: The determination of retirement benefits is dependent upon the employee's initial employment date.

*Service Retirement Tier 1:* Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years.

*Service Retirement Tier 2:* Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

*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.

Contributions: Per Title 9-3-412 and 413 of Wyoming State Statutes, for the year ended June 30, 2017, member contributions were required to be 8.25% of compensation and employer contributions were required to be 8.37% of compensation. In accordance with Title 9-3-412(c)(ii) of State Statutes, the Bond Funds has elected to pay 5.95% of the members' contribution in addition to the employer's contribution. Total contributions to the pension plan from the Bond Funds were \$425,198 and \$500,474 for the years ended June 30, 2017 and 2016, respectively.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2017, the Bond Funds reported a liability of \$3,874,755 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Bond Funds' proportion of the net pension liability was based on the relationship of the Bond Funds' total contributions to the plan for the year ended December 31, 2016 to the contributions of all participating employers for the same period. At December 31, 2016, the Bond Funds' proportion was 0.160279352%, which was a decrease from its December 31, 2015 proportion of 0.161675861%.



**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

An amount of \$112,208 reported as deferred outflows of resources related to pensions resulting from the Bond Funds' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2018		\$ 219,327
2019		225,996
2020		175,239
2021		11,390
		<u>\$ 631,952</u>

Actuarial assumptions: The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% – 6.0%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic 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%	-0.20%	-0.20%
Fixed income	20.00%	1.43%	1.95%
Equity	45.00%	5.72%	7.73%
Marketable alternatives	17.50%	3.03%	3.73%
Private markets	17.50%	5.84%	7.14%
	<u>100.00%</u>	<u>4.76%</u>	<u>6.38%</u>

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

Experience analysis: An experience study was conducted on behalf of all WRS’s plans covering the five-year period ended December 31, 2011. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate: The following presents the Bond Funds’ proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the Bond Funds’ proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 5,565,440	\$ 3,874,755	\$ 2,454,738

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or at <http://retirement.state.wy.us/home/index.html>.

**Note 9. Postemployment Benefits Other Than Pensions**

Fiscal year 2017 (post-implementation of GASB Statement No. 75): On July 1, 2016, the University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurement by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans. Specifically, Statement No. 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees. The accounting change adopted to conform to the provisions of GASB 75 has been applied retroactively by restating the beginning net position for the fiscal year ended June 30, 2016 by \$13,301. As the data needed to implement this standard for all periods presented was not available for periods prior to July 1, 2016, the Bond Funds has elected to not restate information presented for the period ended June 30, 2016.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

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

Benefits Provided: Under the healthcare plan, if an employee is granted Board Retirement per University Regulation 4-2, (VI) or had completed 15 years of University service with at least 10 consecutive years of uninterrupted service immediately prior to July 1, 2016, and is eligible for the State’s retiree health insurance benefit, the employee shall receive a benefit of conversion of up to 960 hours of accrued sick leave to a State contribution for group health insurance. The conversion is at a rate of 1.5 months of coverage for each 40 hours of accrued sick leave (a maximum of 36 months of premiums). There are 197 active employees and 35 retirees who are participating in the plan as of July 2016, the census date used for the actuarial valuation. As of June 30, 2017, there are 184 active employees and 6 retirees participating in the plan.

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

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

Total OPEB Liability: The OPEB liability of \$594,738 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%
Discount rate	2.85% per annum (July 1, 2016) and 3.58% per annum (June 30, 2017)
Healthcare cost trend rates	7.0% for pre-Medicare medical and 6.0% for post-65 medical; both decreasing 0.5% per year until reaching the ultimate trend rate of 4.5%

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

Mortality rates were based on the RP-2014 Generational Mortality Table projected using Scale MP-16, applied on a gender-specific basis.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

Changes in the total OPEB liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	<u>\$ 1,164,209</u>
Changes for the year:	
Service cost	11,138
Interest cost	38,983
Changes of benefit terms	(570,811)
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(48,781)</u>
Net changes	(569,471)
Balance at June 30, 2017	<u><u>\$ 594,738</u></u>

Changes of benefit terms reflect an elimination of the benefit for conversion of accrued sick leave to health insurance payments for those employees who did not meet the criteria as of July 1, 2016.

Changes in assumptions or other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Bond Funds, as well as what the Bond Funds' total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	<u>\$ 552,961</u>	<u>\$ 594,738</u>	<u>\$ 642,974</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Bond Funds, as well as what the Bond Funds' total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 3.5%) or 1-percentage-point higher (8% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% (6% decreasing to 3.5%)	Healthcare Cost Trend Rate (7%)	1% (8% decreasing to 5.5%)
Total OPEB liability	<u>\$ 559,222</u>	<u>\$ 594,738</u>	<u>\$ 634,689</u>

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

Fiscal year 2016 (pre-implementation of GASB Statement No. 75): The University of Wyoming participates in one single-employer postemployment plan for healthcare and life insurance.

Under the healthcare plan, any employee who retires and has completed twenty-five (25) years of service with the University or has fifteen (15) years of University service immediately preceding the date of retirement shall receive a benefit of conversion of up to 960 hours of accrued sick leave to a state contribution for group health insurance. The conversion is at a rate of 1.5 months of coverage for each five (5) days of sick leave (a maximum of 36 months of premiums). There are 197 active employees and 35 retirees that are participating in the plan as of July 2014, the census date used for the actuarial valuation.

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

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

The other components of the annual OPEB cost are one year's interest on the net OPEB obligation at the beginning of the year and adjustment to the ARC. The adjustment to the ARC is the discounted present value of the net OPEB obligation at the beginning of the year.

The table below shows the components of the University's annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

	<u>2016</u>
Annual required contribution	\$ 194,200
Interest on net OPEB obligation	28,158
Adjustment to annual required contribution	<u>(27,758)</u>
Annual OPEB cost	194,600
Employer contributions	<u>(8,100)</u>
Increase in net OPEB obligation	186,500
Net OPEB obligation, beginning of year	<u>991,012</u>
Net OPEB obligation, end of year	<u><u>\$ 1,177,512</u></u>

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 is as follows:

	<u>2016</u>
Annual OPEB cost	\$ 194,600
Percentage of annual OPEB cost contributed	<u>4.0%</u>
Net OPEB obligation	<u>\$ 1,177,512</u>

Funded status and funding progress: As of July 1, 2014, the actuarial valuation date, the actuarial accrued liability for benefits was \$1,406,500, all of which was unfunded. The covered payroll as of the actuarial valuation date (annual payroll of active employees covered by the plan) was \$6,108,206, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 23%.

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

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

Significant methods and assumptions were as follows:

*Valuation date* – July 1, 2014

*Discount rate* – 3.50% annual

*Census data* – as of July 2014

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

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

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

<u>Benefit</u>	<u>Select</u>	<u>Ultimate</u>
Medical	7.4%	5.0%
Dental	5.0%	5.0%

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

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

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

*Retirement age* – Annual retirement probabilities have been determined based on age and years of service.

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

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

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

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

Salary increase assumption – 3.5% per annum.

**Note 10. Risk Management**

The University Bond Funds and the University are exposed to various risks of loss including torts, theft of, damage to, or destruction of assets and teachers' liability. The University has purchased commercial insurance for these risks which include insurance for property and liability. 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 \$100,000 for liability and from \$1,000 to \$250,000 depending on the type of liability or property involved.

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

The State contributes \$753 per month for a single participant, \$1,499 for a participant plus his/her spouse, \$1,145 for a participant plus children, \$1,714 per participating family, or \$857 for married couples both of whom are employed by the University for insurance premiums for covered participants toward these plans. Participants are responsible for paying premium charges in excess of this amount.

The University participates in a long-term disability program and contributed 100% of the premium per month for each eligible employee at the rate of \$0.232 per \$100 of payroll through June 1, 2017. 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 Bond Funds also participate in two State of Wyoming risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTES TO FINANCIAL STATEMENTS**

---

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. This Act requires the University Bond Funds to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund.

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

**Note 11. Cash and Investments**

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

University investment policy specifies that investments are limited to those allowed by W.S. 9-4-831 for public entities. Per University investment policy item G.b.iv., 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 whose duration does not exceed three years in the overall portfolio. This allocation will not exceed 40% of operating and agency funds. The investment policy can be found at the following link: <http://www.uwyo.edu/administration/uw-policies/financial-policy.html>.

Deposits: At June 30, 2017 and 2016, the carrying amount of the Bond Funds' participation in the University's cash and cash equivalents was \$21,936,714 and \$33,136,308, respectively. Of this amount, \$10,060,791 and \$8,396,437 was on deposit with the State Treasurer through the University and \$11,875,923 and \$24,739,871 was the bank balance on deposits with financial institutions as of June 30, 2017 and 2016, respectively.

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

Cash equivalents of \$0 and \$283,290 are restricted to be used in accordance with the 2010, 2011, and 2012 bond resolutions as of June 30, 2017 and 2016, respectively.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF THE BOND FUNDS' PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**Public Employee Pension Plan**

**Last 4 Fiscal Years\***

	Bond Funds' proportion of the net pension liability	Bond Funds' proportionate share of the net pension liability	Bond Funds' covered payroll	Bond Funds' proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.157794387%	\$ 2,399,107	\$ 2,646,250	91.00%	81.10%
2015	0.156055343%	2,753,857	2,694,816	102.00%	79.08%
2016	0.161675861%	3,765,994	2,887,834	130.00%	73.40%
2017	0.160279352%	3,874,755	2,865,318	135.23%	73.42%

*\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. This schedule is to be built prospectively until it contains ten years of data.*

See Note to Required Supplementary Information.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF THE BOND FUNDS' CONTRIBUTIONS  
Public Employee Pension Plan  
Last 4 Fiscal Years\***

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll pension liability
2014	\$ 170,145	\$ 170,145	\$ -	\$ 2,389,685	7.12%
2015	211,312	211,312	-	2,773,125	7.62%
2016	247,859	247,859	-	2,961,278	8.37%
2017	244,678	244,678	-	2,923,274	8.37%

*\* This schedule is to be built prospectively until it contains ten years of data.*

See Note to Required Supplementary Information.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

---

**Note 1. Retirement Commitment – Wyoming Retirement System**

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2015 measurement date and the December 31, 2016 measurement date.

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF CHANGES IN THE BOND FUNDS'  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
Year Ended June 30, 2017\***

---

Total OPEB Liability	
Service cost	\$ 11,138
Interest cost	38,983
Changes of benefit terms	(570,811)
Changes in assumptions or other inputs	-
Benefit payments	(48,781)
<b>Net change in total OPEB liability</b>	<b>(569,471)</b>
Total OPEB liability - beginning	1,164,209
Total OPEB liability - ending	<u>\$ 594,738</u>
Covered employee payroll	7,090,000
Total OPEB liability as a percentage of covered employee payroll	8%

*\* This schedule is to be built prospectively until it contains ten years of data.*

See Note to Required Supplementary Information.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Note 1. Changes in Benefit Terms and Assumptions**

Change in benefit terms: Amounts presented reflect the elimination of the benefit for conversion of accrued sick leave to health insurance payments for those employees who did not meet the criteria as of July 1, 2016.

Changes in assumptions: Changes in assumptions or other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.56% in 2017.

## **SUPPLEMENTARY INFORMATION**

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF NET PLEDGED REVENUE  
Year Ended June 30, 2017**

	Bookstore	Union	Dining Services
Gross Pledged Revenue			
Sales:			
Merchandise	\$ 7,429,097	\$ 279,919	\$ 12,580,082
Utilities	-	-	-
Rents and fees:			
Residence hall and apartment rent	-	-	-
Telecommunications	-	-	-
Fees and games	-	-	-
Student fees	-	2,425,854	-
Nonenterprise revenue:			
Government royalties	-	-	-
Indirect cost recovery	-	-	-
Miscellaneous	86,836	-	-
Investment income	-	2,055	-
<b>Total revenue</b>	<b>7,515,933</b>	<b>2,707,828</b>	<b>12,580,082</b>
Operation and Maintenance Expenses			
Cost of sales	5,584,444	-	3,026,419
Operating expenses:			
Administrative assessment	230,000	329,960	216,463
Advertising	79,762	514,275	8,811
Contractual services	-	-	-
Credit card charges	105,369	-	-
Insurance	1,369	25,532	51,413
Laundry	-	-	40,486
Parts and supplies	27,111	88,916	527,288
Rent	135,763	-	4,448
Repairs and maintenance	19,014	66,162	237,513
Salaries	692,299	900,864	3,915,622
Salaries - benefits	275,322	385,127	1,739,275
Support services	-	-	-
Travel	4,545	83,238	12,497
Utilities	25,665	110,350	436,090
Utility reimbursement (1)	-	(66,991)	-
Miscellaneous	69,735	87,520	262,907
Plant funds	-	-	-
Depreciation	3,623	9,927	38,553
<b>Total expenses</b>	<b>7,254,021</b>	<b>2,534,880</b>	<b>10,517,785</b>
(Gain) Loss on Sale of Assets	-	-	-
Interest	-	-	16,444
<b>Pledged net revenue</b>	<b>\$ 261,912</b>	<b>\$ 172,948</b>	<b>\$ 2,045,853</b>

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

Residence Life	Non-Enterprise Revenue	Totals
\$ -	\$ 8,100	\$ 20,297,198
-	46,753	46,753
9,983,091	-	9,983,091
-	2,819,500	2,819,500
-	1,733,712	1,733,712
-	-	2,425,854
-	13,365,000	13,365,000
-	900,000	900,000
13,111	943,051	1,042,998
-	1,176,453	1,178,508
9,996,202	20,992,569	53,792,614
313,029	842,083	9,765,975
774,567	-	1,550,990
-	-	602,848
86,360	114,116	200,476
-	-	105,369
214,158	-	292,472
-	-	40,486
358,797	-	1,002,112
54,369	-	194,580
922,176	-	1,244,865
2,019,511	1,058,556	8,586,852
772,509	204,641	3,376,874
5,287	1,338,574	1,343,861
18,641	7,155	126,076
1,830,995	-	2,403,100
-	-	(66,991)
2,572	11,944	434,678
-	-	-
27,759	41,142	121,004
7,400,730	3,618,211	31,325,627
-	-	-
11,908	-	28,352
7,412,638	3,618,211	31,353,979
\$ 2,583,564	\$ 17,374,358	\$ 22,438,635

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF NET PLEDGED REVENUE (Continued)  
Year Ended June 30, 2017**

	Totals
Net Pledged Revenue	<u>\$ 22,438,635</u>
Maximum Annual Debt Service Requirement (Fiscal 2021)	
Principal	5,580,000
Interest	<u>2,749,987</u>
	<u>8,329,987</u>
Excess of Net Pledged Revenue over Maximum Debt Service Requirement	<u>\$ 14,108,648</u>
Percentage of Net Pledged Revenue to Maximum Debt Service Requirement	269%
Percentage of Net Pledged Revenue to Debt Service Requirement for Fiscal Year Ending June 30, 2018	270%

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**DEBT SERVICE REQUIREMENTS OF THE  
MAY 12, 2009, MAY 12, 2010, NOVEMBER 18, 2011,  
JULY 25, 2012, and OCTOBER 26, 2016  
BOND RESOLUTIONS  
June 30, 2017**

Year Ended	May 12, 2009			May 12, 2010		
	Bond Resolution (Series 2009)			Bond Resolution (Series 2010)		
	Principal	Interest	Total	Principal	Interest	Total
2018	875,000	71,000	946,000	850,000	1,374,106	2,224,106
2019	900,000	36,000	936,000	895,000	1,335,672	2,230,672
2020	-	-	-	1,855,000	1,295,570	3,150,570
2021	-	-	-	1,925,000	1,224,212	3,149,212
2022	-	-	-	2,000,000	1,164,276	3,164,276
2023	-	-	-	2,050,000	1,098,496	3,148,496
2024	-	-	-	2,230,000	1,028,940	3,258,940
2025	-	-	-	3,230,000	944,434	4,174,434
2026	-	-	-	4,610,000	822,034	5,432,034
2027	-	-	-	4,785,000	647,336	5,432,336
2028	-	-	-	4,890,000	483,126	5,373,126
2029	-	-	-	5,045,000	327,134	5,372,134
2030	-	-	-	5,210,000	166,199	5,376,199
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,775,000</b>	<b>\$ 107,000</b>	<b>\$ 1,882,000</b>	<b>\$ 39,575,000</b>	<b>\$ 11,911,535</b>	<b>\$ 51,486,535</b>

Year Ended	November 18, 2011 Bond Resolution (Series 2011)			July 25, 2012 Bond Resolution (Series 2012)		
	Principal	Interest	Total	Principal	Interest	Total
2018	725,000	191,763	916,763	2,125,000	1,411,925	3,536,925
2019	745,000	176,900	921,900	2,195,000	1,345,425	3,540,425
2020	770,000	147,100	917,100	2,265,000	1,276,625	3,541,625
2021	805,000	116,300	921,300	2,350,000	1,186,025	3,536,025
2022	835,000	84,100	919,100	2,445,000	1,093,650	3,538,650
2023	865,000	54,875	919,875	2,550,000	992,000	3,542,000
2024	890,000	28,925	918,925	2,670,000	864,500	3,534,500
2025	-	-	-	2,810,000	731,000	3,541,000
2026	-	-	-	1,680,000	602,200	2,282,200
2027	-	-	-	1,760,000	518,200	2,278,200
2028	-	-	-	1,850,000	430,200	2,280,200
2029	-	-	-	1,945,000	337,700	2,282,700
2030	-	-	-	2,035,000	240,450	2,275,450
2031	-	-	-	2,140,000	138,700	2,278,700
2032	-	-	-	2,210,000	71,825	2,281,825
<b>Total</b>	<b>\$ 5,635,000</b>	<b>\$ 799,963</b>	<b>\$ 6,434,963</b>	<b>\$ 33,030,000</b>	<b>\$ 11,240,425</b>	<b>\$ 44,270,425</b>

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**DEBT SERVICE REQUIREMENTS OF THE  
MAY 12, 2009, MAY 12, 2010, NOVEMBER 18, 2011,  
JULY 25, 2012, and OCTOBER 26, 2016  
BOND RESOLUTIONS (Continued)  
June 30, 2017**

Year Ended	Bond Resolution (Series 2016)			Combined Annual Requirement
	Principal	Interest	Total	
2018	440,000	255,300	695,300	8,319,094
2019	440,000	250,900	690,900	8,319,897
2020	475,000	237,700	712,700	8,321,995
2021	500,000	223,450	723,450	8,329,987
2022	500,000	203,450	703,450	8,325,476
2023	530,000	183,450	713,450	8,323,821
2024	445,000	162,250	607,250	8,319,615
2025	460,000	144,450	604,450	8,319,884
2026	480,000	126,050	606,050	8,320,284
2027	495,000	111,650	606,650	8,317,186
2028	565,000	96,800	661,800	8,315,126
2029	590,000	74,200	664,200	8,319,034
2030	615,000	50,600	665,600	8,317,249
2031	650,000	26,000	676,000	2,954,700
2032	-	-	-	2,281,825
<b>Total</b>	<b>\$ 7,185,000</b>	<b>\$ 2,146,250</b>	<b>\$ 9,331,250</b>	<b>\$ 113,405,173</b>

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)  
June 30, 2017**

---

1. Policy Number: 066095356 and other participating numbers	
Insurer: Lexington and Zurich Insurance Companies and other participating carriers for Midwestern Higher Education Compact (MHEC)	
Effective and Expiration Dates: July 1, 2016 - July 1, 2017	
Coverages/Limits:	\$ 1,500,000,000
Real and personal property; business interruption; builders risk, boiler and machinery subject to sublimits shown below	
Sublimits:	
Terrorism	500,000,000
Flood, annual aggregate except	100,000,000
Flood, aggregate (SHFA designated zones)	25,000,000
Earthquake, aggregate (excluding CA)	100,000,000
Automatic coverage for 90 days	100,000,000
Ingress/egress (30 days)	50,000,000
Civil or military authority (30 days)	50,000,000
Miscellaneous unnamed locations (U.S./Canada)	25,000,000
Miscellaneous unnamed locations (outside U.S./Canada)	5,000,000
Service interruption property damage and business interruption	25,000,000
Contingent time element	25,000,000
Soft costs	25,000,000
Transit	25,000,000
Mold (as a direct result of a covered loss)	25,000,000
Personal property of students and patients	2,500,000
Except maximum of per student or patient	25,000
Research animals	2,500,000
Personal property (outside U.S./Canada)	5,000,000
Computer systems non-physical damages	1,000,000
Pollutant clean up, annual aggregate	1,000,000
Upgrade to green coverage	1,000,000
Boiler and machinery	100,000,000
Spoilage	5,000,000
Hazardous substance	5,000,000
Expediting expense	5,000,000
CFC refrigerants	5,000,000

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)  
June 30, 2017**

---

<p>2. Policy Number: BLX201600049900  Type: Third Party Liability (Buffer Excess)  Insurer: United Educators Risk Retention Group  Effective and Expiration Dates: July 1, 2016 - July 1, 2017  Coverages/Limits:</p>	<p>\$ 900,000  3,600,000</p>
<p>Annual aggregate  Personal injury; property damage; general liability; liquor liability;  automobile liability; employee stop gap liability;  employee benefit liability; professional liability;  broadcasting liability; non-owned auto physical damage</p>	
<p>3. Policy Number: GLX201600049900  Type: Excess Liability  Insurer: United Educators Risk Retention Group  Effective and Expiration Dates: July 1, 2016 - July 1, 2017  Coverages/Limits:</p>	<p>\$ 25,000,000</p>
<p>Excess of underlying limits listed in item 2</p>	
<p>4. Policy Number: ELA201600049900  Type: Educators Legal Liability  Insurer: United Educators Risk Retention Group  Effective and Expiration Dates: July 1, 2016 - July 1, 2017  Coverages/Limits:</p>	<p>\$ 20,000,000</p>
<p>Errors and omissions; breach of duty; wrongful employment practice</p>	
<p>5. Policy Number: WS11005948  Type: Foreign Commercial Package Policy  Insurer: Insurance Company of Pennsylvania  Effective and Expiration Dates: July 1, 2016 - July 1, 2019  Coverages/Limits (liability):</p>	<p>\$ 1,000,000</p>
<p>Statutory Requirements  Workers' Compensation  General Liability including Bodily injury/property damage; premises/  operations liability; products/completed operations; contingent  automobile; foreign personal injury and advertising injury liability;  foreign contractual liability; incidental medical malpractice liability;  medical expenses; employers liability</p>	
<p>6. Policy Number: 105805373  Type: Public Dishonesty and Crime  Insurer: Travelers Casualty &amp; Surety Company of America  Effective and Expiration Dates: July 1, 2015 - July 1, 2018  Coverages/Limits:</p>	<p>\$ 3,000,000</p>
<p>Public dishonesty; forgery or alteration; theft; disappearance;  computer fraud</p>	

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)  
June 30, 2017**

---

7. Policy Number: S1HL 1-582W	
Type: Aircraft Physical Damage/Aircraft & Airport Liability	
Insurer: United States Aircraft Insurance Group (USAIG)	
Effective and Expiration Dates: July 1, 2016 - July 1, 2017	
Coverages/Limits:	\$ 10,000,000
Sublimits:	
Aircraft: Physical damage for scheduled aircraft	3,900,000
Airport liability (BI/PD liability, personal and advertising injury)	10,000,000
Non-owned aircraft liability (CSL)	10,000,000
Non-owned physical damage liability	2,500,000
Guest voluntary settlement	250,000
Spare parts physical damage coverage	750,000
Extra expense	1,000,000
Extra expense coverage replacement aircraft	500,000
Medical coverage, each person	25,000
Baggage liability, each person	25,000
Search and rescue, each occurrence	1,000,000
Cargo liability, each occurrence	1,000,000
Products completed operations	10,000,000
Hangers keepers liability	3,000,000
Garage keeper's liability	100,000
Mechanic tools	100,000
Personal and advertising injury	10,000,000
8. Policy Number: US 745717	
Type: Athletic Injury (deductible buydown for NCAA policy)	
Insurer: US Fire Insurance Company	
Effective and Expiration Dates: July 1, 2016- July 1, 2017	
Coverages/Limits:	
Aggregate	\$ 5,000,000
Maximum medical per insured	90,000
Accidental death or dismemberment	100,000
9. Policy Number: NCAA/UW	
Type: Athletic Catastrophic Accident and Sickness Policy	
Insurer: Mutual of Omaha Insurance Company	
This policy provided as part of UW's membership in the NCAA and functions as an excess layer over coverage above item 8	
Coverages/Limits:	\$ -
Coverage has \$90,000 deductible and is determined by the type of incident in which insured is involved	

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)  
June 30, 2017**

---

10. Policy Number: 43WECAO8427		
Type: Workers' Compensation (other states)		
Insurer: Twin City Fire Ins. Co. (Hartford)		
Effective and Expiration Dates: July 1, 2016 - July 1, 2017		
Coverages/Limits:		
Bodily injury by accident, each accident	\$	1,000,000
Bodily injury by disease, aggregate		1,000,000
Bodily injury by disease, each employee		1,000,000
11. Policy Number: 82-867-145		
Type: Special Risk (Kidnap, Ransom, Disappearance, etc.)		
Insurer: National Union Fire Insurance Company of Pittsburgh, PA (AIG)		
Effective and Expiration Dates: July 1, 2016 - July 1, 2019		
Coverages/Limits:		
Kidnap and ransom coverage, accidental death or dismemberment		
Sublimits:		
Ransom	\$	10,000,000
Death or dismemberment, per insured person		250,000
Death or dismemberment, per insured event		1,500,000
Transit		10,000,000
Additional expense		10,000,000
Hostage crisis		10,000,000
Disappearance		250,000
Threat		250,000
Consultant expense		unlimited
12. Policy Number: GLB0009139873		
Type: Trustee Business Travel Accident & International Faculty/Staff/Student		
Insurer: National Union Fire Insurance Company of Pittsburgh, PA (AIG)		
Effective and Expiration Dates: July 1, 2016 - July 1, 2017		
Coverages/Limits:		
Accidental death or dismemberment	\$	100,000
Out of country medical		250,000
Medical evacuation		100,000
Repatriation of remains		50,000
Aggregate per accident:		
Medical evacuation, excess accident medical expense, out of country medical, repatriation of remains, security and natural disaster evacuation		5,000,000

*Continued*

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)  
June 30, 2017**

---

13. Policy Numbers: HTB000262003 and 01333491100148	
Type: Fine Arts	
Insurer: Ironshore Indemnity (primary); AXA (excess layer)	
Effective and Expiration Dates: July 1, 2016 - July 1, 2017	
Coverages/Limits:	
Fine arts/valuable papers scheduled locations worldwide	\$ 250,000,000
Legal liability	250,000,000
Any other location worldwide	50,000,000
Transit any one conveyance worldwide	50,000,000
Terrorism	50,000,000
14. Policy Number: V1355W16PNGF	
Type: Ocean Marine Cargo	
Insurer: Beazley Insurance Co.	
Effective and Expiration Dates: July 1, 2016 - July 1, 2017	
Coverages/Limits:	
Any one conveyance	\$ 1,000,000
Any one package (govt., private mail, parcel post)	1,000,000
Exhibition/trade fairs	150,000
Packages via registered mail	100,000
Salesperson samples	25,000
15. Policy Number: EONG25563049	
Type: Cyber Liability	
Insurer: Illinois Union Insurance Company	
Effective and Expiration Dates: July 1, 2016 - July 1, 2017	
Coverages/Limits:	
Per occurrence	\$ 5,000,000
Data breach fund	1,000,000
Sidecar	2,500,000
16. Policy Number: 0619673759	
Type: Health Science Student Professional Liability (externships)	
Insurer: American Casualty Company of Reading, PA	
Effective and Expiration Dates: August 31, 2016 - August 31, 2017	
Coverages/Limits:	
Per claim	\$ 1,000,000
Aggregate	5,000,000

UNIVERSITY OF WYOMING  
THE BOND FUNDS

STATEMENT OF NET POSITION: FUND GROUP PERSPECTIVE  
June 30, 2017

	Current Unrestricted Funds	Plant Funds		Total	
		Unexpended	Funds for Renewal and Replacement		Funds for Retirement of Indebtedness
<b>ASSETS</b>					
Cash and cash equivalents	\$ 18,866,958	\$ -	\$ 3,069,619	\$ 137	\$ 3,069,756
Accounts receivable, net	1,398,132	-	-	-	-
Due from other funds	-	-	-	297,117	297,117
Inventories	2,042,666	-	-	-	-
Prepaid expenses	1,318,210	-	-	-	-
Equipment, net of accumulated depreciation	505,971	-	-	-	-
	<u>24,131,937</u>	<u>-</u>	<u>3,069,619</u>	<u>297,254</u>	<u>3,366,873</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	-	-	-	604,894	604,894
Pension-related deferred outflows	879,260	-	-	-	-
	<u>879,260</u>	<u>-</u>	<u>-</u>	<u>604,894</u>	<u>604,894</u>
<b>LIABILITIES</b>					
Unexpended portion, revenue bonds payable	-	-	-	-	-
Accounts payable	1,170,517	-	-	-	-
Accrued expenses	2,239,902	-	-	-	-
Accrued interest payable	-	-	-	292,603	292,603
Net pension liability	3,874,755	-	-	-	-
Due to other bond funds	297,117	-	-	-	-
Payments for services received in advance	120,730	-	-	-	-
	<u>7,703,021</u>	<u>-</u>	<u>-</u>	<u>292,603</u>	<u>292,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred gain on refunding	-	-	-	220,682	220,682
Pension-related deferred inflows	135,100	-	-	-	-
	<u>135,100</u>	<u>-</u>	<u>-</u>	<u>220,682</u>	<u>220,682</u>
<b>NET POSITION</b>					
Invested in equipment	505,971	-	-	-	-
Restricted	-	-	3,069,619	-	3,069,619
Unrestricted	16,667,105	-	-	388,863	388,863
	<u>\$ 17,173,076</u>	<u>\$ -</u>	<u>\$ 3,069,619</u>	<u>\$ 388,863</u>	<u>\$ 3,458,482</u>

**UNIVERSITY OF WYOMING  
THE BOND FUNDS**

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION: FUND GROUP PERSPECTIVE  
Year Ended June 30, 2017**

	Current Unrestricted Funds	Plant Funds		Total
		Unexpended	Funds for Renewal and Replacement	
<b>Operating Revenues</b>				
Sales	\$ 20,343,951	\$ -	\$ -	\$ -
Rents and fees	16,962,157	-	-	-
Government royalties	13,365,000	-	-	-
Indirect cost recovery	900,000	-	-	-
Miscellaneous	99,947	-	-	-
	<u>51,671,055</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating Expenditures</b>				
Cost of sales	9,765,975	-	-	-
Administrative assessments	1,550,990	-	-	-
Salaries and benefits	11,963,726	-	-	-
Utilities	2,336,109	-	-	-
Other operating expenses	5,708,827	-	-	-
	<u>31,325,627</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating income</b>	<u>20,345,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Nonoperating Revenues (Expenses) and Other Items</b>				
Investment income	1,178,508	-	17,840	771,371
University land income	943,051	-	-	-
Interest refund	-	-	-	798,927
Bond issuance costs	-	-	-	(118,563)
Interest on indebtedness	(28,352)	-	-	(4,269,308)
Retirement of indebtedness	-	-	-	(4,865,000)
Transfers in (out)	(33,776,306)	(283,290)	138,558	7,422,906
	<u>(31,683,099)</u>	<u>(283,290)</u>	<u>156,398</u>	<u>(259,667)</u>
<b>Net increase (decrease) in net position</b>	<u>(11,337,671)</u>	<u>(283,290)</u>	<u>156,398</u>	<u>(259,667)</u>
Net Position, beginning of year*	<u>28,510,747</u>	<u>283,290</u>	<u>2,913,221</u>	<u>648,530</u>
Net Position, end of year	<u>\$ 17,173,076</u>	<u>\$ -</u>	<u>\$ 3,069,619</u>	<u>\$ 388,863</u>
				<u>\$ 3,458,482</u>

\*Adjusted for the prior period effect of other postemployment benefits.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of certain Bond Funds of the University of Wyoming (the "University"), which comprise the Statement of Net Position as of June 30, 2017 and the related Statements of Revenue, Expenses, and Changes in Net Position and Cash Flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated November 10, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that the University failed to comply with the terms, covenants, provisions, or conditions, as listed in the Official Statement, of each of the bond resolutions and the Financial Guaranty Agreement related to each of the Surety Bonds, insofar as they relate to accounting matters. It should be noted, however, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the University's noncompliance with the above referenced terms, covenants, provisions, or conditions of the bond resolutions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Trustees, management of the University and revenue bondholders and is not intended to be, and should not be, used by anyone other than these specified parties.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
November 10, 2017