

UW Board of Trustees Fiscal and Legal Affairs Committee
Agenda
May 14, 2025

Closed Session: If necessary, a separate agenda and materials for the Closed Session.

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FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Status of Internal Audit Plan

- ☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:

- ☒ Yes
☐ No

FOR FULL BOARD CONSIDERATION:

- ☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
☒ No
☐ Attachments/materials are provided in advance of the meeting.

EXECUTIVE SUMMARY: The annual Internal Audit Plan was approved by the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees in May 2024. The attached chart shows the status of the Audit Plan.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Regular reporting to the Committee regarding the status of progress made on completion of the Internal Audit Plan.

ACTION REQUIRED AT THIS COMMITTEE MEETING: Yes. The proposed Fiscal 2026 Internal Audit Plan should be considered for presentation to the full Board of Trustees for approval.

PROPOSED MOTION: None

Background:

The annual Internal Audit Plan was reviewed and approved by the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees in the regular meeting in May of 2024. The audit plan will run through the end of the fiscal year

2024-2025 Internal Audit Plan (Activity since last FLAC meeting)

INTERNAL AUDIT PLAN			Planned Hours	Priority	Team Hours Since March 27, 2025
GROSS HOURS	Total Hours Available (3 FTE)		6,240		552
Holiday	Hours UW is closed		864		-
Annual Leave	Vacation accrual		432		24
Sick	Sick leave accrual		288		-
Hours Available			4,656	-	528
Training	Hours assigned for UW required training and continuing education credits for certifications. Also includes 300 hours of onboarding for 2 new FTE.		544		44
Certification	Quality Improvement Plan, prepare for independent verification of self-assessment of internal audit function		80	⊗	
Administration	research/development, web-site update, strategic planning, recruiting, etc.		480		29
Advising	Consultative and special projects, (i.e., collaboration with Procurement, Foundation, Risk, etc.)		240		
Audits	Area	Reason/Risk			
	NCAA (Annual)	Annual	160	6	
	Continuous Monitoring Progress (Annual)	Annual	80		
	Risk Assessment (Annual)	Planning	80		191
	Results and Reporting (Annual)	Planning	80		
	Audit Schedule Development (Annual)	Planning	40		35
	Fraud, Waste, and Abuse (FWA) Investigations	As needed	312		
	Follow-Up Reports	Required	120	1	13
	Cashiers (biannual review)	Biannual	120		
	UW Libraries - Change of Management	Risk Assessment	140	4	25
	Extension - Rotating Sample (Laramie County 4-H)	Risk Assessment	160	3	164
	UW Outdoor Program	Risk Assessment	140		
	Global Engagement	Risk Assessment	140		
	Supplemental Pay	Risk Assessment	160		
	Banner - Segregation of Duties	Risk Assessment	140		
	Surplus Property	Risk Assessment	140		
	Student Media	Risk Assessment	140		
	Union Operations	Risk Assessment	140		
	College of Agriculture - Consult/Review	Risk Assessment	120		
	College of Health Sciences - Consultative Review	Risk Assessment	120		
	College of Law - Change of Management	Risk Assessment	140	2	3
	College of Education - Change of Management	Risk Assessment	140	5	24
	Management of Reserve and Designated Fund Balances	Risk Assessment	140		
	Postponed from previous year	Reason/Risk			
	HR/Payroll Incremental Review - Hiring and Recruiting	Risk Assessment	160		
	Student Mental Health Resources	Risk Assessment	200		
	Total Hours Assigned		4,656		528
	Total Remaining Hours		-		-

Summary:

Gross hours available	552	(Since March 27, 2025, FLAC meeting)
Personal Time Off	<u>24</u>	
Available Project Hours	528	

Discussion:

- The risk assessment process used an entirely new process involving in-person interviews followed by heat-map charting and prioritization. The new process has exceeded the budgeted hours.
- Significant audit activities primarily included the Laramie County 4-H, which involved the entire team and helped refine internal departmental operating procedures.

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Status of Follow-up Activity

- ☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:

- ☐ Yes
☒ No

FOR FULL BOARD CONSIDERATION:

- ☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
☒ No
☒ Attachments/materials are provided in advance of the meeting.

EXECUTIVE SUMMARY: According to the Institute of Internal Auditors Global Internal Audit Standards, internal auditors must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the residual risks associated with maintaining the status quo and not taking further corrective action.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Regular report to the Committee regarding status of Internal Audit activities.

ACTION REQUIRED AT THIS COMMITTEE MEETING: None

PROPOSED MOTION: None

Background:



The Institute of Internal Auditors' Standards states that the chief audit executive must establish and maintain a system to monitor the disposition of results previously communicated to management and must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking the recommended action(s).

The Internal Audit team presents all management action plans for which a follow-up may be required, even if the planned implementation date is well into the future. The status of the open Management Action Plans is presented below.

Management Action Plans that Internal Audit is currently monitoring:

Index	Audit Period	Issued	Entity Name	Nature of Management Action Plan	# of Action Plans	Completed	Remaining	Latest Target Completion Date	Past Due?	Internal Audit Notes
21-3	2020-2021	9/14/2022	Academic Affairs (COM)	1a. Reassessment of Central Position Mgmt. 1b. Policies and procedures documentation	2	1	1	Complete Two open sections. See discussion below.	Yes	Original date: Feb. 22, 2023 Combined Release time with Course Overloads
22-3	2021-2022	9/8/2022	Student Health Services	1. Updated and regularly scheduled training 2. Quality controls for accreditation	2	0	2	June 20, 2025	No	Original date: June 8, 2023
22-6	2021-2022	7/17/2023	Capital Construction Projects	Revisions to documentation	2	1	1	April 17, 2024	Yes	Pending validation (10/31)
23-1	2022-2023	3/2/2023	General Facility and Deferred Maintenance	Revisions to documentation	2	1	1	September 1, 2023	Yes	Pending validation (10/31)
23-2	2022-2023	7/18/2023	College of Health Sciences (COM)		3	2	1	Complete In progress July 2025 Complete	Yes	Original date: July 18, 2023
24-3	2023-2024	10/17/2023	ASUW	1a. Evaluate Unrestricted Reserve acct. 1b. Timely presentation of financial data 1c. Present fees to Central Fee Committee 2a. Clarify uses of Student Fees in Fee Book 2b. Formalize ASUW documentation 2c. Alignment of Strategic Plans 2d. Working group to review/revise documentation	7	3	4	June 30, 2025 Completed January 2026 Completed September 1, 2025 Completed September 1, 2025	No	Pending validation
24-4	2023-2024	12/14/2023	Alumni Association	1a. Presentation of financial information 1b. Review & amend MOA 2a. Update Policies & Procedures 2b. Procedural documentation 3a. Management of financial activities 3b. Training for financial responsibilities	6	2	1	Complete 6/30/2025 Completed Completed Complete Complete	No	Pending validation
24-5	2023-2024	6/3/2024	Foundation Sister Accounts	Develop criteria and training regarding allowable expenditures	1	0	1	May 31, 2025	No	Original date: Sep 30, 2024

The table above summarizes all management action plans outstanding, showing:

- 25 management action plans are being monitored
- 5 more have been completed since the last meeting 
- 12 remain open. Of the 12, 4 are past due or partially past due 

Note that several Management Action Plans contained multiple actions, some of which may have been completed. Those actions have been split to reflect the number of outstanding items and will be tracked until all action plans have been closed.

Discussion:

21-3 Academic Affairs Change in Leadership (Provost)

- Audit Report Date: September 14, 2022
- Original Follow-Up Due: February 22, 2023
- The report contained one observation with two parts as follows:
 - **Observation #1a:** It is recommended that the Central Position Management (CPM) process be reviewed to ensure effectiveness and efficiency, that the benefits exceed the costs. If maintained, the process requires functional re-engineering to document procedures and incorporate an element of reconciliation in the university's financial system to regularly validate calculations that drive management decisions. **(Complete)**
 - **Observation #1b:** It is recommended the Office of the Provost continue to fulfill its compliance with Regulation 1-1 by orchestrating a review of procedures with constituents as necessary to ensure accuracy, applicability, and alignment with strategic objectives.

Status as of May 2025 – Internal Audit has met with Interim Provost, Dr. Scott Turpen and other members of the Provosts Office and has conferred with members of the General Counsel team to obtain updates and assess progress toward completion of the management action plans. Only one item remains open, and most sections within it have been completed. The one open area includes the two areas highlighted in red below:

- **Observation #1b:** Review and revisions have been underway considering:
 - **Course overloads**
 - **Release time**

The topics of **Release Time** and **Course Overloads** have been combined and included in General Counsel's project to update all SAP/DAP documents and should be completed by 2028. The intent is to also include the topic of course overloads with release time.

Observation #1b: Completion dates, 2028.

22-3 Student Health Services - Organization training and quality controls for accreditation

- Audit Report Date: August 30, 2022
- Original Follow-Up Due: June 8, 2023
- The report contained two observations as follows:
 - **Observation #1a:** Require relevant training as a part of new employee orientation.
 - **Observation #1b:** Schedule and monitor completion of required training annually.
 - **Observation #2a: Accreditation:** Accreditation lapsed in 2021.
 - **Observation #2b: Procedural Documents:** The department maintains complex procedural documentation and safety training as required by accreditation, but there is no regular review/update to documentation.
 - **Observation #2c: Quality Control Assessments and Activities:** Other quality control measures have not been occurring as per past accreditation and/or procedure documentation.
 - Peer Reviews
 - Quality Improvement Committee
 - Risk Management Committee
 - Patient Satisfaction Survey

Status as of May 2025 – Management action plans from this audit are not yet due.

- Internal Audit has been in contact with management to determine actions completed/pending to achieve success by planned due date.
- **Target completion date for all open items: June 30, 2025**

22-6 & 23-1 Capital Construction Process and General Facility and Deferred Maintenance

- Audit Report Date: July 17, 2023/March 2, 2023
- Original Follow-Up Due: April 17, 2024/December 2, 2023
- Both reports contained two observations, one from each remains open as follows:
 - **Capital Construction Observation #2:** With changes in leadership, institutional administration reorganizations, and updated strategic planning, the Facilities Council as originally outlined is not currently active.
 - Assess the need to update UniReg [1-1](#), [6-1](#), [6-4](#), [6-9](#), Trustee Bylaws, and other directive documentation to ensure congruency with state statute, nomenclature, and expectations.
 - Ensure that compliance elements of W.S. § 9-2-3006 are delineated in procurement procedures for Capital Construction Projects.
 - **General Facilities Observation #1:** Oversight of bid processing – to ensure a proper understanding of authority and expectations, it is recommended that the division works with General Counsel to review to assess the need to update UniReg [6-1](#), [6-4](#), and [6-9](#), and other guidance to ensure congruency with division nomenclature and current titles.

Status as of May 2025 – Based on discussions with Vice President of Operations, Bill Mai, some of the regulations are in the approval process, and others are still in the revision stage. An update will be provided orally to members of the FLAC at the March meeting.

Updates will be provided to the Committee orally.

23-2 College of Health Sciences (COM)

- Audit Report Date: July 18, 2023
- Original Follow-Up Due: April 18, 2024
- The original report contained three observations summarized as follows:
 - **Observation #1:** The Student Pharmacy does not have documented fund handling procedures and staffing fluctuations compromise internal controls. **(Completed)**
 - **Observation #2:** Documented operational, financial, and personnel guidelines have not been fully developed to ensure effective and efficient progress toward shared strategic objectives between the college and EHCW
 - **Observation #3:** Procedures for independent verification of access have not been established. **(Completed)**

Status as of May 2025 – Internal Audit has had discussions with the new Dean who has identified additional risks that might require prompt attention. Healthcare compliance concerns have been included in the annual risk assessment which will be discussed in closed session.

24-3 Associated Students of the University of Wyoming (ASUW)

- Audit Report Date: October 17, 2023
- Original Follow-Up Due: July 17, 2024

The original report contained two observations comprising eight components, some of which were further broken down into multiple tasks. The corrective actions and management action plans have been broken down into seven items which are summarized as follows:

- **Observation #1a:** Evaluate the continued use of a legacy Unrestricted Reserve account.
- **Observation #1b:** In cooperation with administrative oversight provided by Vice President of Student Affairs, develop a documented plan to present financial data that is timely and useful to guide decision making.
- **Observation #1c:** Include use of mandatory fees, carry forward and reserve balances, in the presentation to the Central Fee Committee.
- **Observation #2a:** General use of student fees be clarified in formalized documentation, including the Fee Book.
- **Observation #2b:** Formally document ASUW guidelines, training requirements, regular/periodic review of ASUW By-Laws, Strategic Plan, and Governance/Oversight.
- **Observation #2c:** Align the ASUW Strategic Plan with the University of Wyoming Strategic Plan.
- **Observation #2d:** Develop a process to formalize documentation and ensure ongoing/periodic updates to documentation to ensure financial, compliance, strategic, reputational, and operational risks are mitigated.

Status as of May 2025 – Management expressed a positive response to each of the recommendations and is working toward completion; however, a recent change in leadership at the role of Vice President for Student Affairs has necessitated a pause, and the new Vice President for Student Affairs has expressed an interest in addressing the open items.

- **Observation #1a:** Completion date remains **June 30, 2025**.
- **Observation #1c:** Completion date revised to **January 2026**.
- **Observation #2b:** Completion date revised to **September 1, 2025**.
- **Observation #2d:** Completion date revised to **September 1, 2025**.

24-4 Alumni Association – Fund management, Documentation, WyoCloud

- Audit Report Date: December 14, 2023
- Original Follow-Up Due: September 30, 2024
- The original report contained three observations comprising a total of six actions. The corrective actions and management action plans have been summarized as follows:
 - **Observation #1a:** Devise a process to include the presentation of full financial information (internal and external) to stakeholders.
 - **Observation #1b:** Collaborate with Administration and Finance as well as General Counsel to review the MOA considering current practices and discuss options to ensure clarity regarding the expectations of compliance in the management of UWAA funds.
 - **Observation #2a:** Update UWAA Policies and Procedures to include references to University documents.
 - **Observation #2b:** Create or update procedural documentation regarding critical activities.
 - **Observation #3a:** Collaborate with the VP of Student Affairs to define roles and responsibilities as follows in the management of the lifecycle of WyoCloud financial activities
 - **Observation #3b:** Individuals in positions assigned as fulfilling the Responsible or Accountable role should complete the following University of Wyoming offered training:
 - Fund Balance
 - Cost Center Approver

Status as of May 2025 – The UWAA leadership is taking the action plans seriously and has made progress. Some items have been completed, while others are still underway, as described below:

- **Observation #1b:** Amendments to the MOA are in progress. **(Revised to June 30, 2025)**
- **Observation #2a:** Policies and Procedures are completed and will be reviewed by the UWAA board on April 11, 2025. **(Completed ahead of schedule)**
- **Observation #2b:** Procedural documentation is complete and will be reviewed and approved by the UWAA board on April 11, 2025. **(Completed ahead of schedule)**
- **Observation #3b:** All individuals performing oversight and reconciliation procedures have completed the appropriate training. **(Complete)**

24-5 UW Foundation Sister Accounts

- Audit Report Date: June 3, 2024
- Original Follow-Up Due: September 30, 2024
- The original report contained an observation which stated that: Similar expenditure types were expensed through UW and Foundation purchasing mechanisms and unallowable expenditures were observed using university funds and UW purchasing mechanisms rather than the appropriation Foundation purchasing mechanisms
 - **Observation #1a:** Budget and Financial Affairs further develop criteria and training regarding allowable expenditures and appropriate accompanying business purposes through UW purchasing mechanisms.
 - **Observation #1b:** It is also recommended that this clarification reinforces what expenditures are not allowed on UW funds regardless of purchasing mechanism with specific language to include Foundation sister accounts.

Status as of May 2025 – Management expressed that the corrective actions are in progress and the Division of Budget & Finance has gathered information from constituents in order to revise the Allowable Expenses SAPP. When the final version is confirmed with VP Kean and General Counsel, it will go to the President for approval. Within 4 weeks of the President’s approval, the Division of Budget & Finance will produce a campus training on the Allowable Expenses SAPP. Management anticipates this item being completed by the May board meeting.

Target completion: May 2025

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Proposed Fiscal 2026 Internal Audit Plan

- ☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:

- ☐ Yes
☒ No

FOR FULL BOARD CONSIDERATION:

- ☒ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
☐ No

☒ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: The Fiscal 2026 Proposed Internal Audit Plan is attached, and it will be discussed in more detail during the closed session.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Required annual reporting to the Committee regarding the proposed Internal Audit Plan.

ACTION REQUIRED AT THIS COMMITTEE MEETING: Yes. The proposed Fiscal 2026 Internal Audit Plan should be considered for presentation to the full Board of Trustees for approval.

PROPOSED MOTION: Recommend the proposed Fiscal 2026 Internal Audit Plan to the full Board of Trustees for consideration and approval.

2025-2026 Internal Audit Plan

The Fiscal 2026 Internal Audit Plan proposal is shown below.

FY 2026 AUDIT PLAN			Planned Hours	(%)
GROSS HOURS	Total Hours Available (3 FTE)		6,240	
Holiday	Hours UW is closed		360	-6%
Annual Leave	Vacation		240	-4%
Annual Leave	Sick leave		288	-5%
NET HOURS	AVAILABLE PROJECT HOURS		5,352	86%

Required Initiatives			1,697	31.7%
Training	Hours assigned for UW required training and continuing education credits for certifications.	Required for Certifications	380	7%
Quality Assessment	Quality Improvement Plan, prepare for independent verification of self-assessment of internal audit function	Per IIA Standards	80	1%
Administration	Staff meetings, FLAC, policy review, research/development, web-site update, strategic planning, recruiting, etc.		517	10%
Advising	Consultative and special projects, (i.e., collaboration with Procurement, Foundation, Risk, etc.)		240	4%
Follow-Ups	Follow-Up monitoring, verifications & reporting	As Required	160	3%
Investigations	Fraud, Waste, and Abuse (FWA) Investigations	As Needed	320	6%

	Annual/Rotating Projects	Recurring	790	14.8%
	Athletics/NCAA Topics	Ongoing Rotation	160	3%
	Agricultural Extension Programs	Ongoing Rotation	200	4%
	Continuous Monitoring Progress	Annual	80	1%
	Risk Assessment (Annual)	Annual	150	3%
	Results and Reporting (Annual)	Annual	80	1%
	Cashiers & Vault Count	Biannual	120	2%

	Carried Forward From Prior Year	Carryforwards	420	7.8%
	HR/Payroll Incremental Review - Hiring and Recruiting	PY Risk Assessment	150	3%
	HR - Leave policies /Usage	PY Risk Assessment	150	3%
	EHS - assess review and implementation of consultant recommendations in late 2025, 2026	Recommended by Predecessors	120	2%
	ADA - New regs in effect in 2026. Consider audit in 2027.	Recommended by Predecessors	-	0%
	Student Counseling Services (Discussion)	Risk Assessment	-	0%

2025 - 2026 Internal Audit Plan (Continued)

	Change in Leadership Audits	Leadership Changes	1,050	19.6%
	College of Law	Leadership Change	-	0%
	College of Education	Leadership Change	-	0%
	University Libraries	Leadership Change	-	0%
	College of Health Sciences	Leadership Change	150	3%
	College of Agriculture	Leadership Change	150	3%
	VP/CIO Enterprise Technology	Leadership Change	150	3%
	TBD (Provost)	Leadership Change	150	3%
	TBD (VP Student Affairs)	Leadership Change	150	3%
	TBD (College of Engineering)	Leadership Change	150	3%
	TBD (School of Computing)	Leadership Change	150	3%

	Risk-Based Audits/Projects	Risk Assessment	1,650	30.8%
	Internal Billing (Operations Departments)	Risk Assessment (LH)	150	3%
	Internal Billing (Service Centers)	Risk Assessment (LH)	150	3%
	University Housing (Safety, Operations, Billing)	Risk Assessment (LH)	150	3%
	Special facilities, Animal Molecular Science, Vivarium	Risk Assessment (LH)	150	3%
	Labor Laws (Plus payroll, Legal compliance, FLSA classification)	Risk Assessment (LH)	150	3%
	Remote locations and Remote workers (including out of state)	Risk Assessment (HL)	150	3%
	Payroll Approval Process	Risk Assessment (HL)	150	3%
	Procurement Efficiency	Risk Assessment (HL)	150	3%
	P-Cards	Risk Assessment (HL)	150	3%
	Clery Act Reporting	Risk Assessment (HL)	150	3%
	Student Accounts Billing & Receivables	Risk Assessment (HL)	150	3%
	Total Hours Assigned		5,607	104.8%
	Total Remaining Hours		(255.4)	-5%

	Risk-Based Audits/Projects	Risk Assessment	1,650	30.8%
Next up				
	Research Compliance/Monitoring (Start with pre-award)	Risk Assessment (HL)		0%
	Contracts Management	Risk Assessment (HL)		0%
	Student Organizations	Risk Assessment (HL)		0%
	Succession Planning	Risk Assessment (HL)		0%
	Cyber Risk Assessments and Programs	Risk Assessment (HH)		0%
	Healthcare (HIPAA, Residencies, Compliance...)	Risk Assessment (HH)		0%
	DR and BC (including exception protocols)	Risk Assessment (HH)		0%
National IHE Trends				
	Regulatory Landscape Changes	National IHE Trend		0%
	Approach to Risk Management (ERM Maturity)	National IHE Trend		0%
	NIL Impacts	National IHE Trend		0%
	Career-Aligned Programs	National IHE Trend		0%
	Flexible Learning Pathways	National IHE Trend		0%
	Mental Health & Wellness	National IHE Trend		0%
	Student Accounts Billing & Receivables	National IHE Trend		0%
	Student Fees Usage & Reserves	National IHE Trend		0%
	Public Scrutiny	National IHE Trend		0%
	Subrecipient Monitoring	National IHE Trend		0%
	Effort Reporting	National IHE Trend		0%
	Email Encryption for Sensitive Data	National IHE Trend		0%

The plan is currently 255 hours (5%) over budget, but Change in Leadership audits may not all be ready within the fiscal year. Additional projects can be moved up from the “next up” section, or as a response to national trends in higher education.

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Internal Audit Charter

- ☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:

- ☐ Yes
☒ No

FOR FULL BOARD CONSIDERATION:

- ☒ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
☐ No
☒ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: The Internal Audit Charter is reviewed and approved by the Board of Trustees Fiscal and Legal Affairs Committee (FLAC) annually as per the Annual Schedule of Items.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: NA

WHY THIS ITEM IS BEFORE THE COMMITTEE: Annually Scheduled of items.

ACTION REQUIRED AT THIS COMMITTEE MEETING: Seeking approval for the Internal Audit Charter as presented.

PROPOSED MOTION: Recommend the existing University of Wyoming Internal Audit Charter to the full Board of Trustees for consideration and re-approval.

Background:

The Internal Audit Charter is reviewed and approved by the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees as per the Annual Schedule of Items.

The revised IIA Global Internal Audit Standards became effective January 9, 2025, but the University of Wyoming Internal Audit department has not yet fully adopted the new standards.

The new **Standard 6.2 Internal Audit Charter** will require some minor changes to the existing University of Wyoming Internal Audit Charter once the new standards are adopted by the department.

Among the required changes are:

- Additional comments regarding independence and objectivity, including comments about management's role in interactions with auditors,
- Additional specific mention of Senior Management as well as the Board of Trustees, and
- Specific mentions of documentation of impairments, safeguards to address independence concerns.

The Internal Audit team requests that the existing University of Wyoming Internal Audit Charter be approved in its current form until completion of the implementation of the new Global Internal Audit Standards.

A copy of the existing charter is included in the meeting materials below.

University of Wyoming Internal Audit Charter

Internal Audit Mandate

The University of Wyoming Board of Trustees empowers the internal audit function to provide the board and senior management with objective assurance, advice, insight, and foresight. The internal audit function will carry out this mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout the organization.

Purpose, Process, and Mission

The purpose of the University of Wyoming's Internal Audit department is to provide independent, objective assurance and consulting services designed to add value and improve university operations. This purpose is established by the Institute of Internal Auditors and reciprocated in the Internal Audit Charter of the University of Wyoming. Internal auditing strengthens the University's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Audits are performed based on a risk-based audit plan that is flexible so that Internal Audit can respond to emerging risks to include being one point of contact for addressing violations of laws, misuse of university resources, fraud, waste, abuse, etc., and cooperate with other units to coordinate a review of those concerns as deemed appropriate.

The process of performing audits includes an initial risk assessment, the development of an audit program, testing, communication of results, collaboration, finalization of recommendations, obtaining management's action plan to mitigate risks, and reporting to the board for evaluation of management's response relative to the board's risk tolerance.

The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Internal Audit department helps the University of Wyoming accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Commitment to Adherence to the Global Internal Audit Standards

The Internal Audit department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors (IIA) Global Internal Audit Standards.

Authority

The Director of Internal Audit will report functionally and administratively to the Fiscal and Legal Affairs Committee of the Board of Trustees. Administrative tasks (i.e., approval of leave, and expenditures) will be provided by the Office of the President.

To establish, maintain, and assure that the University of Wyoming's Internal Audit department has sufficient authority to fulfill its duties, the Fiscal and Legal Affairs Committee will:

- Approve the Internal Audit department's charter.
- Approve the risk-based Internal Audit plan.
- Approve the Internal Audit department's budget and resource plan.
- Receive communications from the Director of Internal Audit on the Internal Audit department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the Director of Internal Audit.
- Approve the remuneration of the Director of Internal Audit.
- Make appropriate inquiries of management and the Director of Internal Audit to determine whether there is inappropriate scope or resource limitations.

The Director of Internal Audit will have unrestricted access to, and communicate and interact directly with, the Fiscal and Legal Affairs Committee, including in private meetings without management present.

The Fiscal and Legal Affairs Committee authorizes the Internal Audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- The Internal Audit coverage may extend to all areas of the University of Wyoming, including all separately appropriated budgets and related blended component units.
 - Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
 - Obtain assistance from the necessary personnel of the University of Wyoming, as well as other specialized services from within or outside the University of Wyoming, to complete the engagement.

Independence and Objectivity

The Director of Internal Audit will ensure that the Internal Audit department remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an impartial and unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Director of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal Auditors will maintain an impartial and unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal Auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the University of Wyoming or its affiliates.
- Initiating or approving transactions external to the Internal Audit department.
- Directing the activities of any University of Wyoming employee not employed by the Internal Audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist Internal Auditors.

Where the Director of Internal Audit has or is expected to have roles and/or responsibilities that fall outside of Internal Auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal Auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Director of Internal Audit will confirm to the Fiscal and Legal Affairs Committee, at least annually, the organizational independence of the Internal Audit department. The Director of Internal Audit will disclose to the Fiscal and Legal Affairs Committee any interference and related implications in determining the scope of Internal Auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Fiscal and Legal Affairs Committee, management, and outside parties (as requested and approved by General Counsel) on the adequacy and effectiveness of governance, risk management, and control processes for the University of Wyoming. Internal Audit assessments include evaluating whether:

- Risks relating to the achievement of the University of Wyoming's strategic objectives are appropriately identified and managed.
- The actions of the University of Wyoming's officers, directors, employees, and contractors are in compliance with the University of Wyoming's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University of Wyoming.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Director of Internal Audit will report periodically to senior management and the Fiscal and Legal Affairs Committee regarding:

- The Internal Audit department's purpose, authority, and responsibility.
- The Internal Audit department's plan and performance relative to its plan.
- Any changes that may affect the Internal Audit department's charter or mandate.
- The Internal Audit department's plan and budget, as well as resource requirements.
- Results of internal audit services, including conclusions, significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Fiscal and Legal Affairs Committee.
- Progress towards and results of a quality assurance and improvement program.
- Any response to risk by management that may be unacceptable to the University of Wyoming Board of Trustees.

The Director of Internal Audit also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed.

Internal Audit will serve as one point of contact for the receipt of reports regarding suspected violations of laws, misuse of university resources, fraud, waste, abuse, etc., and cooperate with other units to coordinate a review of those concerns as deemed appropriate.

The Internal Audit department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided that the FLAC is aware of the allocation of resources, and the Internal Audit department does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The Director of Internal Audit has the responsibility to:

- Submit, at least annually, to senior management and the Fiscal and Legal Affairs Committee a risk-based Internal Audit plan for review and approval.
- Communicate to senior management and the Fiscal and Legal Affairs Committee the impact of resource limitations on the Internal Audit plan.
- Review and adjust the Internal Audit plan, as necessary, in response to changes in the University of Wyoming's business, risks, anonymous reports, operations, programs, systems, and controls.
- Communicate to senior management and the Fiscal and Legal Affairs Committee any significant interim changes to the Internal Audit plan.
- Ensure each engagement of the Internal Audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Fiscal and Legal Affairs Committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the Internal Audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Internal Audit charter.

- Ensure trends and emerging issues/risks that could impact the University of Wyoming are considered and communicated to senior management and the Fiscal and Legal Affairs Committee as appropriate.
- Ensure emerging trends and successful practices in Internal Auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the Internal Audit department.
- Ensure adherence to the University of Wyoming's relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Fiscal and Legal Affairs Committee.

Quality Assurance and Improvement Program

The Internal Audit department will initiate and maintain a quality assurance and improvement program that covers all aspects of the Internal Audit department. The program will include an evaluation of the Internal Audit department's conformance with the Standards and an evaluation of whether Internal Auditors apply The IIA's Code of Ethics.

The program will also assess the efficiency and effectiveness of the Internal Audit department and identify opportunities for improvement. The Director of Internal Audit will communicate to senior management and the Fiscal and Legal Affairs Committee on the Internal Audit department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the University of Wyoming.

Director of Internal Audit	Date

Fiscal and Legal Affairs Committee Chair	Date

President of the University of Wyoming	Date

Global Internal Audit Principles and Standards – Ethics and Professionalism

The following outlines the behavioral expectations for professional internal auditors; including chief audit executives, other individuals, and any entities that provide internal audit services. Conformance with these principles and standards instills trust in the profession of internal auditing, creates an ethical culture within the internal audit function, and provides the basis for reliance on internal auditors' work and judgment.

- Principle 1: Demonstrates integrity.
- Principle 2: Maintain Objectivity.
- Principle 3: Competency.
- Principle 4: Exercise Due Professional Care.
- Principle 5: Maintain Confidentiality.

Definition of Internal Auditing

Internal Auditing is an independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Market Update and Quarterly Investment Performance Report

☒ OPEN SESSION

☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:

☒ Yes

☐ No

FOR FULL BOARD CONSIDERATION:

☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*

☒ No

☒ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: Quarterly investment performance review of funds managed by UW under UW Regulation 7-7: Investment and Management of University Funds.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: Previous quarterly performance reports.

WHY THIS ITEM IS BEFORE THE COMMITTEE: UW Regulation 7-7: Investment and Management of University funds IX.A.1 outlines that “Performance reports are supplied to the Board following the end of each quarter.”

ACTION REQUIRED AT THIS COMMITTEE MEETING: None

PROPOSED MOTION: None



University of Wyoming

Investment Performance Review For the Quarter Ended March 31, 2025

Client Management Team

Joan Evans, Director
Gray Lepley, Senior Director
Amber Cannegieter, Key Account Manager

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Agenda

- Market Update
- Account Summary
- Portfolio Review

Market Update

Current Market Themes



- ▶ U.S. economy is clouded by tariff and policy uncertainty
 - ▶ Labor market continues to serve as backbone
 - ▶ Goods inflation weighs on progress towards Fed's 2% inflation target
 - ▶ Fiscal policy uncertainty and volatile tariff rollouts weigh on consumer sentiment



- ▶ Fed takes a pause from easing but looks to continue cutting later this year
 - ▶ The Fed kept the federal funds target rate unchanged at 4.25% - 4.50%
 - ▶ The Fed's March "dot plot" implies another 50 bps of cuts in 2025
 - ▶ Fed Chair Powell stated the administration's "significant policy changes" relating to trade, immigration, fiscal policy, and regulation is creating "considerable uncertainty"

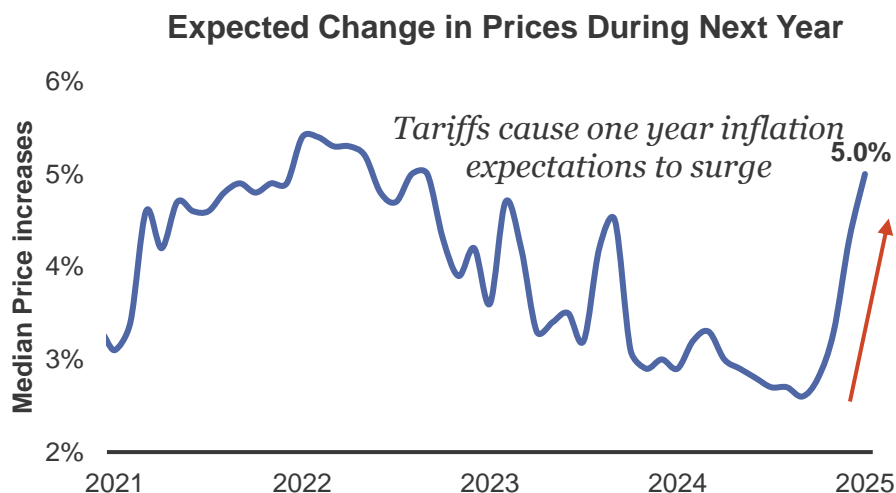
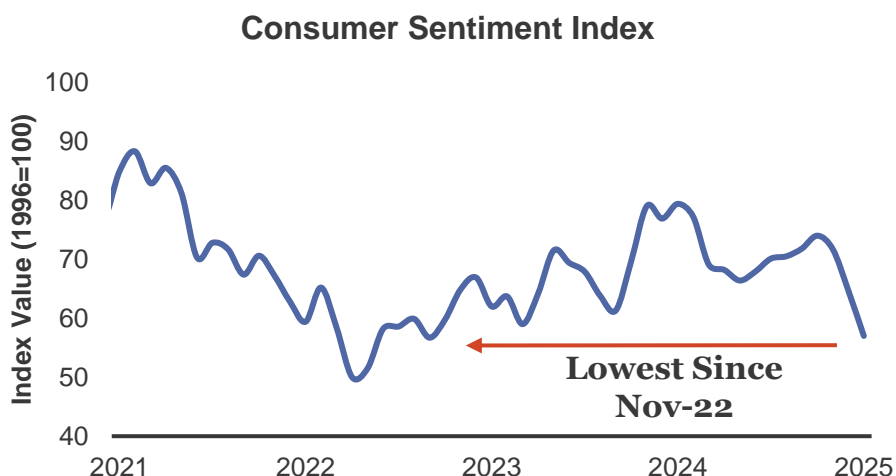
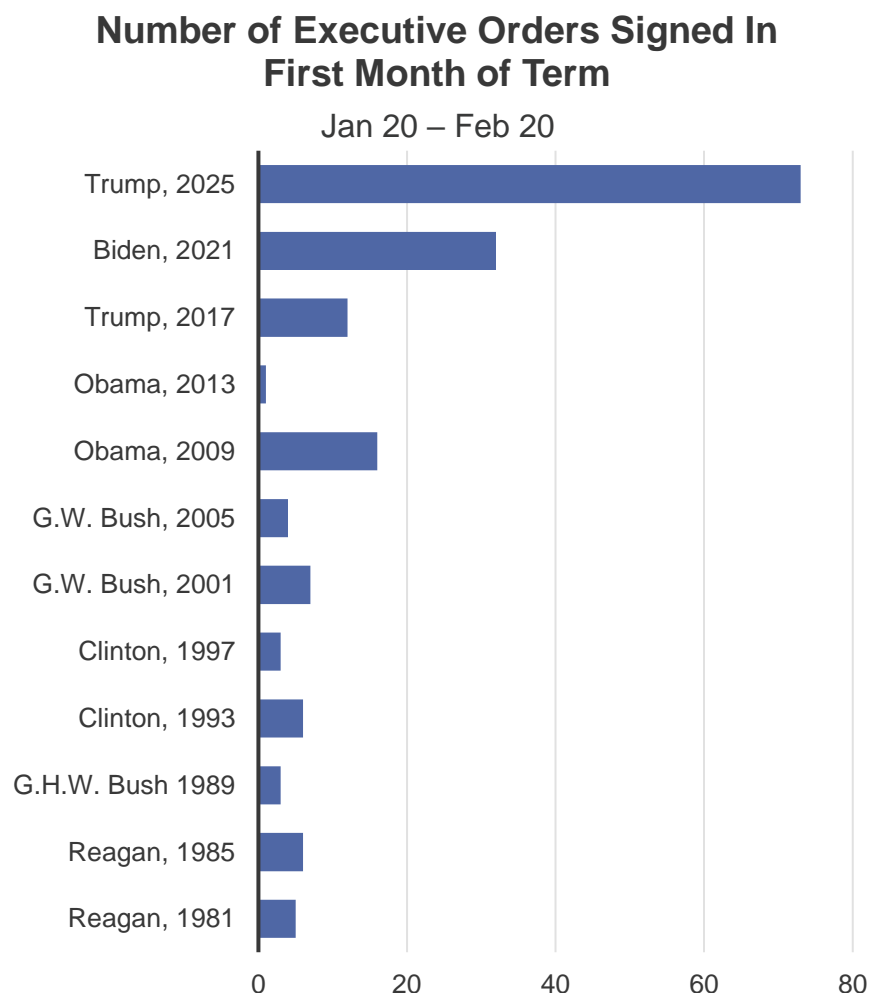


- ▶ Treasury yields fall on growing uncertainty
 - ▶ Yields on maturities between 2 years and 10 years fell 35-43 bps during the 1st quarter
 - ▶ The yield curve reinverted on the front end while the steepness of the curve between 2 years and 10 years was unchanged
 - ▶ Yield spreads widened off their historically low levels given growing economic concerns but still remain tight

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of March 31, 2025.

Policy Changes Increase Consumer Uncertainty

Fed Chair Powell: “We understand that sentiment is quite negative at this time, and that probably has to do with ... turmoil at the beginning of an administration...”



Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025. Bloomberg Finance L.P. and [Federal Register :: Executive Orders](#), as of March 2025 (left). University of Michigan Consumer, as of March 2025 (right).

Tariffs Have Broad Economic Implications

Tariff Implications



Inflation

Fed staff research¹ suggests each 10% increase in the effective tariff rate leads to a 0.8% increase in inflation



Economic Impact

Fed staff research¹ suggests each 10% increase in the effective tariff rate leads to a 1.4% decrease in GDP



Tariff Revenues

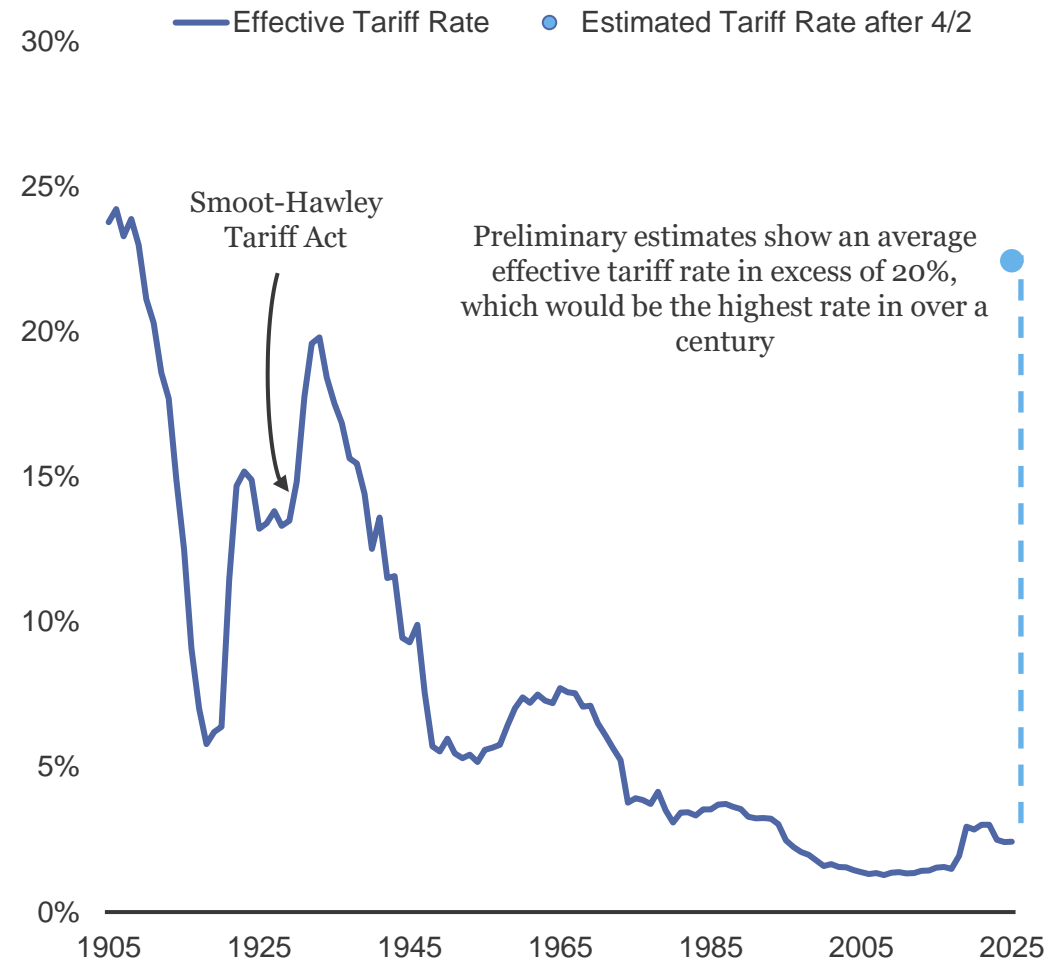
Each \$100 billion of tariffs paid by the consumer is approximately equal to a 0.4% increase in income taxes



Consumer Spending

Price increases and uncertainty could directly impact consumer confidence and spending habits

Effective Tariff Rate



Source: PFMAM calculations, Bloomberg Finance L.P., Bureau of Economic Analysis. As of April 2025.

¹Federal Reserve: [Tealbook A, September 2018](#).

Tariffs Drive Growth Expectations Lower

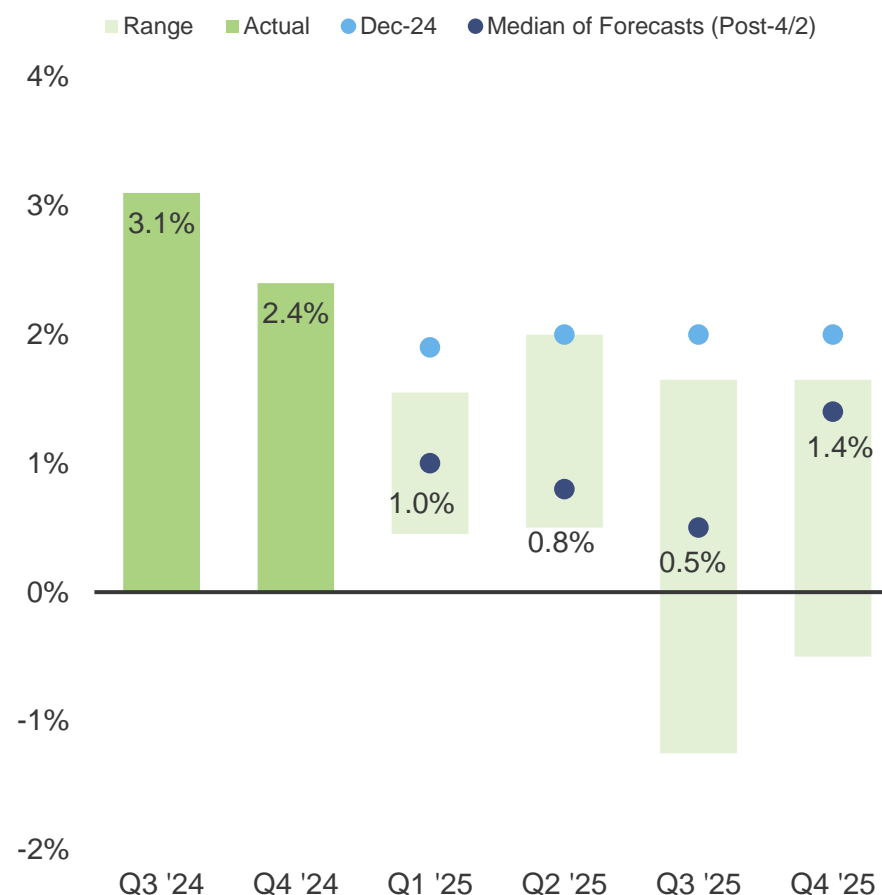
Fed Chair Powell: "But we kind of know there are going to be tariffs and they tend to bring growth down."

U.S. Trade Balance



U.S. GDP Forecasts

Annualized Rate



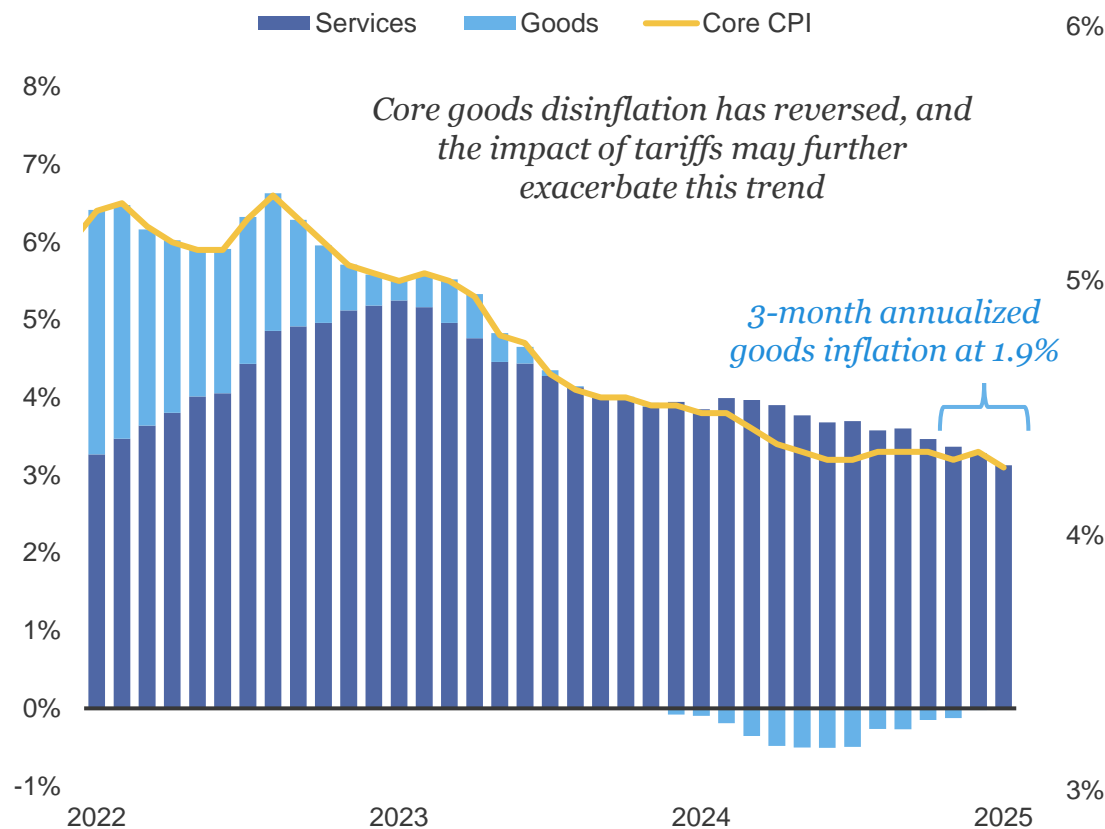
Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025; Bloomberg Finance L.P. and the U.S. Census Bureau as of February 2025 (left). Bureau of Economic Analysis and Bloomberg Finance L.P., as of April 2025. Survey responses after April 2, 2025 included in median and forecast range (right).

The Fed's Dual Mandate Gets More Complicated

Fed Chair Powell : "...ultimately, though, it's too soon to be seeing significant effects [from tariffs] in economic data..."

Core CPI

Contributions to Year-Over-Year Change



Unemployment Rate

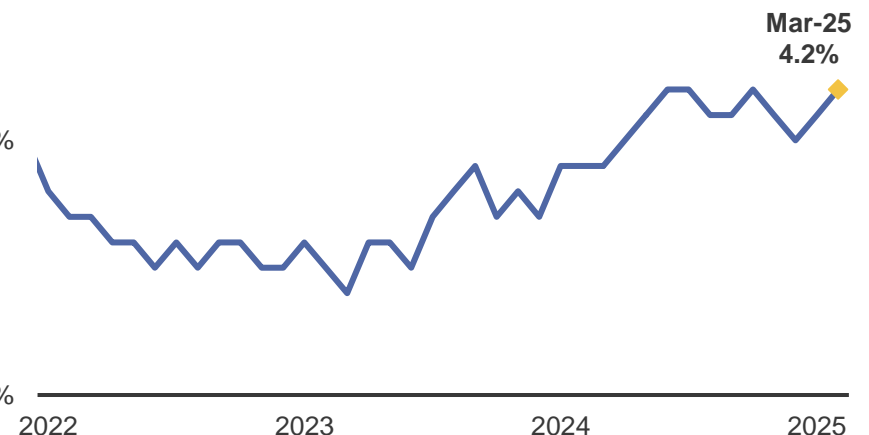
6%

Unemployment rate of 4.2% remains well below the 25-year average of 5.7%

5%

4%

3%



Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025. Bureau of Labor Statistics, and Bloomberg Finance L.P., as of February 2025 (left). Bureau of Labor Statistics, and Bloomberg Finance L.P., as of March 2025 (right). Data is seasonally adjusted. Historical average unemployment rate calculated from March 2000 – March 2025.

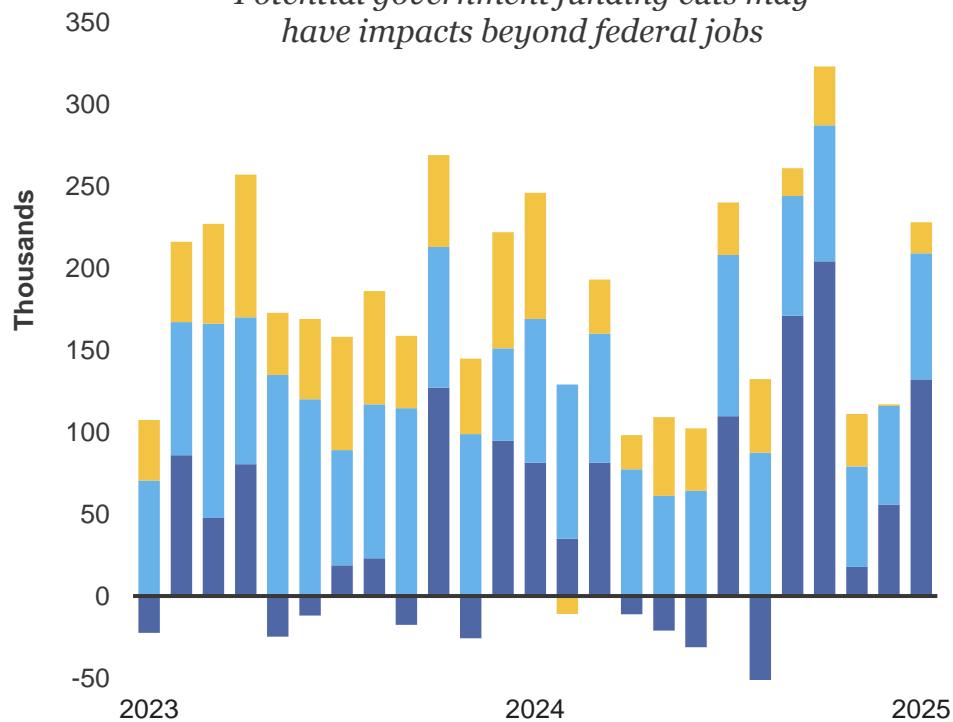
Federal Employment Remains a Focus

Fed Chair Powell: “The [federal] layoffs ... at the national level ... they’re not significant yet. ... There were... a good number of months ... when a lot of the job creation was concentrated in ... educational institutions, health care, state governments.”

Monthly Change In Nonfarm Payrolls

■ Private Ex Health Care & Edu ■ Health Care & Edu ■ Govt

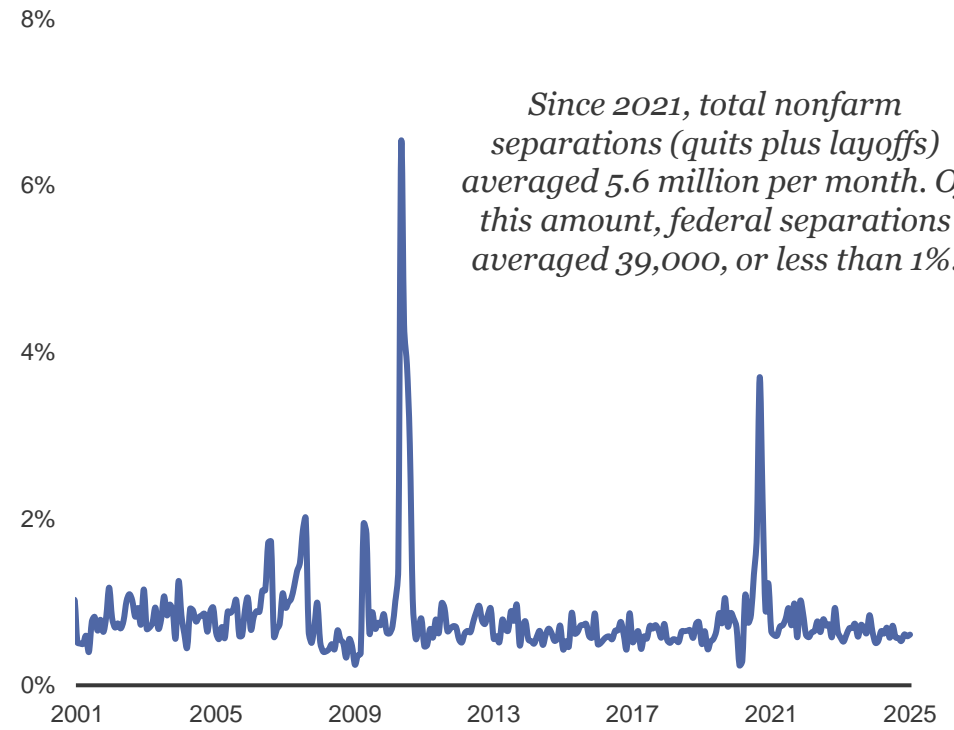
Potential government funding cuts may have impacts beyond federal jobs



Proportion of Monthly Separations

Job Openings and Labor Turnover Survey

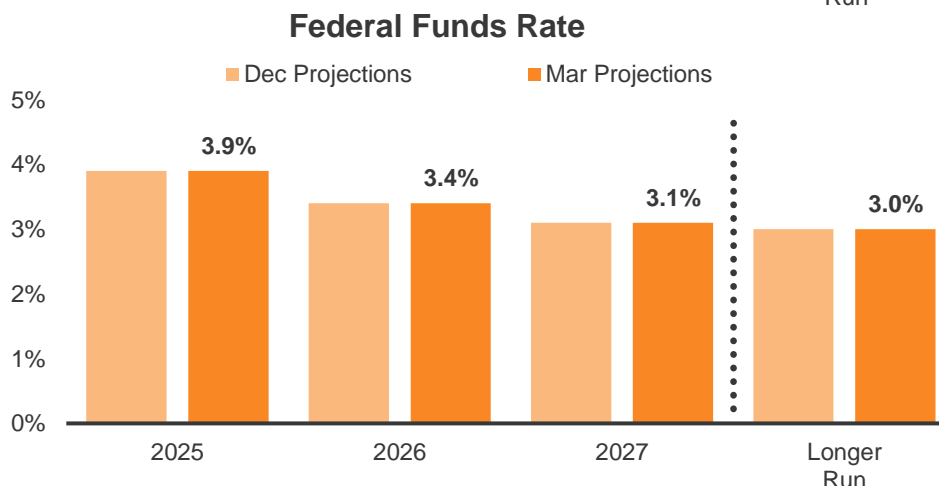
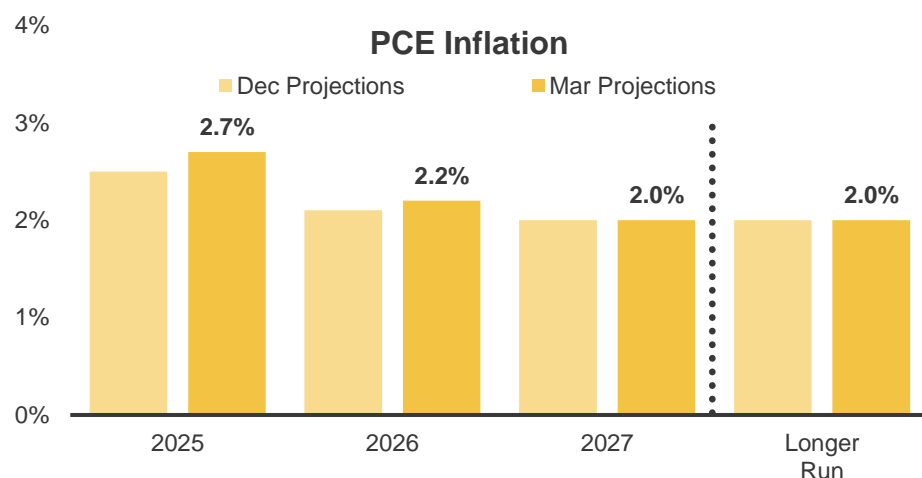
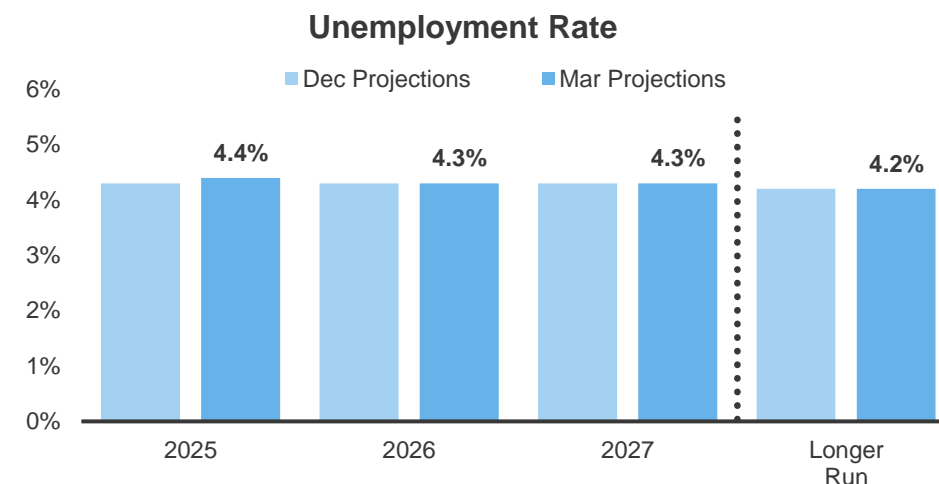
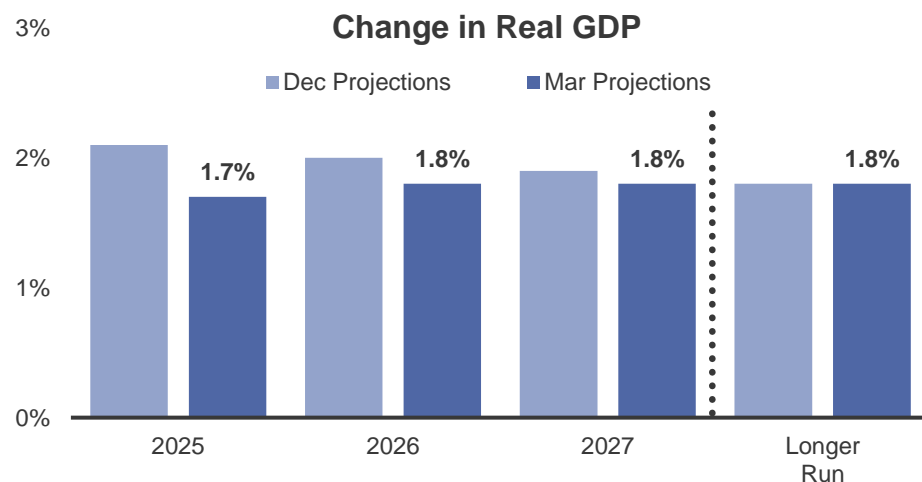
— Total Separations: Federal



Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025. Bloomberg Finance L.P., Bureau of Labor Statistics as of March 2025 (left). FRED and Bureau of Labor Statistics, as of February 2025 (right).

Fed's Updated Summary of Economic Projections

Fed Chair Powell: "... you see weaker growth but higher inflation—they kind of offset—and also, frankly, a little bit of inertia. When it comes to changing something in this highly uncertain environment, you know, I think there is a level of inertia where you just say, maybe I'll stay where I am.

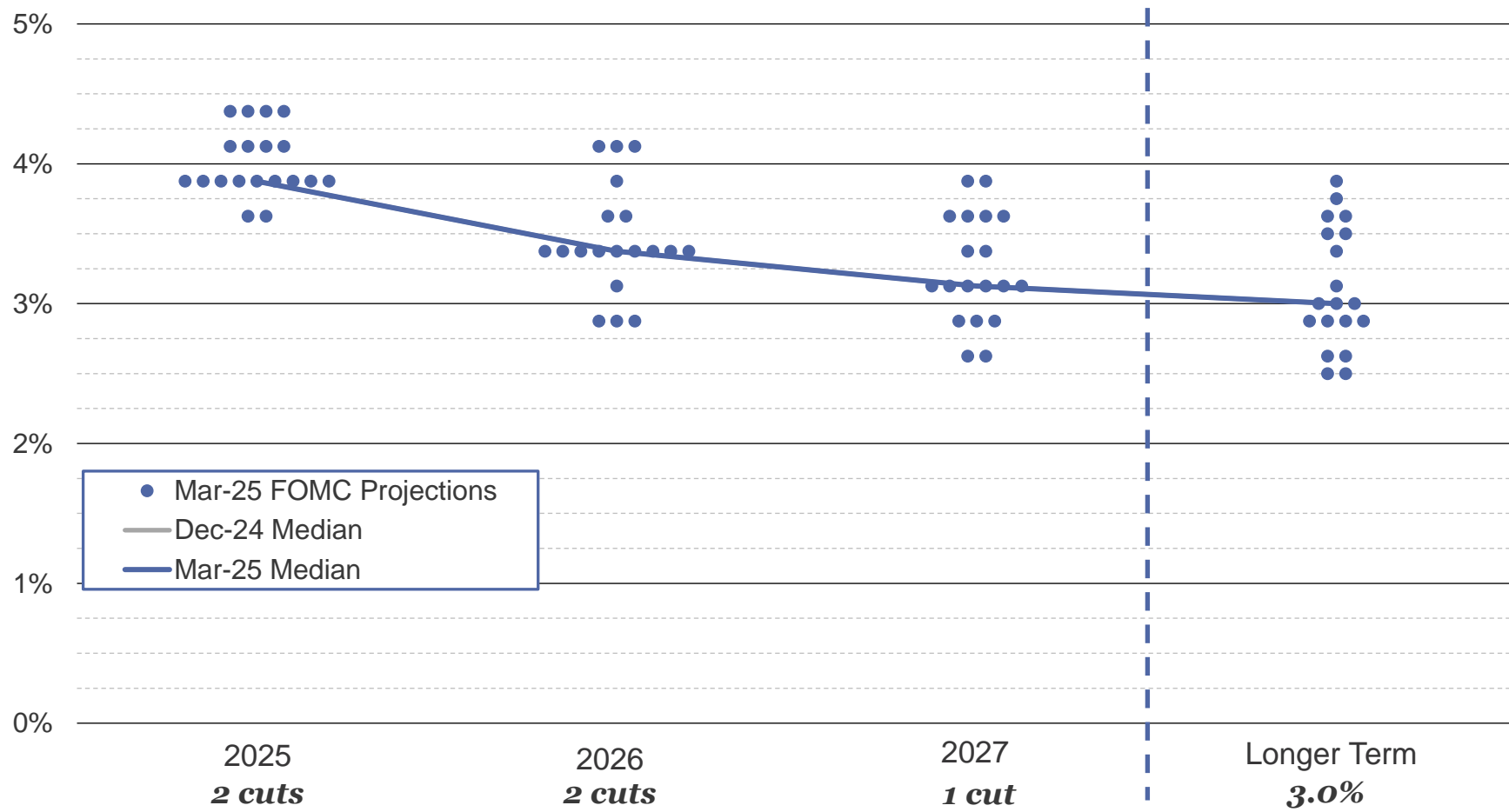


Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025. Federal Reserve, latest economic projections as of March 2025.

Fed's Latest "Dot Plot" Shows No Change to Median Projection

Fed Chair Powell: "What would you write down? It's really hard to know how this is going to work out. And, again, we think our policy is in a good place ... where we can move in the direction where we need to."

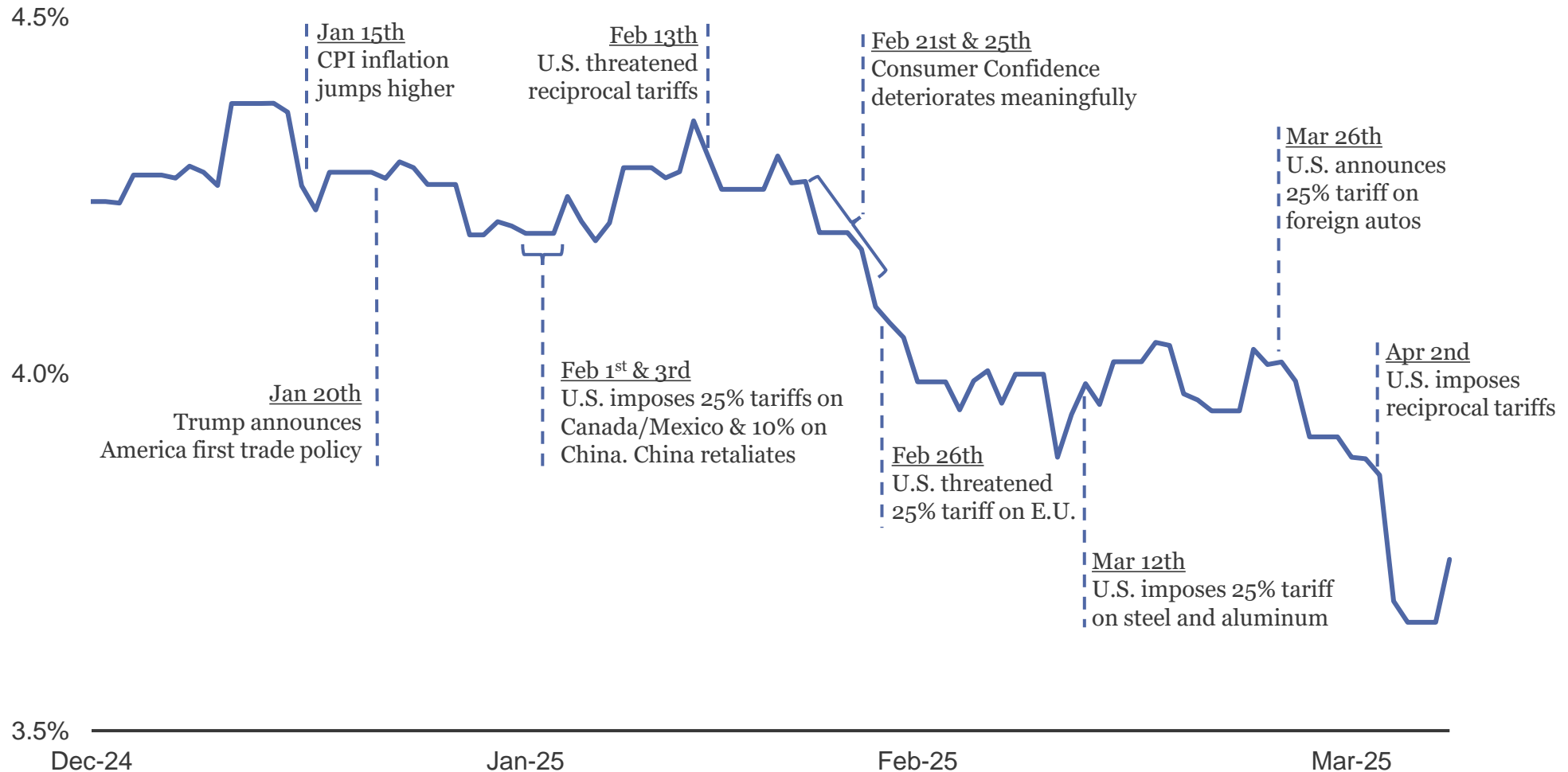
Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: FOMC Chair Jerome Powell Press Conference, March 19, 2025. Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of March 2025.

Treasury Yields Lower On Tariff Concerns

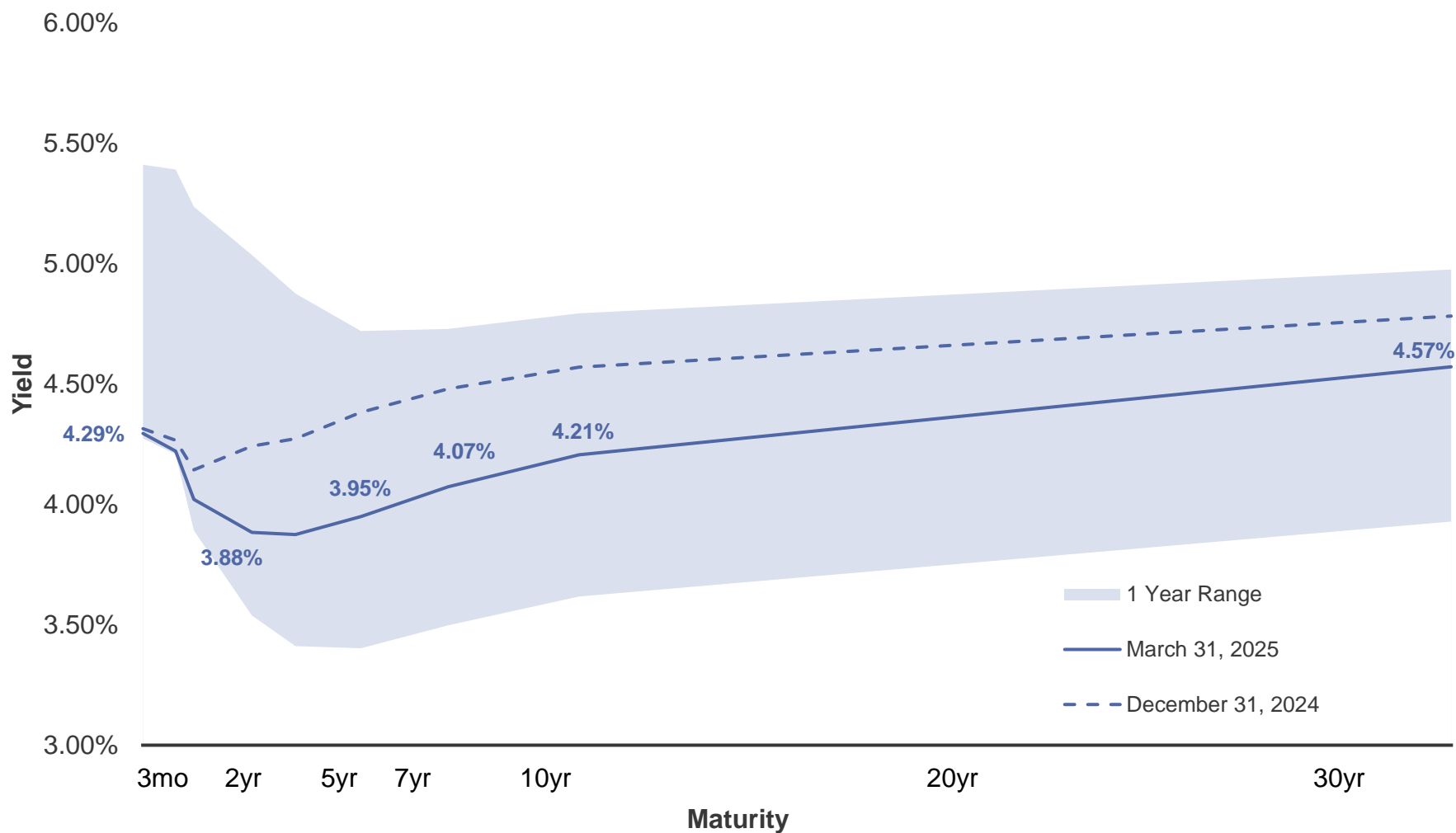
2-Year U.S. Treasury Yield December 31, 2024 – April 7, 2025



Source: Bloomberg Finance L.P., as of April 7, 2025.

Treasury Yields Lower Across the Curve

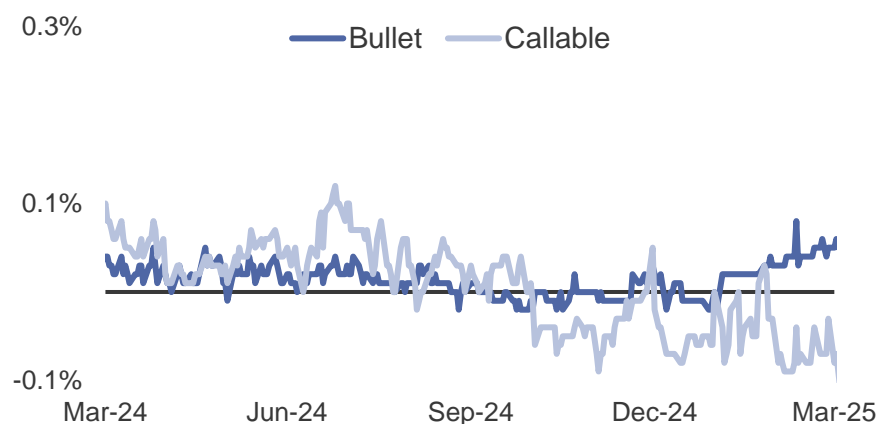
U.S. Treasury Yield Curve



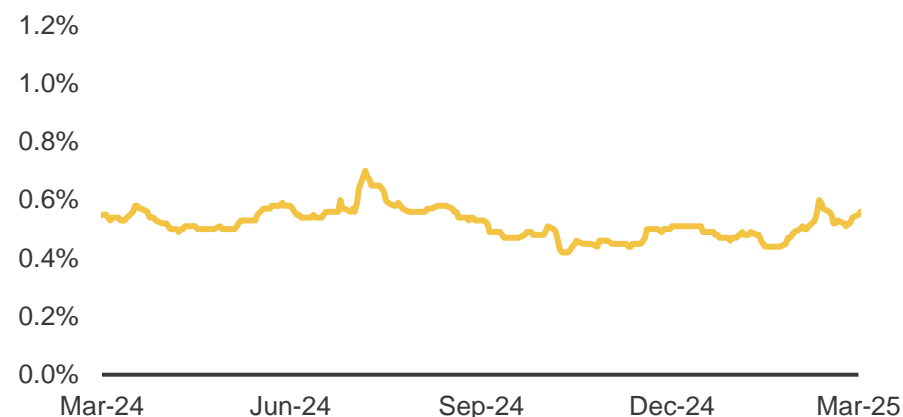
Source: Bloomberg Finance L.P., as of March 31, 2025.

Sector Yield Spreads

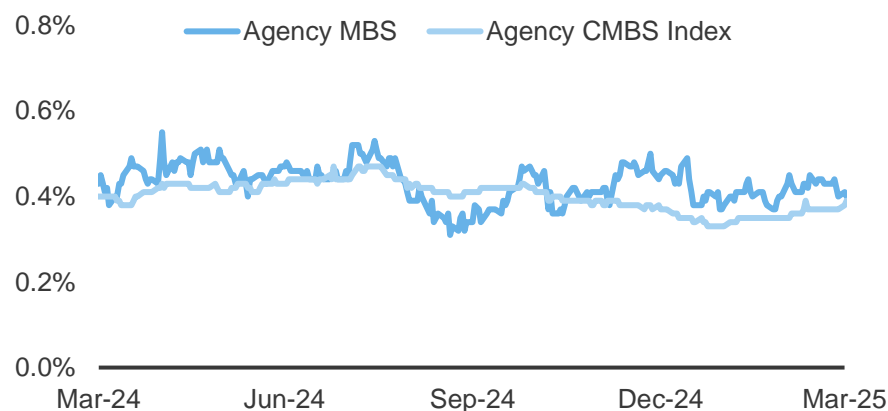
Federal Agency Yield Spreads



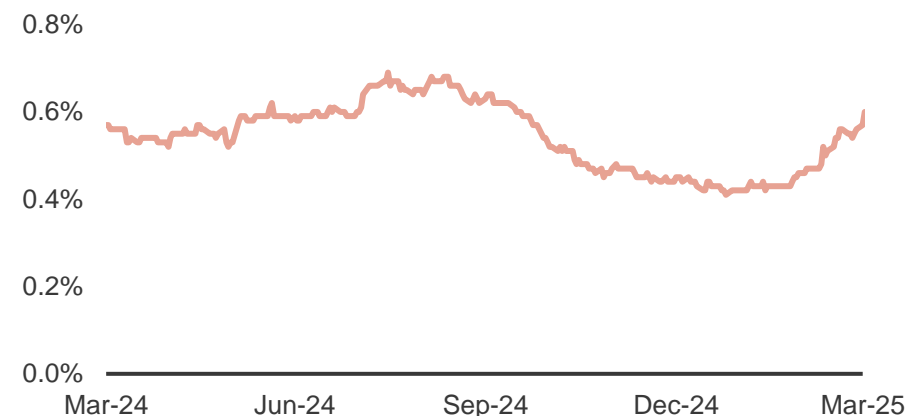
Corporate Notes A-AAA Yield Spreads



Mortgage-Backed Securities Yield Spreads

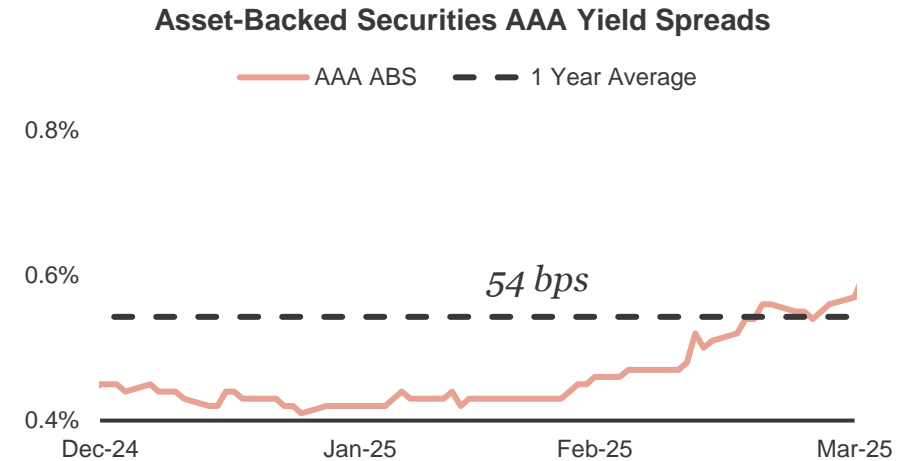
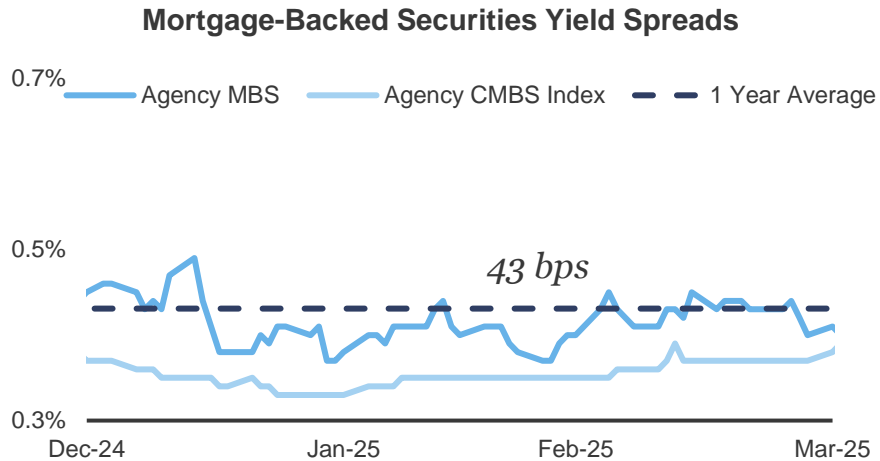
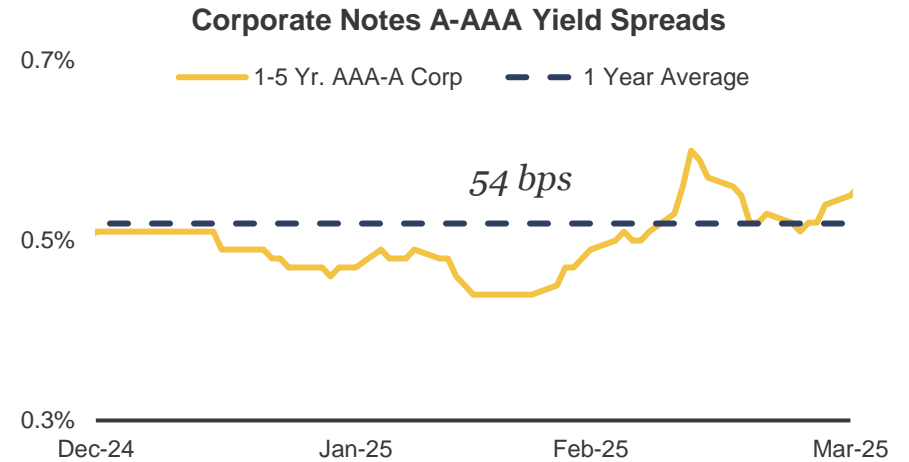
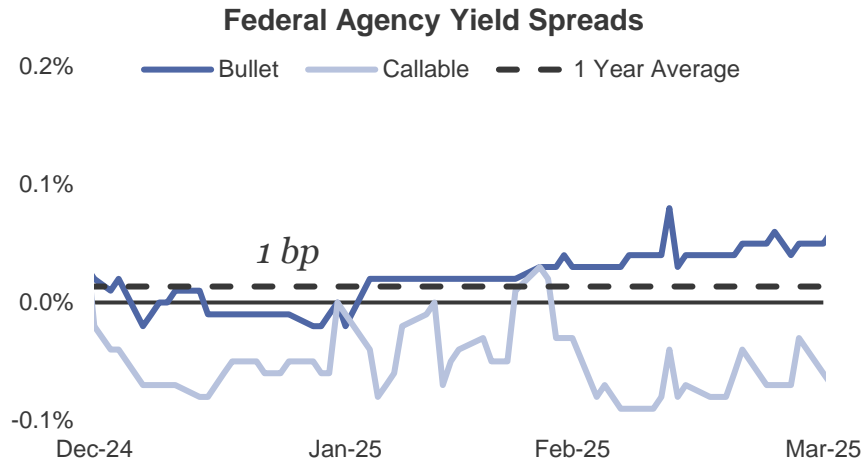


Asset-Backed Securities AAA Yield Spreads



Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of March 31, 2025. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

Sector Yield Spreads

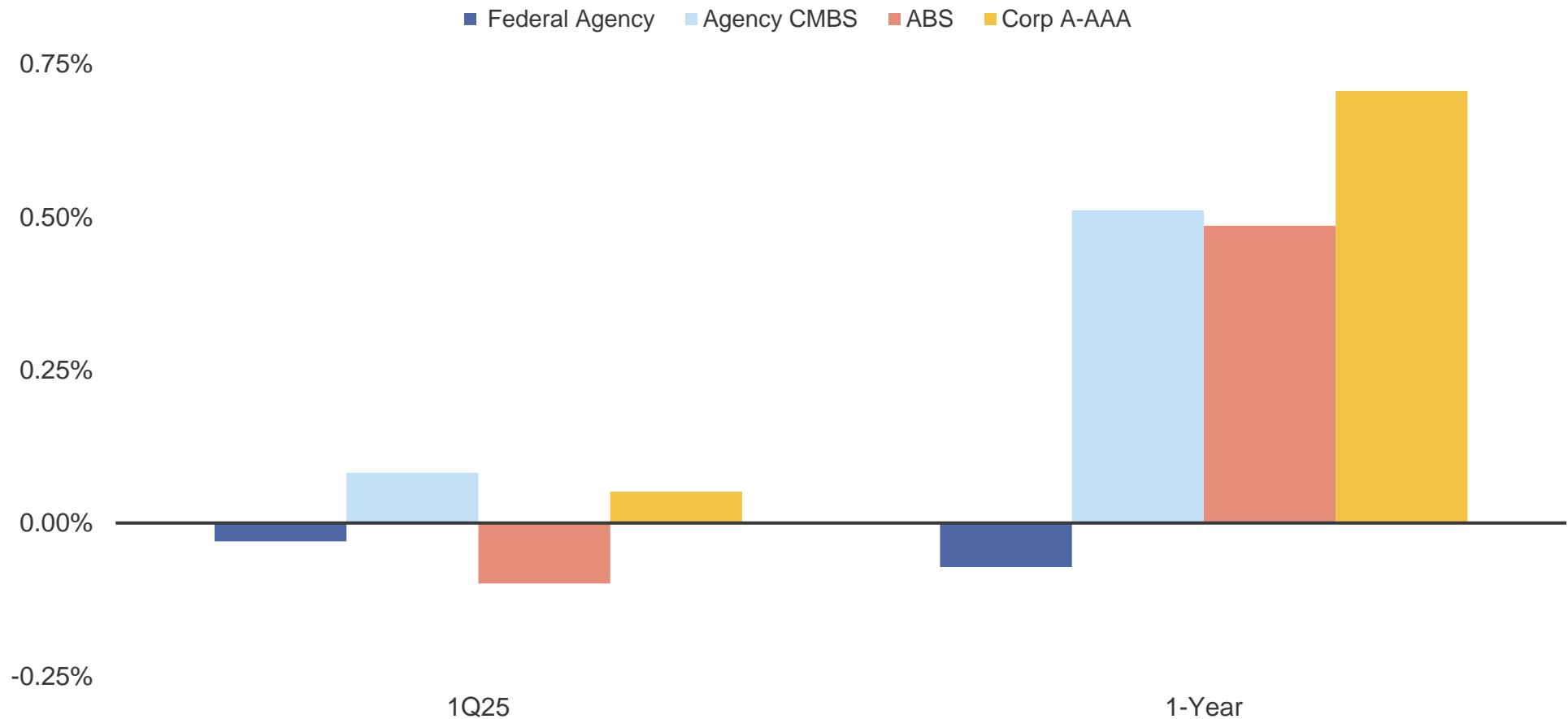


Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of March 31, 2025. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.

CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

Fixed-Income Index Excess Returns

Excess Returns 1-5 Year Indices



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. Agency CMBS represented by ICE BofA CMBY Index. As of March 31, 2025.

Fixed-Income Index Total Returns in 1Q 2025

1-5 Year Indices



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of March 31, 2025.

Fixed-Income Sector Commentary – 1Q 2025

- ▶ The **Federal Open Market Committee (FOMC)** opted to maintain the target range for the federal funds rate at 4.25-4.5% during both meetings in Q1, citing sticky inflation, a stable unemployment rate, and 'solid' labor market conditions.
- ▶ **U.S. Treasury** yields moved lower over the quarter as the 2-year Treasury yield fell 34 bps and 10-year Treasuries fell 37 bps. The change in yields reflected ongoing market sensitivity to domestic policy uncertainty, with a continued focus on the potential impacts of taxes, tariffs, immigration, and deregulation. As a result of the Treasury rally, total returns were strong for the period.
- ▶ **Federal Agency & supranational** spreads remained low and rangebound throughout Q1. Federal agencies produced modestly negative excess returns while supranationals were slightly positive. Issuance remained quite light and the incremental income from the sectors is near zero.
- ▶ **Investment-Grade (IG) corporate bonds** posted strong relative returns yet again as increased issuance levels were met with robust investor demand. Much of the spread widening seen during the second half of the quarter was offset by higher incremental income. From an excess return perspective, higher-quality and shorter-duration issuers outperformed in general in Q1. Financials and banking issuers continued to lead most other industries across the yield curve during the quarter.
- ▶ **Asset-Backed Securities** spreads widened modestly from the impact of heavy new issuance levels and a modest deterioration of credit fundamentals. ABS spreads widened more than corporate spreads, resulting in worse performance over the quarter but better relative value going forward.
- ▶ **Mortgage-Backed Securities** performance was mixed across structure and coupon during Q1 as heightened rate volatility persisted. In contrast, **Agency-backed commercial MBS (CMBS)** performed better for the quarter and saw positive excess returns across collateral and coupon structures.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yields on the front end fell in response to downward pressure from a paydown in the supply of U.S. Treasury Bills. Yield spreads tightened over the quarter in response to moderated issuance and strong demand.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (03/31/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

Fixed-Income Sector Outlook – 2Q 2025

- ▶ **U.S. Treasury** volatility is expected to continue given both fiscal and monetary policy uncertainty. The potential impact of further policy changes on economic growth, inflation, and the labor market are unknown. We expect to see an ongoing steepening of the yield curve given the expectation for future Fed rate cuts.
- ▶ **Federal Agency & Supranational** spreads are likely to remain at tight levels. Government-heavy accounts may find occasional value on an issue-by-issue basis, particularly in supranationals as issuance increases in early Q2.
- ▶ **Taxable Municipals** continue to see little activity due to an ongoing lack of supply and strong demand which continues to suppress yields in both the new issue and secondary markets. We expect few opportunities in the near term.
- ▶ **Investment-Grade Corporate** bond fundamentals remain favorable while technicals have weakened on the margins. A protracted trade war and resulting hit to growth could weaken credit fundamentals and technicals. Valuations have repriced from narrow levels to reflect this uncertainty. We will selectively evaluate opportunities with a focus on industry and credit quality with an eye towards tactically reducing allocations in the sector to make room for future opportunities.
- ▶ **Asset-Backed Securities** fundamentals remain intact and credit metrics have normalized. Consumer credit trends will depend on the labor market and the consumer's response to monetary policy easing, which tends to work on a lag. We expect spreads to remain choppy heading into Q2 despite the stability in underlying technicals and view this as an opportunity to add allocations at more attractive levels.
- ▶ **Mortgage-Backed Securities** are expected to produce muted excess returns in Q2 as policy uncertainty may increase volatility. We may use any meaningful spread widening to add at more attractive levels.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) spreads in Q2 will likely depend on changes to debt ceiling dynamics or the Fed's decision to slow the pace of quantitative tightening. Given the positively sloped shape of the money market yield curve, we favor a mix of floating rate in the front end with fixed rate in longer maturities.

The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (03/31/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

Factors to Consider for 6-12 Months

Monetary Policy (Global):



- The Fed paused its easing cycle in the first quarter given sticky inflation and the solid labor market. While the FOMC's "dot plot" continues to suggest 50 bps in rate cuts by the end of 2025, Fed Chair Powell indicated there is heightened risk and uncertainty due to the new administration's policies.
- Other major central banks (excluding the Bank of Japan) continued to cut rates. However, inflation remains a risk to this trend continuing, particularly in light of tariff uncertainty.

Economic Growth (Global):



- U.S. economic growth remained steady in 2024, but worsening consumer sentiment may weigh on spending going forward.
- Pro-growth fiscal policies proposed on the campaign trail have yet to be realized, leaving rapidly changing tariff policy to weigh on growth prospects.
- Escalating trade tensions create the potential for slowing global growth.

Inflation (U.S.):



- Progress towards the Fed's 2% target remains stalled with goods inflation moving higher even before tariff policies were enacted.
- Consumer expectations for inflation over the next 12 months have now reached their highest levels since early 2023 on tariff concerns.
- Fed Chair Powell said the data are not yet reflecting tariffs and reiterated it will be difficult to directly measure the impact of these policies on prices.

Financial Conditions (U.S.):



- Financial conditions remained supportive in the first half of the quarter but tightened as ongoing tariff risks weighed on equity prices and credit spreads. While credit spreads widened modestly during the first quarter they remain below historic averages.
- The evolving fiscal landscape and growing uncertainty may lead to tightening financial conditions over the next 6-12 months.

Consumer Spending (U.S.):



- Sentiment has meaningfully deteriorated as consumers expect higher prices and weaker labor market conditions as tariffs weigh on the pace of economic growth.
- A material deterioration of labor market conditions remains the biggest risk factor to consumer spending. Other headwinds may include slower real wage growth and reduced willingness to spend as prices move higher due to tariffs.

Labor Markets:



- The labor market remains surprisingly resilient with both initial jobless claims and the unemployment rate at historically low levels. Monthly job gains continue to keep pace with labor force growth.
- With hiring and quits rates low, any acceleration in layoffs may result in job seekers remaining unemployed for longer.
- Federal job cuts and funding freezes could impact the hiring plans of sectors such as healthcare and higher education which rely on government funding. The impact of immigration policy remains unknown.

● Current outlook

○ Outlook one quarter ago

Stance Unfavorable to
Risk Assets

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Stance Favorable to
Risk Assets

Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (3/31/2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management cannot guarantee its accuracy, completeness, or suitability.

Fixed-Income Sector Outlook – 2Q 2025

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago

Negative

Slightly
Negative

Neutral

Slightly
Positive

Positive

Certificate of Compliance

During the reporting period for the quarter ended March 31, 2025, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").

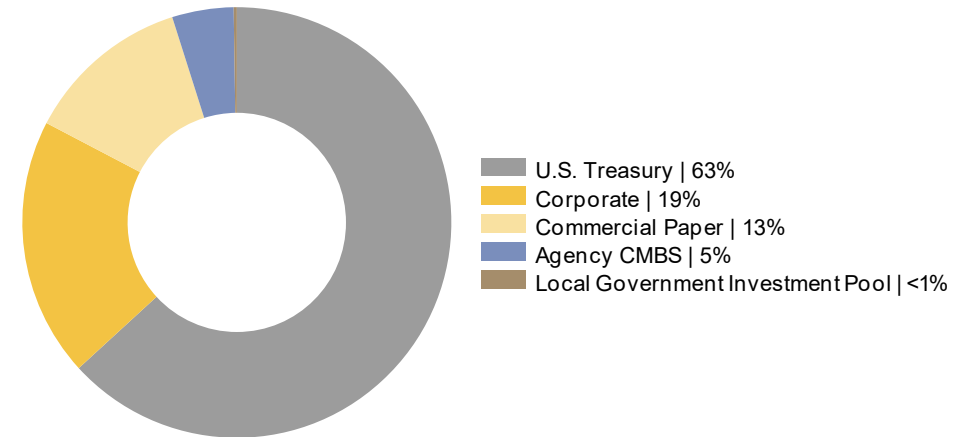
Account Summary

Consolidated Summary

Account Summary

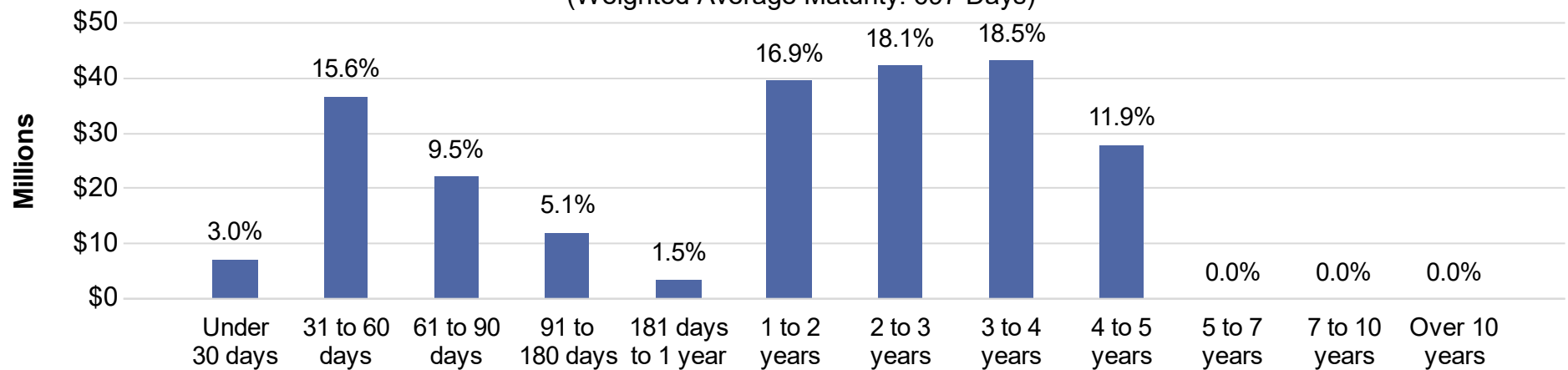
WGIF	\$104,205,654
WGIF Managed Account	\$233,374,915
Total Program	\$337,580,569

Sector Allocation



Maturity Distribution

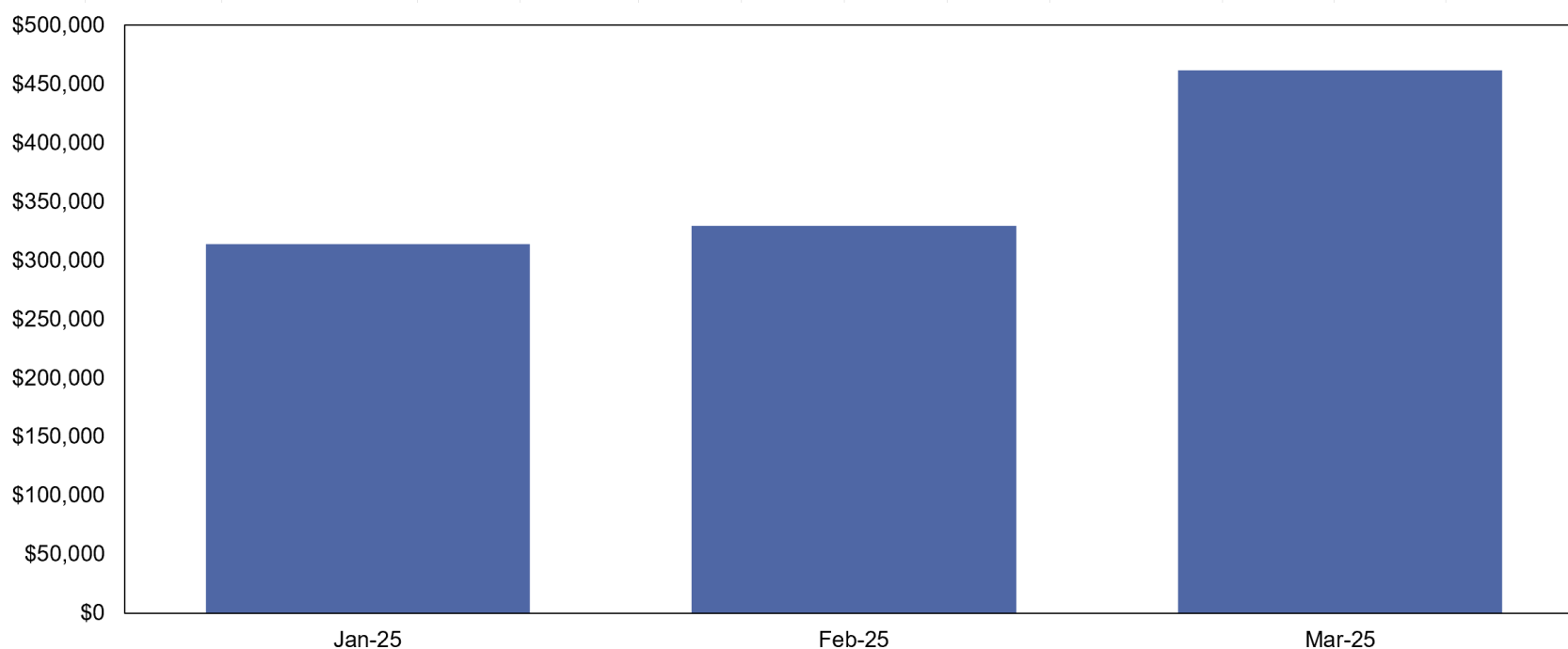
(Weighted Average Maturity: 697 Days)



1. Account summary and sector allocation include market values, accrued interest, and overnight balances. Maturity distribution includes market values and excludes accrued interest and overnight balances

2. Sector allocation and maturity distribution only include Core and Short Term portfolios

Accrual Income Dividend Reinvestment UW General Fund, UW University Deposit, & 2021 Construction Fund



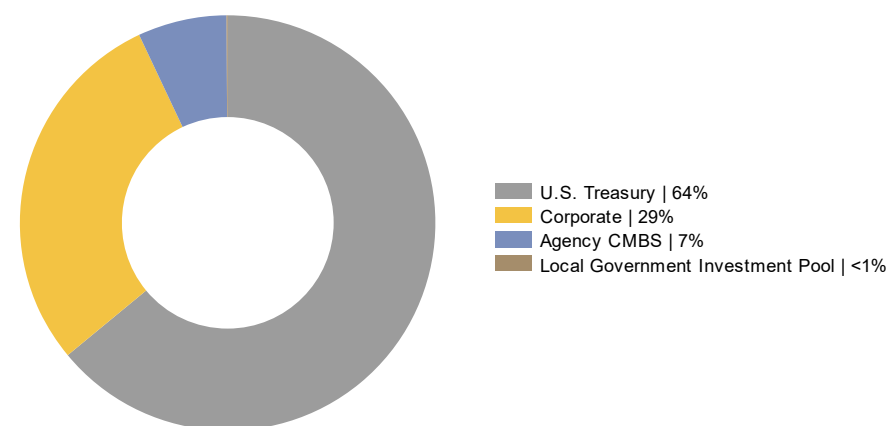
	January 2025	February 2025	March 2025
UW General Fund UW	\$285,350	\$304,144	\$433,701
University Deposit	\$28,325	\$25,412	\$28,113
2021 Construction Fund	\$18	\$17	\$18
Total Accrual Income	\$313,693	\$329,572	\$461,832

Portfolio Snapshot - WGIF-UNIVERSITY OF WYOMING CORE¹

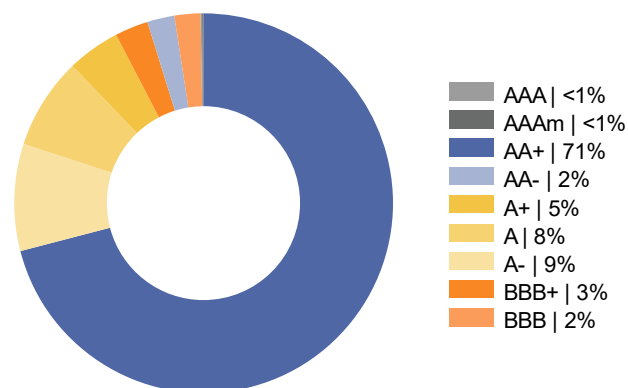
Portfolio Statistics

Total Market Value	\$157,201,636.76
Managed Account Sub-Total	\$155,757,209.11
Accrued Interest	\$1,253,190.75
Pool	\$191,236.90
Portfolio Effective Duration	2.49 years
Benchmark Effective Duration	2.48 years
Yield At Cost	4.09%
Yield At Market	4.15%
Portfolio Credit Quality	AA

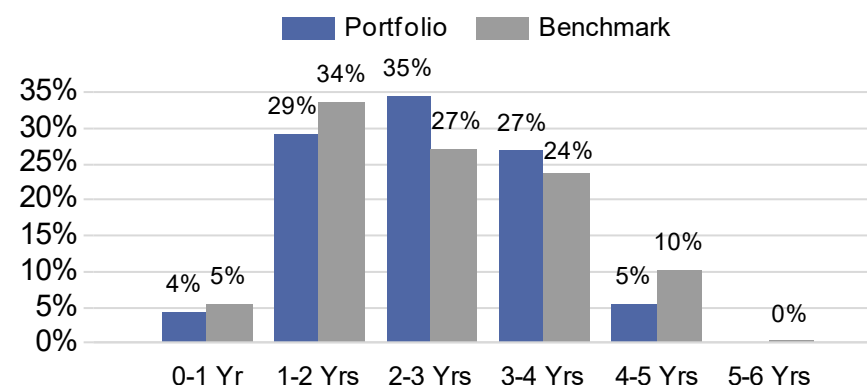
Sector Allocation



Credit Quality - S&P



Duration Distribution



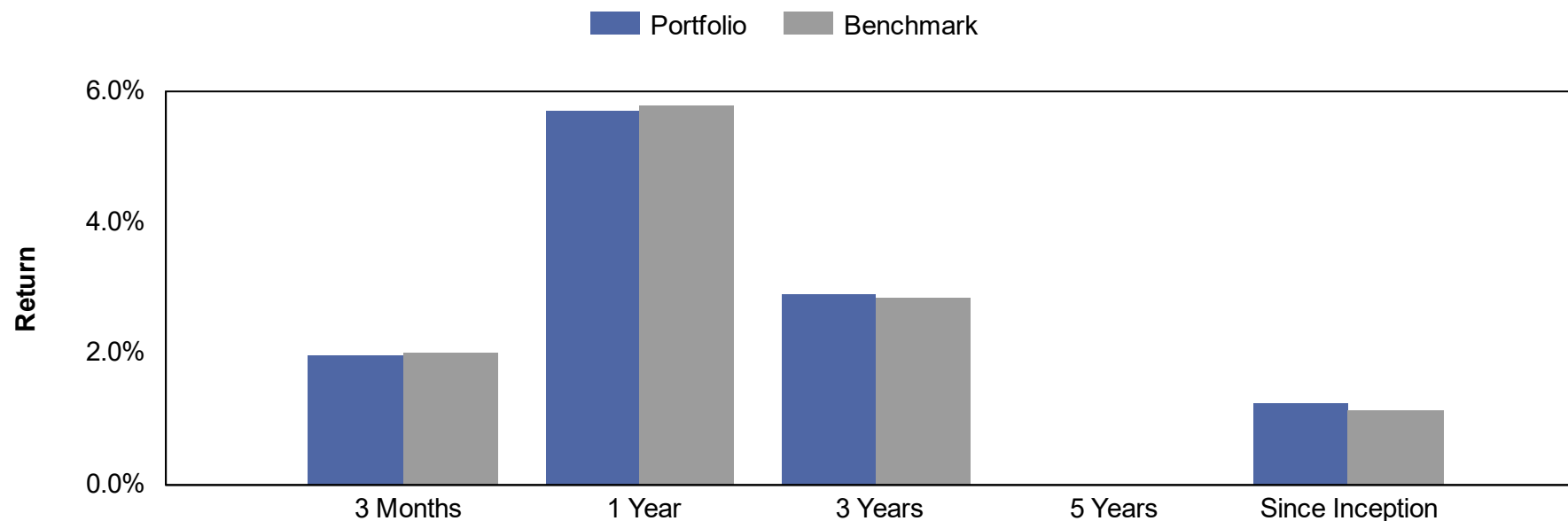
1. Total market value includes accrued interest and balances invested in WGIF, as of March 31, 2025.

Yield and duration calculations exclude balances invested in WGIF.

The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Government/Corp Index. Source: Bloomberg Financial LP.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$1,440,720	\$4,920,609	\$8,870,922	-	\$9,705,037
Change in Market Value	\$1,601,680	\$2,874,290	\$1,932,675	-	(\$2,119,756)
Total Dollar Return	\$3,042,400	\$7,794,899	\$10,803,597	-	\$7,585,281
Total Return³					
Portfolio	1.97%	5.70%	2.91%	-	1.25%
Benchmark ⁴	2.00%	5.78%	2.86%	-	1.14%
Difference	-0.03%	-0.09%	0.06%	-	0.11%

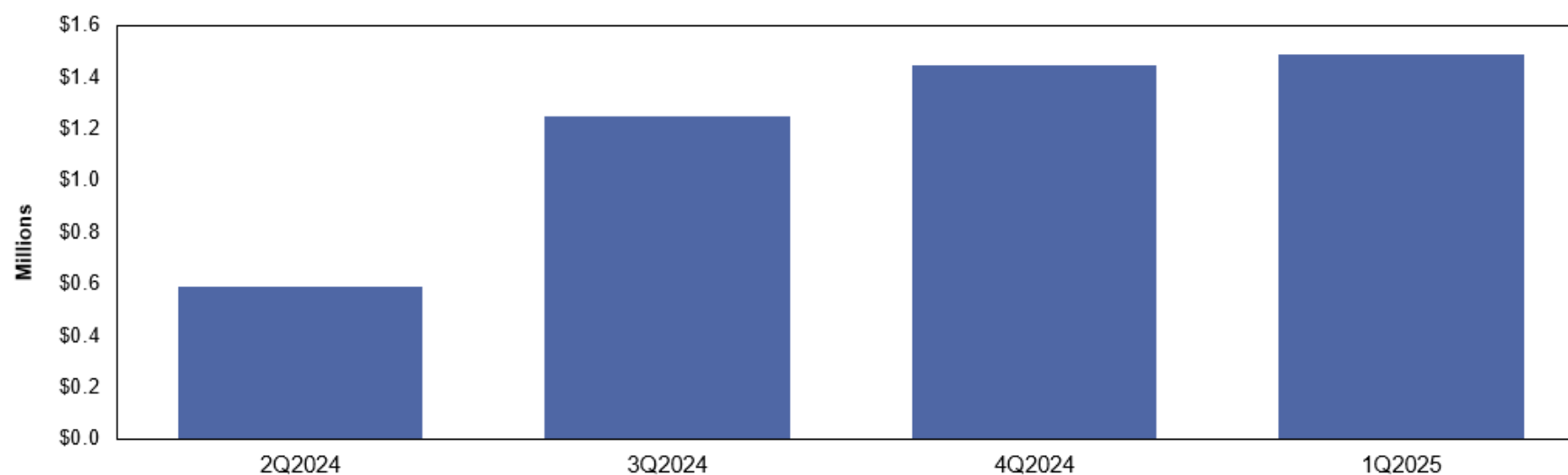
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2021.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Government/Corp Index. Source: Bloomberg Financial LP.

Accrual Basis Earnings - WGIF-UNIVERSITY OF WYOMING CORE



Accrual Basis Earnings	2Q2024	3Q2024	4Q2024	1Q2025
Interest Earned ¹	\$761,656	\$1,301,715	\$1,416,519	\$1,440,720
Realized Gains / (Losses) ²	(\$278,045)	(\$163,869)	(\$79,820)	(\$70,180)
Change in Amortized Cost	\$101,900	\$111,439	\$107,354	\$115,345
Total Earnings	\$585,512	\$1,249,284	\$1,444,053	\$1,485,885

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

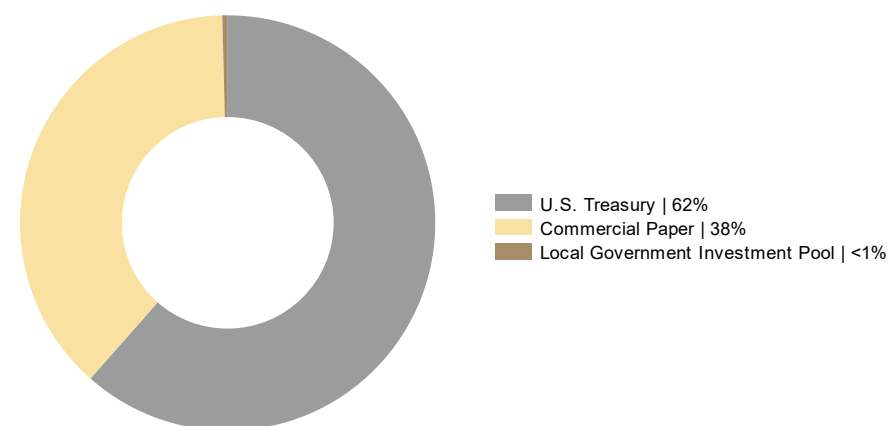
2. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Snapshot - WGIF-UNIVERSITY OF WYOMING SHORT TERM¹

Portfolio Statistics

Total Market Value	\$76,701,299.13
Managed Account Sub-Total	\$76,364,515.03
Accrued Interest	\$0.00
Pool	\$336,784.10
Portfolio Effective Duration	0.16 years
Benchmark Effective Duration	0.40 years
Yield At Cost	4.28%
Yield At Market	4.55%
Portfolio Credit Quality	AA

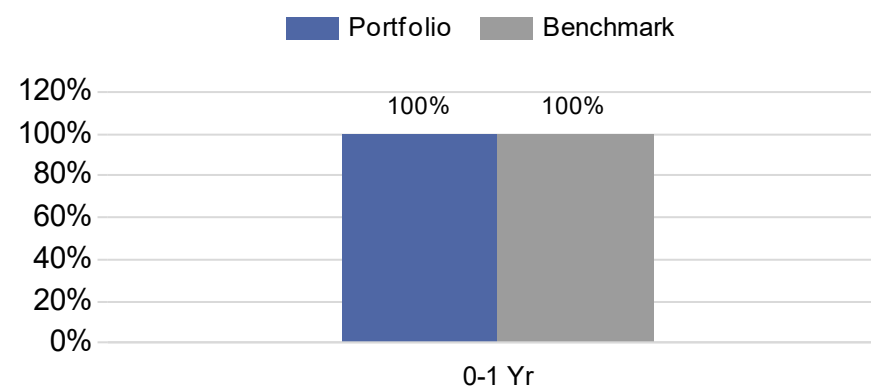
Sector Allocation



Credit Quality - S&P



Duration Distribution



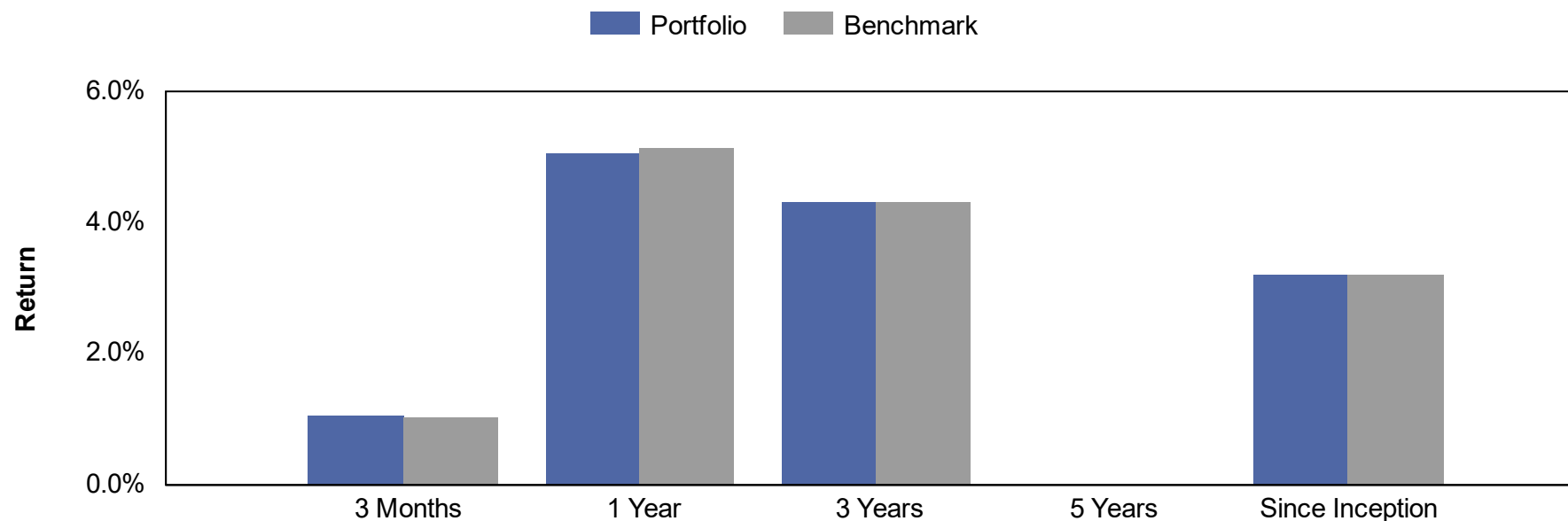
1. Total market value includes accrued interest and balances invested in WGIF, as of March 31, 2025.

Yield and duration calculations exclude balances invested in WGIF.

The portfolio's benchmark is the ICE BofA 6 Month U.S. Treasury Bills Index. Source: Bloomberg Financial LP.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$80,143	\$211,708	\$1,560,937	-	\$1,743,307
Change in Market Value	\$739,170	\$3,813,784	\$10,391,970	-	\$10,073,280
Total Dollar Return	\$819,313	\$4,025,492	\$11,952,907	-	\$11,816,587
Total Return³					
Portfolio	1.06%	5.06%	4.33%	-	3.20%
Benchmark ⁴	1.02%	5.12%	4.31%	-	3.20%
Difference	0.04%	-0.06%	0.02%	-	0.00%

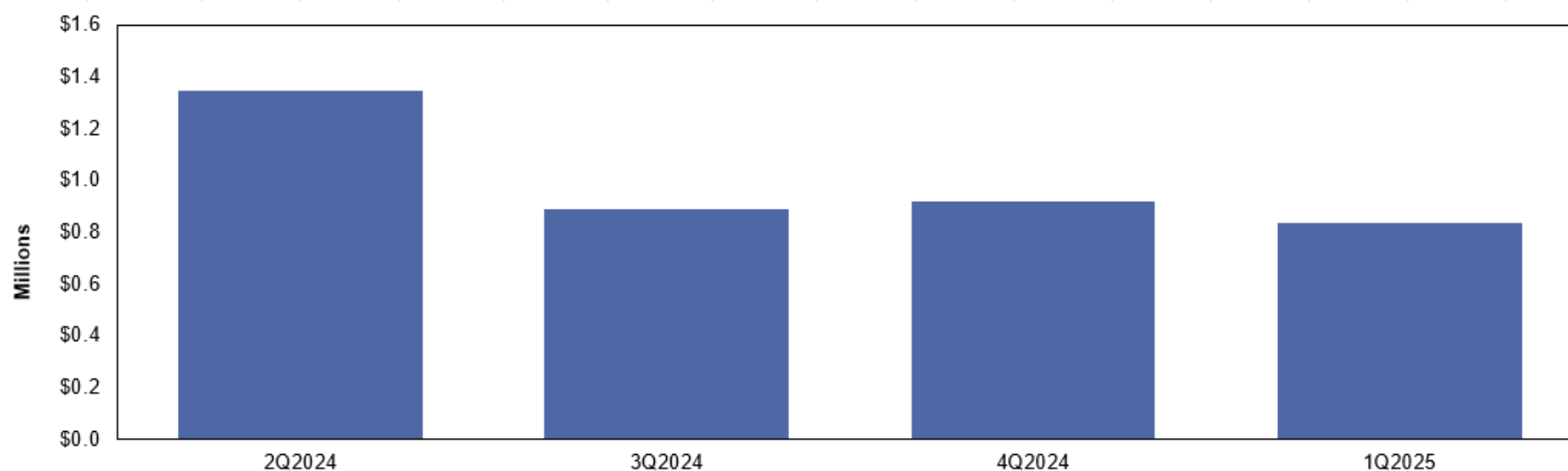
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2021.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 6 Month U.S. Treasury Bills Index. Source: Bloomberg Financial LP.

Accrual Basis Earnings - WGIF-UNIVERSITY OF WYOMING SHORT TERM



Accrual Basis Earnings	2Q2024	3Q2024	4Q2024	1Q2025
Interest Earned ¹	\$75,127	\$48,981	\$7,457	\$80,143
Realized Gains / (Losses) ²	-	-	-	\$1,437
Change in Amortized Cost	\$1,270,043	\$839,975	\$909,363	\$754,944
Total Earnings	\$1,345,171	\$888,956	\$916,820	\$836,524

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

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Important Disclosures

- This information is for institutional investor use only and not for further distribution to retail investors and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Wyoming Government Investment Fund's ("WGIF") investment objectives, risks, charges and expenses before investing in the WGIF. This and other information about WGIF is available in the WGIF's current Information Statement, which should be read carefully before investing. A copy of the WGIF's current Information Statement may be obtained by calling 1-866-249-9443; and is available on the WGIF website (www.wgif.org). While the WGIF Liquid Asset Series seeks to maintain a stable net asset value of \$1.00 per share and each WGIF Fixed Term Series seeks to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in WGIF. An investment in WGIF is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of WGIF are distributed by U.S. Bancorp Investments, Inc., member FINRA (www.finra.org) and SIPC (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to WGIF. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.
- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- ICE Bank of America Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

2021C Bond Proceeds

Remaining Bond Proceeds at 03/31/2025:	Total
WGIF	\$ 5,132
Demand Deposit SLGS	<u>22,243,608</u>
Total	\$22,248,740

- \$46,300,000 was invested in Demand Deposit SLGS (State and Local Government Series) in early September 2024.
- \$24,733,829 has been withdrawn to reimburse the University for eligible expenditures on the Housing and Dining Project.
- Earnings through March 2025 were \$682,569.

Total UW Portfolio

Account	Total as of March 31, 2025
WGIF	\$104,200,521
Short Term	76,364,515
Core	157,010,401
Construction Funds-WGIF	5,132
Construction Funds-Demand Deposit SLGS	<u>22,243,608</u>
Total UW Portfolio	\$359,824,177