University of Wyoming
The Bond Funds

Financial Report
June 30, 2010

CONTENTS

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

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

We have audited the accompanying statements of net assets of certain Bond Funds (the "Bond Funds") of the University of Wyoming (the "University"), described in Note 1, as of June 30, 2010 and 2009, and the related statements of revenue, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bond Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Bond Funds of the University are intended to present the financial position, and the changes in net assets and cash flows of certain activities for the purpose of complying with bond ordinance requirements. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Bond Funds financial statements referred to above present fairly, in all material respects, the financial position of the Bond Funds as of June 30, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 10, 2010

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (Note 10)	**$ 22,638,887**	$ 24,349,682
Accounts receivable, net (Note 4)	**1,281,868**	1,479,558
Accrued interest receivable	**67,906**	-
Inventories	**1,846,356**	2,319,478
Investments	**38,569,309**	-
Prepaid expenses	**882,558**	776,617
Total current assets	**65,286,884**	28,925,335
Noncurrent Assets		
Bond issuance costs, net of accumulated amortization	**734,435**	506,247
Deferred loss on refunding	**-**	41,200
Equipment, net of accumulated depreciation (Note 2)	**583,356**	826,766
	1,317,791	1,374,213
Total assets	**66,604,675**	30,299,548
LIABILITIES AND NET ASSETS		
Current Liabilities		
Unexpended portion - revenue bonds payable (Note 3)	**38,987,800**	203,556
Accounts payable (Note 4)	**1,050,356**	866,383
Payroll and related liabilities	**347,996**	478,297
Accrued compensated absences	**325,471**	314,537
Other post-employment benefits (Note 8)	**14,700**	8,006
Accrued bond interest payable	**252,900**	184,246
Deferred income	**122,935**	79,681
Total current liabilities	**41,102,158**	2,134,706
Noncurrent Liabilities		
Other post-employment benefits (Note 8)	**163,179**	80,934
Accrued compensated absences	**325,471**	314,537
Deferred gain on refunding	**67,139**	-
Total liabilities	**41,657,947**	2,530,177
NET ASSETS		
Invested in equipment	**583,356**	826,766
Restricted for maintenance required by bond resolution	**500,000**	500,000
Restricted for capital projects	**2,036,531**	3,054,975
Unrestricted	**21,826,841**	23,387,630
Total net assets	**24,946,728**	27,769,371
Total liabilities and net assets	**$ 66,604,675**	$ 30,299,548

See Notes to Financial Statements.

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2010 and 2009

	2010	2009
Revenue and Other Additions		
Sales:		
Merchandise	**$ 19,248,086**	$ 18,873,594
Utilities	**126,888**	140,450
Rents and fees:		
Residence hall and apartment rent	**10,454,703**	10,837,521
Telecommunications	**3,285,494**	3,714,324
Fees and games	**1,005,821**	693,110
Student fees	**1,736,360**	1,631,050
Nonenterprise revenue:		
Government royalties (Note 4)	**13,365,000**	13,365,000
Indirect cost recovery	**900,000**	900,000
Miscellaneous other funds	**784,552**	546,347
Total operating revenues	**50,906,904**	50,701,396
Operating Expenses		
Cost of sales	**8,937,966**	9,214,629
Operating expenses:		
Administrative assessment	**1,283,159**	1,054,204
Advertising	**237,446**	266,157
Contractual services	**21,835**	58,008
Credit card charges	**75,739**	96,636
Insurance	**261,959**	325,410
Laundry	**34,692**	44,765
Parts and supplies	**1,286,310**	1,423,483
Rent	**140,842**	141,109
Repairs and maintenance	**1,654,090**	1,181,207
Salaries	**8,398,111**	8,556,961
Salaries - benefits	**3,258,834**	2,801,947
Support services	**1,092,514**	1,918,836
Travel	**55,489**	80,390
Utilities	**2,555,445**	2,610,336
Utility reimbursement	**(146,898)**	(148,712)
Miscellaneous	**458,574**	519,940
Balance forward	**29,606,107**	30,145,306

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS (Continued)
Years Ended June 30, 2010 and 2009

	2010	2009
Operating Expenses (continued)		
Balance forwarded	**$ 29,606,107**	$ 30,145,306
Amortization of bond issuance costs	**249,930**	289,467
Depreciation	**261,845**	321,112
Total operating expenses	**30,117,882**	30,755,885
Operating income	**20,789,022**	19,945,511
Nonoperating Revenues (Expenses) and Other Items		
Investment income:		
Plant funds	**86,349**	120,139
Other funds	**1,396,676**	2,791,873
(Loss) on sale of equipment	**(806)**	(7,545)
Interest on indebtedness	**(1,777,071)**	(2,114,034)
Retirement of indebtedness	**(3,900,962)**	(4,357,119)
Expended for plant facilities	**(1,184,031)**	(600,562)
Mandatory transfers	**246,517**	1,760,062
Nonmandatory transfers (Note 5)	**(18,478,337)**	(17,542,204)
Total nonoperating (expenses)	**(23,611,665)**	(19,949,390)
(Decrease) in net assets	**(2,822,643)**	(3,879)
Net Assets		
Beginning of year	**27,769,371**	27,773,250
End of year	**$ 24,946,728**	$ 27,769,371

See Notes to Financial Statements.

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Sales of merchandise	**$ 19,346,499**	$ 19,301,086
Utilities revenues	**126,888**	140,450
Housing revenues	**10,368,119**	10,717,083
Telecommunications	**3,382,078**	3,644,702
Student fees and fees and games	**2,742,182**	2,324,160
Government royalties	**13,365,000**	13,365,000
Indirect cost recovery	**900,000**	900,000
Payments to suppliers	**(13,483,742)**	(14,959,364)
Payments to employees and fringe benefits	**(11,542,482)**	(11,675,285)
Payments to other University funds	**(3,914,267)**	(3,486,755)
Other receipts	**783,126**	544,921
Net cash provided by operating activities	**22,073,401**	20,815,998
Cash Flows from Capital Financing Activities		
Bond proceeds and original issue premium	**38,987,800**	-
Bond proceeds expended	**(203,556)**	(1,521,599)
Retirement of indebtedness	**(3,900,962)**	(4,357,119)
Purchases of plant facilities	**(1,184,031)**	(600,562)
Interest paid on capital debt	**(1,708,417)**	(2,100,637)
Purchase of equipment	**(22,285)**	(168,559)
Proceeds from sale of equipment	**3,042**	17,355
Bond issuance costs paid	**(369,780)**	(170,925)
Net cash provided by (used in) capital financing activities	**31,601,811**	(8,902,046)
Cash Flows from Noncapital Financing Activities		
Net transfers to other University funds	**(18,231,819)**	(15,782,142)
Cash Flows from Investing Activities		
Investment income	**1,415,121**	2,912,012
Purchases of investments	**(38,569,309)**	-
Net cash provided by (used in) investing activities	**(37,154,188)**	2,912,012
Net (decrease) in cash	**(1,710,795)**	(956,178)
Cash and Cash Equivalents		
Beginning of year	**24,349,682**	25,305,860
End of year	**$ 22,638,887**	$ 24,349,682
Reconciliation		
Operating income	**$ 20,789,022**	$ 19,945,511
Amortization of bond issuance costs	**249,930**	289,467
Depreciation expense	**261,845**	321,112
Change in operating assets and liabilities:		
Accounts receivable	**197,690**	6,135
Prepaid expenses	**(105,941)**	(140,070)
Inventory	**473,122**	961,426
Accounts payable	**183,973**	(114,783)
Accrued liabilities and deferred income	**23,760**	(452,800)
Net cash provided by operating activities	**$ 22,073,401**	$ 20,815,998

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

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

Reporting entity: The financial statements include certain assets, liabilities, net assets and activity related to the University of Wyoming Series January 15, 2001 Facilities Improvement Revenue Bonds, the Series March 15, 2003 Facilities Refunding Revenue Bonds, the Series May 1, 2004 Facilities Improvement Revenue Bonds, the Series May 13, 2005 Facilities Improvement Revenue Bonds, the Series May 12, 2009 Revenue Refunding Bonds, and the Series May 12, 2010 Facilities Improvement and Refunding Revenue Bonds (the "Bond Funds").

The Bond Funds include operations from the following:

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

The Bond Funds also include the following plant funds:

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

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

Compensated absences for annual leave: University employees may accrue annual leave based on the length of service, subject to certain limitations regarding the amount which will be paid upon termination. The estimated accrued compensated absences related to annual leave earned by the Bond Funds' employees as of June 30, 2010 and 2009 were $642,520 and $594,628, respectively.

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

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

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

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

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

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

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

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

Note 2. Equipment

Following are the changes in equipment for the years ended June 30, 2010 and 2009:

	2010			
	Beginning Balance	Additions	Retirements	Ending Balance
Equipment	$ 3,314,919	$ 22,285	$ (179,300)	$ 3,157,904
Less accumulated depreciation	(2,488,153)	(261,845)	175,450	(2,574,548)
Equipment, net	$ 826,766	$ (239,560)	$ (3,850)	$ 583,356

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

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

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

Note 3. Revenue Bonds Payable

The University had the following revenue bond issues outstanding during the year ended June 30, 2010:

Series January 15, 2001 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund renovation and expansion of the University's Student Union building and to finance the renovation of Washakie Food Service complex. The outstanding principal balance at June 30, 2010 is $470,000. The bonds mature through 2011. Interest on the outstanding principal is 4.375%.

Series March 15, 2003 Facilities Refunding Revenue Bonds: The proceeds of these bonds net of the underwriter's discount and cost of issuance, were used to redeem the May 15, 1993 facilities refunding revenue bonds. The outstanding principal balance at June 30, 2010 is $-0-.

NOTES TO FINANCIAL STATEMENTS

Series May 1, 2004 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund the construction and renovation of the health sciences complex and the renovation of certain residence halls. The outstanding principal balance at June 30, 2010 is $9,315,000. The bonds mature through 2024. Interest rates on the outstanding principal balance vary from 4.5% to 5.0%.

Series May 13, 2005 Facilities Improvement Revenue Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to fund the construction of a new archeology and anthropology facility. The outstanding principal balance at June 30, 2010 is $13,180,000. The bonds mature through 2025. Interest rates on the outstanding principal balance vary from 3.75% to 5.0%.

Series May 12, 2009 Revenue Refunding Bonds: The proceeds from these bonds, net of the underwriter's discount and cost of issuance, were used to redeem the September 1, 1999 Facilities Improvement and Refunding Revenue Bonds and to pay certain expenses in connection with the issuance of the Series 2009 Bonds. The outstanding principal balance at June 30, 2010 is $7,100,000. The bonds mature through 2019. Interest rates on the outstanding principal balance vary from 3.0% to 4.0%.

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, 2010 is $6,585,000 (Series A), $19,730,000 (Series B), and $18,000,000 (Series C). The bonds mature through 2030. Interest rates on the outstanding principal balance vary from 2% 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 Payment on each interest payment date of 35% and 45% of the interest due on that date.

Revenue bonds payable activity for the years ended June 30, 2010 and 2009 was as follows:

2010

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Revenue bonds payable	$ 40,142,144	$ 45,045,519	$ (9,255,124)	$ 75,932,539	$ 2,602,891

2009

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

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

	Principal	Interest
2011	$ 2,425,000	$ 2,951,908
2012	2,595,000	2,780,738
2013	2,695,000	2,680,622
2014	2,790,000	2,583,200
2015	2,890,000	2,483,430
2016-2020	16,265,000	10,526,765
2021-2025	20,180,000	6,726,358
2026-2030	24,540,000	2,445,829
	74,380,000	$ 33,178,850
Original issue discount/premium	1,552,539	
	$ 75,932,539	

At June 30, 2010, the unexpended amount of revenue bond proceeds was $38,987,800.

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, 2010 and 2009. This represents approximately 26% and 25%, respectively, of the gross revenue pledged to secure the Bond Funds for the years ended June 30, 2010 and 2009.

Accounts receivable has been reduced by an allowance for uncollectible accounts of $218,275 and $175,436 as of June 30, 2010 and 2009, respectively.

Accounts receivable include $351,449 and $544,803 due from various departments within the University and accounts payable include $707,802 and $729,339 due to various departments within the University as of June 30, 2010 and 2009, 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.

Note 6. Commitments

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

Fiscal year:		
2011	$	123,486
2012		123,486
2013		61,743
	$	308,715

Note 7. Pension Plans

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

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

Statutes require that 11.25% of the covered employee's salary be contributed to the plan, one-half by the employee and the other half by the employer. The University contributes both the employee and employer portions funded primarily through appropriations from the State Legislature. For the years ended June 30, 2008, 2009 and 2010, the University's contributions to the WRS were $311,726, $320,488 and $397,666, respectively, which equals the required contribution for the years then ended. Additionally, the University contributed 1% of benefited payroll to the State as a subsidy for retiree benefits beginning in 2009. The contributions for the years ended June 30, 2009 and 2010 were $37,438 and $39,052, respectively.

As previously noted, some employees opt to participate in TIAA-CREF, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. TIAA-CREF also requires contributions of 11.25% of participating employees' salaries. Like WRS, statutes require that contributions be funded by both the employer and employee and the University has elected to fund both portions. Contributions are funded as accrued and are immediately vested. The contributions for the years ended June 30, 2008, 2009 and 2010 were $366,200, $405,542 and $305,934, respectively.

Note 8. Postemployment Benefits Other Than Pensions

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

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

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

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

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

The other components of the annual OPEB cost are one year's interest on the net OPEB obligation at the beginning of the year and adjustment to the ARC. The adjustment to the ARC is the discounted present value of the net OPEB obligation at the beginning of the year. Since the University adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions,* in 2009, the standard required an actuarial appraisal of OPEB's, the net OPEB obligation at the beginning of 2009 is zero and the annual OPEB cost for 2009 is equal to the ARC.

The table below shows the components of the University's annual OPEB cost for the years ended June 30, 2010 and 2009, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

	2010	2009
Annual required contribution	**$ 96,946**	$ 96,946
Interest on net OPEB obligation	**7,513**	-
Adjustment to annual required contribution	**(819)**	-
Annual OPEB cost	**103,640**	96,946
Employer contributions	**(14,700)**	(8,006)
Increase in net OPEB obligation	**88,940**	88,940
Net OPEB obligation, beginning of year	**88,940**	-
Net OPEB obligation, end of year	**$ 177,880**	$ 88,940

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 was as follows:

Year Ended June 30, 2010:		
Annual OPEB cost	$	103,640
Percentage of annual OPEB cost contributed		14.18%
Net OPEB obligation	$	177,880

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

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

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

Valuation date – July 1, 2008

Discount rate – 4.50% annual

Census data – as of August 2009

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

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

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

Benefit	Select	Ultimate
Medical	11.0%	5.0%
Dental	5.0%	5.0%

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

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

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

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.

Note 9. Risk Management

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

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

The State contributes $551 per month for a single participant, $1,094 for a participant plus his/her spouse, $838 for a participant plus children, $1,249 per participating family, or $625 for married couples both of which are employed by the University for insurance premiums for covered participants towards these plans. Participants are responsible for paying premium charges in excess of this amount.

The University participates in a long-term disability program and contributes 100% of the premium per month for each eligible employee at the rate of $.32 per $100 of payroll. The University does not retain any risk of loss for the long-term disability program as the insurance carrier assumes all the risk for claims incurred by participants.

The University Bond Funds also participate in two State of Wyoming risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

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

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

Note 10. Cash 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 internally invested funds may be invested in a combination of fixed-income, minimal risk instruments and money market funds. Investment goals for internally invested funds are designed to achieve a return to provide income, protect assets from risk and maintain liquidity to meet spending requirements. Investments are limited to collateralized bank certificates of deposit, money market funds or federally guaranteed or insured securities that mature in less than one year. Custodial services are utilized to safeguard the assets and provide monthly reports. Bond proceeds are fully invested to correspond with project payment schedules. Earnings are credited to the individual construction project accounts, with consideration given to applicable Federal arbitrage regulations.

Deposits: At June 30, 2010 and 2009, the carrying amount of the Bond Funds participation in the University's cash and cash equivalents was $22,638,887 and $24,349,682, respectively. Of this amount, $9,986,291 and $9,757,252 was on deposit with State Treasurer through the University and $16,543,583 and $18,036,587 was the bank balance on deposits with financial institutions as of June 30, 2010 and 2009, 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 $449,985 and $1,525,294 are restricted to be used in accordance with the 2004 and 2005 bond resolutions as of June 30, 2010 and 2009, respectively.

Investments: As of June 30, 2010 and 2009, the Bond Funds had pooled investments with weighted average maturities as shown in the following table.

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity in Years
		2010	
U.S. Government Sponsored Enterprise Notes	$ 37,992,000	$ 38,569,309	0.89

NOTES TO FINANCIAL STATEMENTS

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's policy for managing its exposure to fair value loss arising from interest rate changes on internally invested operating funds is to limit the maturity of all securities to less than one year.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The table below shows the quality rating of investments in debt securities.

Investment Type	Fair Value	Quality Rating AAA
	2010	
U.S. Government Sponsored Enterprise Notes	$ 38,569,309	$ 38,569,309

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

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. Concentration of risk is not addressed in the internal investment policy. At June 30, 2010, the Bond Funds held a Federal Home Loan Bank Discount Note for 17% of the portfolio balance, a Federal National Mortgage Association Note for 28% of the total portfolio balance, and Federal Home Loan Bank Bonds for 55% of the total balance. The securities have a maturity of less than two years.

UNIVERSITY OF WYOMING
THE BOND FUNDS

SCHEDULE OF NET PLEDGED REVENUE
Year Ended June 30, 2010

	Bookstore	Union	Dining Services
Gross Pledged Revenue			
Sales:			
Merchandise	$ 8,081,003	$ 304,962	$ 10,854,021
Utilities	-	-	-
Rents and fees:			
Residence hall and apartment rent	-	-	-
Telecommunications	-	-	-
Fees and games	-	-	-
Student fees	-	1,736,360	-
Nonenterprise revenue:			
Government royalties	-	-	-
Indirect cost recovery	-	-	-
Miscellaneous	167,966		-
Investment income	-	1,113	-
Total revenue	8,248,969	2,042,435	10,854,021
Operation and Maintenance Expenses			
Cost of sales	5,826,190	5,533	2,757,861
Operating expenses:			
Administrative assessment	395,000	122,503	164,609
Advertising	72,544	157,949	6,953
Contractual services	-	-	-
Credit card charges	75,739	-	-
Insurance	-	40,651	40,130
Laundry	-	-	34,692
Parts and supplies	38,154	123,388	517,741
Rent	137,253	-	1,506
Repairs and maintenance	4,586	316,762	469,565
Salaries	847,835	877,321	3,217,664
Salaries - benefits	310,168	335,922	1,242,930
Support services	-	-	-
Travel	10,592	15,696	8,640
Utilities	23,699	183,813	240,363
Utility reimbursement (1)	-	(146,898)	-
Miscellaneous	131,613	32,235	290,948
Plant funds	-	-	-
Depreciation	2,978	9,130	27,928
Total expenses	7,876,351	2,074,005	9,021,530
(Gain) loss from sale of assets	-	3,849	(20)
Interest	-	-	43,768
	7,876,351	2,077,854	9,065,278
Pledged net revenue	$ 372,618	$ (35,419)	$ 1,788,743

Residence Life	Non-Enterprise Revenue	Totals
$ -	$ 8,100	$ 19,248,086
-	126,888	126,888
10,453,694	1,009	10,454,703
-	3,285,494	3,285,494
-	1,005,821	1,005,821
-	-	1,736,360
-	13,365,000	13,365,000
-	900,000	900,000
47,341	157,453	372,760
-	1,395,563	1,396,676
10,501,035	20,245,328	51,891,788
331,152	17,230	8,937,966
601,047	-	1,283,159
-	-	237,446
17,576	4,259	21,835
-	-	75,739
181,178	-	261,959
-	-	34,692
607,027	-	1,286,310
2,083	-	140,842
863,177	-	1,654,090
2,627,932	827,359	8,398,111
1,090,524	279,290	3,258,834
69,408	1,023,106	1,092,514
11,041	9,520	55,489
2,107,570	-	2,555,445
-	-	(146,898)
930	2,848	458,574
-	-	-
97,663	124,146	261,845
8,608,308	2,287,758	29,867,952
(3,023)	-	806
31,694	-	75,462
8,636,979	2,287,758	29,944,220
$ 1,864,056	$ 17,957,570	$ 21,947,568

UNIVERSITY OF WYOMING
THE BOND FUNDS

SCHEDULE OF NET PLEDGED REVENUE (Continued)
Year Ended June 30, 2010

	Totals
Net Pledged Revenue	$ 21,947,568
Maximum Annual Debt Service Requirement (Fiscal 2024)	
Principal	4,255,000
Interest	1,190,190
	5,445,190
Excess of Net Pledged Revenue over Maximum Debt Service Requirement	$ 16,502,378
Percentage of Net Pledged Revenue to Maximum Debt Service Requirement	403%
Percentage of Net Pledged Revenue to Debt Service Requirement for Fiscal Year Ending June 30, 2011	408%

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

UNIVERSITY OF WYOMING
THE BOND FUNDS

DEBT SERVICE REQUIREMENTS OF THE JANUARY 15, 2001, MAY 1, 2004, MAY 13, 2005, MAY 12, 2009 AND MAY 12, 2010 BOND RESOLUTIONS
June 30, 2010

	January 15, 2001 Bond Resolution (Series 2001)			May 1, 2004 Bond Resolution (Series 2004)			May 13, 2005 Bond Resolution (Series 2005)		
Year Ended	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2011	$ 470,000	$ 20,562	$ 490,562	$ 490,000	$ 441,973	$ 931,973	$ 635,000	$ 621,938	$ 1,256,938
2012	-	-	-	510,000	419,924	929,924	660,000	598,125	1,258,125
2013	-	-	-	530,000	397,611	927,611	690,000	570,075	1,260,075
2014	-	-	-	555,000	373,761	928,761	720,000	540,750	1,260,750
2015	-	-	-	585,000	348,092	933,092	750,000	510,150	1,260,150
2016	-	-	-	610,000	321,767	931,767	780,000	478,275	1,258,275
2017	-	-	-	640,000	294,317	934,317	815,000	443,175	1,258,175
2018	-	-	-	665,000	264,877	929,877	850,000	406,500	1,256,500
2019	-	-	-	700,000	233,290	933,290	895,000	364,000	1,259,000
2020	-	-	-	730,000	200,040	930,040	940,000	319,250	1,259,250
2021	-	-	-	765,000	165,000	930,000	985,000	272,250	1,257,250
2022	-	-	-	805,000	126,750	931,750	1,035,000	223,000	1,258,000
2023	-	-	-	845,000	86,500	931,500	1,085,000	171,250	1,256,250
2024	-	-	-	885,000	44,250	929,250	1,140,000	117,000	1,257,000
2025	-	-	-	-	-	-	1,200,000	60,000	1,260,000
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
Total	$ 470,000	$ 20,562	$ 490,562	$ 9,315,000	$ 3,718,152	$ 13,033,152	$ 13,180,000	$ 5,695,738	$ 18,875,738

	May 12, 2009 Bond Resolution (Series 2009)			May 12, 2010 Bond Resolution (Series 2010)			Combined Annual
Year Ended	Principal	Interest	Total	Principal	Interest	Total	Requirement
2011	$ 690,000	$ 246,763	$ 936,763	$ 140,000	$ 1,620,672	$ 1,760,672	$ 5,376,908
2012	725,000	226,063	951,063	700,000	1,536,626	2,236,626	5,375,738
2013	750,000	204,312	954,312	725,000	1,508,624	2,233,624	5,375,622
2014	750,000	181,813	931,813	765,000	1,486,876	2,251,876	5,373,200
2015	775,000	157,438	932,438	780,000	1,467,750	2,247,750	5,373,430
2016	800,000	130,314	930,314	810,000	1,444,350	2,254,350	5,374,706
2017	835,000	102,312	937,312	820,000	1,411,950	2,231,950	5,361,754
2018	875,000	71,000	946,000	850,000	1,374,106	2,224,106	5,356,483
2019	900,000	36,000	936,000	895,000	1,335,672	2,230,672	5,358,962
2020	-	-	-	1,855,000	1,295,570	3,150,570	5,339,860
2021	-	-	-	1,925,000	1,224,212	3,149,212	5,336,462
2022	-	-	-	2,000,000	1,164,276	3,164,276	5,354,026
2023	-	-	-	2,050,000	1,098,496	3,148,496	5,336,246
2024	-	-	-	2,230,000	1,028,940	3,258,940	5,445,190
2025	-	-	-	3,230,000	944,434	4,174,434	5,434,434
2026	-	-	-	4,610,000	822,034	5,432,034	5,432,034
2027	-	-	-	4,785,000	647,336	5,432,336	5,432,336
2028	-	-	-	4,890,000	483,126	5,373,126	5,373,126
2029	-	-	-	5,045,000	327,134	5,372,134	5,372,134
2030	-	-	-	5,210,000	166,199	5,376,199	5,376,199
	$ 7,100,000	$ 1,356,015	$ 8,456,015	$ 44,315,000	$ 22,388,383	$ 66,703,383	$ 107,558,850

UNIVERSITY OF WYOMING
THE BOND FUNDS

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED)
June 30, 2010

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1. Policy Number: 019946559
   Insurer: Lexington Insurance Company
   Expiration date: July 1, 2011

Risks covered and amount:	$ 1,000,000,000
Real and personal property; accounts receivable; business interruption (including 365 days extended period indemnity) extra expense/tuition fees; and automatic builders risk.	
Sublimits:	
Terrorism	250,000,000
Flood, aggregate	100,000,000
Flood, SFHA (100 year)	50,000,000
Earthquake, aggregate	100,000,000
Miscellaneous unscheduled locations (U.S./Canada)	25,000,000
Personal property of students and patients (per student or patient $25,000)	2,500,000
Mold	25,000,000
Transit	25,000,000
Contingent time element	25,000,000
Service interruption property damage and business interruption	25,000,000
Computer systems non-physical damage	1,000,000
Soft costs	25,000,000
Personal property (outside U.S./Canada)	5,000,000
Upgrade to green coverage	1,000,000
Research animals	2,500,000
Civil or military authority (30 days)	50,000,000
Ingress/egress (30 days)	50,000,000
Coverage for 90 days	100,000,000
Pollutant clean up, annual aggregate	1,000,000
Boiler/Machinery	
Equipment breakdown	100,000,000
Hazardous substance	5,000,000
Spoilage	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, 2010

2.	Policy Number: BLX201000049900 Type: Third Party Liability (Buffer Excess) Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2010 - March 17, 2011 Risks covered and amount:	$ 900,000
	Annual aggregate	3,600,000
	Personal injury/property damage; includes general liability, liquor liability; automobile liability, employee benefit liability; professional liability; broadcasting liability	
3.	Policy Number: GLF201000049900 Type: Excess Liability Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2010 - March 17, 2011 Risks covered and amount:	$ 25,000,000
	Excess of underlying $900,000; $36,000,000 aggregate Personal injury/property damage; advertising injury	
4.	Policy Number: ELA201000049900 Type: Educators Legal Liability Insurer: United Educators Risk Retention Group Effective and expiration dates: March 17, 2010 - March 17, 2011 Risks covered and amount: each claim/aggregate	$ 10,000,000
	Errors and omissions; breach of duty	
5.	Policy Number: EPHFD36844310 Type: Foreign Liability, Automobile Liability and Foreign Workers' Compensation Insurer: ACE American Insurance Company Effective and expiration dates: March 17, 2010 - March 17, 2011 Risks covered and amount: (liability)	$ 1,000,000
	(Workers' Compensation)	statutory limits
	Bodily injury/property damage; premises/operations; products/competed operations; hired/owned autos; foreign personal injury and advertising injury liability; foreign contractual liability; incidental medical malpractice liability; medical expense	
6.	Policy Number: 008BY103301280BCM Type: Public Dishonesty Bond and Crime Insurer: Travelers Property Casualty & Surety Effective and expiration dates: June 17, 2009 - June 17, 2012 Risks covered and amount:	$ 1,000,000
	Public dishonesty (blanket); forgery or alteration; theft; disappearance; computer fraud	

Continued

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2010

7. Policy Number: 400AC-51910
Type: Aircraft Hull and Liability
Insurer: United States Aircraft Insurance Group
Effective and expiration dates: June 20, 2010 - June 20, 2011

Risks covered and amount: Aircraft Liability	$ 10,000,000
Sublimits:	
Aircraft: Physical damage for scheduled aircraft	3,400,000
Single limit BI/PD liability	10,000,000
Personal injury liability	10,000,000
Non-owned aircraft liability	10,000,000
Non-owned physical damage liability	500,000
Guest voluntary settlement	250,000
Spare parts physical damage	500,000
Rental expense replacement aircraft	300,000
Extra expense replacement parts	25,000
Medical coverage, each person	5,000
Baggage liability, each person	10,000
Search and rescue, each occurrence	250,000
Cargo liability for property damage, each occurrence	100,000

8. Policy Number: ALO 32189
Type: Airport Premises
Insurer: United States Aircraft Insurance Group
Effective and expiration dates: June 20, 2010 - June 20, 2011

Risks covered and amount:	$ 10,000,000
Sublimits:	
General liability	10,000,000
Products/completed operations	10,000,000
Hangerkeepers liability	1,000,000
Personal and advertising injury liability	10,000,000

9. Policy Number: T5MP-P-50747
Type: Athletic Play, Practice and Travel for Intercollegiate Sports
Insurer: Summit America Insurance Services
Effective and expiration dates: August 1, 2010 - August 1, 2011

Risks covered and amount:	
Aggregate per air accident	$ 5,000,000
Aggregate per land accident	unlimited
Maximum medical per insured	75,000

Continued

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2010

10.	Policy Number: NCAA/University of Wyoming		
	Type: Blanket Sports Catastrophic Accident and Sickness		
	Insurer: Mutual of Omaha Insurance Company		
	This policy provided by NCAA at no cost to University		
	Effective and expiration dates: August 1, 2007 - August 1, 2011		
	Risks covered and amount:	$	-
	Coverage has $65,000 deductible and is determined by the type of incident in which insured is involved		
11.	Policy Number: 83WECPP2689		
	Type: Workers' Compensation (other states)		
	Insurer: The Hartford, Twin City Fire Insurance Company		
	Effective and expiration dates: March 17, 2010 - March 17, 2011		
	Risks covered and amount:		
	Policy covers various University employees working in 'other' states in order to comply with the various states' laws		
	Sublimits:		
	Bodily injury by accident, each accident	$	100,000
	Bodily injury by disease, policy limit		500,000
	Bodily injury by disease, each employee		100,000
12.	Policy Number: KR 584272842		
	Type: Special Crime		
	Insurer: Great American Insurance Group		
	Effective and expiration dates: March 17, 2010 - March 17, 2013		
	Risks covered and amount:		
	Special crime, including death or dismemberment		
	Sublimits:		
	Special crime, total disability	$	5,000,000
	Personal accident, per insured person		250,000
	Transit		5,000,000
	Additional expense; legal liability		5,000,000
	Personal accident, per annual accident		1,250,000
13.	Policy Number: ADD NO4212344		
	Type: Accidental Death/Dismemberment for Trustees		
	Insurer: ACE American Insurance Company		
	Effective and expiration dates: April 1, 2008 - April 1, 2011		
	Risks covered and amount:		
	Accidental death/dismemberment	$	500,000
	Accident medical benefit		25,000

Continued

SCHEDULE OF INSURANCE COVERAGE (UNAUDITED) (Continued)
June 30, 2010

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14. Policy Number: IMC108672763A12080437 & IMC108674619
    Type: Fine Arts
    Insurer: ACE American Insurance Company
    Effective and expiration dates: March 17, 2010 - March 17, 2011
    Risks covered and amount:

Fine art/papers, Centennial	$ 120,000,000
Unnamed location, worldwide	10,000,000
Transit, worldwide	10,000,000
Terrorism (cert and non-cert)	120,000,000

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENT OF NET ASSETS: FUND GROUP PERSPECTIVE
June 30, 2010

	Current Unrestricted Funds	Plant Funds: Unexpended	Plant Funds: Funds for Renewal and Replacement	Plant Funds: Funds for Retirement of Indebtedness	Plant Funds: Total
ASSETS					
Cash and cash equivalents	$ 19,751,633	$ 733,275	$ 2,153,841	$ 138	$ 2,887,254
Accounts receivable	1,281,868	-	-	-	-
Due from other funds	-	-	-	252,763	252,763
Accrued interest receivable	-	67,906	-	-	67,906
Inventories	1,846,356	-	-	-	-
Investments	-	38,569,309	-	-	38,569,309
Prepaid expenses	882,558	-	-	-	-
Bond issuance costs	-	-	-	734,435	734,435
Equipment, net of accumulated depreciation	583,356	-	-	-	-
	$ 24,345,771	$ 39,370,490	$ 2,153,841	$ 987,336	$ 42,511,667
LIABILITIES					
Unexpended portion	$ -	$ 38,987,800	$ -	$ -	$ 38,987,800
Accounts payable	1,050,356	-	-	-	-
Accrued expenses	1,176,817	-	-	-	-
Accrued interest payable	-	-	-	252,900	252,900
Due to other bond funds	252,763	-	-	-	-
Deferred income	122,935	-	-	-	-
Deferred gain on refunding	-	-	-	67,139	67,139
	$ 2,602,871	$ 38,987,800	$ -	$ 320,039	$ 39,307,839
NET ASSETS					
Invested in equipment	$ 583,356	$ -	$ -	$ -	$ -
Restricted	-	382,690	2,153,841	-	2,536,531
Unrestricted	21,159,544	-	-	667,297	667,297
	$ 21,742,900	$ 382,690	$ 2,153,841	$ 667,297	$ 3,203,828

UNIVERSITY OF WYOMING
THE BOND FUNDS

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS: FUND GROUP PERSPECTIVE
Year Ended June 30, 2010

	Current Unrestricted Funds	Plant Funds: Unexpended	Plant Funds: Funds for Renewal and Replacement	Plant Funds: Funds for Retirement of Indebtedness	Total
Operating Revenues					
Sales	$ 19,374,974	$ -	$ -	$ -	$ -
Rents and fees	16,482,378	-	-	-	-
Government royalties	13,365,000	-	-	-	-
Indirect cost recovery	900,000	-	-	-	-
Miscellaneous	372,760	-	-	411,792	411,792
	50,495,112	-	-	411,792	411,792
Operating Expenditures					
Cost of sales	8,937,966	-	-	-	-
Administrative assessments	1,283,159	-	-	-	-
Salaries and benefits	11,656,945	-	-	-	-
Utilities	2,408,547	-	-	-	-
Other operating expenses	5,581,335	-	-	249,930	249,930
	29,867,952	-	-	249,930	249,930
Operating income	20,627,160	-	-	161,862	161,862
Nonoperating Revenues (Expenses) and Other Items					
Investment income	1,396,676	16,427	6,581	63,341	86,349
Gain (loss) on sale of assets	(806)	-	-	-	-
Interest on indebtedness	(75,462)	-	-	(1,701,609)	(1,701,609)
Retirement of indebtedness	-	(320,962)	-	(3,580,000)	(3,900,962)
Expenditures for plant facilities	-	(1,184,031)	-	-	(1,184,031)
Transfers in (out)	(23,834,312)	266,228	197,313	5,138,951	5,602,492
	(22,513,904)	(1,222,338)	203,894	(79,317)	(1,097,761)
Net increase (decrease) in net assets	(1,886,744)	(1,222,338)	203,894	82,545	(935,899)
Net Assets, beginning of year	23,629,644	1,605,028	1,949,947	584,752	4,139,727
Net Assets, end of year	$ 21,742,900	$ 382,690	$ 2,153,841	$ 667,297	$ 3,203,828

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of certain Bond Funds of the University of Wyoming (the "University") as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010.

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

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
November 10, 2010