

STATE OF WYOMING

**BASIC
FINANCIAL
STATEMENTS**

**For Fiscal Year Ended
June 30, 2011**

Statement of Net Assets

June 30, 2011

	State of Wyoming			Component Units
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Cash and Pooled Investments	\$ 13,157,667,660	\$ 1,523,036,109	\$ 14,680,703,769	\$ 1,302,448,338
Cash and Investments with Trustee	1,652,371,190	196,928,881	1,849,300,071	0
Cash with Fiscal Agent	84,611,779	0	84,611,779	0
Amounts on Deposit with U.S. Treasury	0	132,936,072	132,936,072	0
Accounts Receivable (net)	1,342,109,829	197,732,829	1,539,842,658	57,424,654
Interest Receivable	65,118,587	7,528,321	72,646,908	9,005,077
Taxes Receivable	0	35,635,365	35,635,365	0
Due from Other Governments	621,015,076	3,068,490	624,083,566	33,076,152
Due from Primary Government	0	0	0	74,840,790
Due from Component Units	1,675,220	0	1,675,220	0
Deferred Derivative Hedging Costs	0	0	0	10,794,348
Loan and Pledge Receivables (net)	390,160,728	0	390,160,728	1,110,754,135
Inventory	3,551,722	14,040,847	17,592,569	30,707,735
Prepaid Expenses	8,809,608	84,173	8,893,781	3,134,398
Other Assets	0	0	0	72,927,945
Capital Assets not being depreciated:				0
Land	65,454,067	0	65,454,067	21,466,453
Construction in Progress	75,410,128	9,263,931	84,674,059	144,790,749
Intangible assets	26,748,870	0	26,748,870	0
Infrastructure assets	0	0	0	5,207,784,957
Capital Assets net of Accumulated Depreciation:				
Buildings, structures and improvements	591,894,511	0	591,894,511	430,017,320
Intangible assets-depreciable	27,894,657	0	27,894,657	257,623
Infrastructure assets-depreciable	37,961,847	182,655	38,144,502	2,766,196
Capitalized leases	0	0	0	62,478
Equipment, furniture and fixtures	58,149,366	1,234,504	59,383,870	102,195,600
Total Assets	18,210,604,845	2,121,672,177	20,332,277,022	8,614,454,948
LIABILITIES				
Accounts Payable	1,821,478,578	235,234,474	2,056,713,052	76,291,205
Liability Under Securities Lending	1,695,933,444	202,120,611	1,898,054,055	0
Internal Balance	(1,006,649)	1,006,649	0	0
Arbitrage Payable	0	0	0	825,000
Due to Other Governments	7,781,234	2,383,153	10,164,387	0
Due to Primary Government	0	0	0	5,847,808
Due to Component Units	94,606,089	0	94,606,089	0
Interest Payable	469,831	0	469,831	4,251,604
Long-term Liabilities				
Due Within One Year	126,337,084	170,758,149	297,095,233	206,404,841
Due in More Than One Year	194,272,265	1,216,604,644	1,410,876,909	1,223,049,666
Derivative Instrument Liability	0	0	0	10,794,348
Other Liabilities	0	0	0	2,980,087
Deposits Held in Trust	559,180	0	559,180	88,950
Deferred Revenue:				
Unearned Revenue	46,931,756	254,234	47,185,990	13,920,732
Unavailable Revenue	292,076,882	0	292,076,882	0
Total Liabilities	4,279,439,694	1,828,361,914	6,107,801,608	1,544,454,241
Net Assets				
Investment in Capital Assets, Net of Related Debt	847,398,478	10,478,136	857,876,614	5,854,617,248
Restricted:				
Nonspendable-Corpus	8,219,972,963	0	8,219,972,963	278,691,507
Restricted Education	148,337,440	0	148,337,440	292,808,927
Restricted Debt Service	0	0	0	209,004,202
Restricted Environment	5,652,078	0	5,652,078	0
Restricted for Unemployment Compensation	0	206,919,719	206,919,719	0
Restricted for Workers' Compensation	0	48,613,456	48,613,456	0
Restricted Law, Safety and Justice:	9,922,079	0	9,922,079	0
Restricted Recreation, Resource	137,424,795	0	137,424,795	0
Restricted Health	223,599,620	0	223,599,620	0
Restricted Other	79,033,594	0	79,033,594	23,631,473
Unrestricted (Deficit)	4,259,824,104	27,298,952	4,287,123,056	411,247,350
Total Net Assets	\$ 13,931,165,151	\$ 293,310,263	\$ 14,224,475,414	\$ 7,070,000,707

See Notes to the Basic Financial Statements

Statement of Net Assets Component Units June 30, 2011

	University of Wyoming	Department of Transportation	Wyoming Pipeline Authority	Infra- Structure Authority	Wyoming Business Council	Wyoming Community Development Authority	Totals
ASSETS							
Cash and Pooled Investments	678,770,673	\$ 100,014,090	\$ 97,328	\$ 1,786,094	\$ 26,658,027	\$ 495,122,126	1,302,448,338
Accounts Receivable (net)	37,934,370	10,194,983	325	76,496	2,324,970	6,893,510	57,424,654
Interest Receivable	303,947	0	0	479,622	209,135	8,012,373	9,005,077
Due from Other Governments	0	28,959,261	0	0	4,116,891	0	33,076,152
Due from Primary Government	1,726,502	70,317,991	0	0	2,796,297	0	74,840,790
Deferred Derivative Hedging Costs	0	0	0	0	0	10,794,348	10,794,348
Loan and Pledge Receivables (net)	45,138,593	0	0	33,704,000	7,441,528	1,024,470,014	1,110,754,135
Inventory	3,901,042	26,806,693	0	0	0	0	30,707,735
Prepaid Expenses	3,117,483	0	16,915	0	0	0	3,134,398
Other Assets	22,355,377	535,442	0	0	0	50,037,126	72,927,945
Capital Assets not being depreciated:							
Land	14,498,215	6,740,638	0	0	0	227,600	21,466,453
Construction in Progress	139,103,951	5,672,898	0	0	13,900	0	144,790,749
Intangible assets	0	0	0	0	0	0	0
Infrastructure assets	0	5,207,784,957	0	0	0	0	5,207,784,957
Capital Assets net of Accumulated Depreciation:							
Buildings, structures and improvements	345,895,756	82,391,890	0	0	0	1,729,674	430,017,320
Intangible assets-depreciable	0	0	0	0	257,623	0	257,623
Infrastructure assets-depreciable	2,766,196	0	0	0	0	0	2,766,196
Capitalized leases	0	0	0	0	62,478	0	62,478
Equipment, furniture and fixtures	39,341,091	62,230,670	21,689	0	52,974	549,176	102,195,600
Total Assets	1,334,853,196	5,601,649,513	136,257	36,046,212	43,933,823	1,597,835,947	8,614,454,948
LIABILITIES							
Accounts Payable	45,644,175	8,986,391	18,082	654	12,094,928	9,546,975	76,291,205
Liability Under Securities Lending	0	0	0	0	0	0	0
Arbitrage Payable	0	0	0	0	0	825,000	825,000
Due to Primary Government	1,246,450	0	0	0	4,601,358	0	5,847,808
Interest Payable	0	0	0	463,361	0	3,788,243	4,251,604
Long-term Liabilities (Note 8)							
Due Within One Year	17,399,224	13,090,218	0	1,654,000	17,618	174,243,781	206,404,841
Due in More Than One Year	100,541,453	9,482,584	9,689	32,057,084	53,311	1,080,905,545	1,223,049,666
Derivative Instrument Liability	0	0	0	0	0	10,794,348	10,794,348
Other Liabilities	0	3,486	0	0	2,771	2,973,830	2,980,087
Deposits Held in Trust	0	88,950	0	0	0	0	88,950
Deferred Revenue:							
Unearned Revenue	10,292,250	0	0	0	7,090	3,621,392	13,920,732
Unavailable Revenue	0	0	0	0	0	0	0
Total Liabilities	175,123,552	31,651,629	27,771	34,175,099	16,777,076	1,286,699,114	1,544,454,241
Net Assets							
Investment in Capital Assets, Net of Related Debt	486,952,010	5,364,821,053	21,689	0	316,046	2,506,450	5,854,617,248
Restricted:							
Nonspendable-Corpus	278,691,507	0	0	0	0	0	278,691,507
Restricted Education	251,236,783	0	0	0	0	0	251,236,783
Restricted Loans	28,240,545	0	0	0	0	0	28,240,545
Restricted Capital Projects	13,331,599	0	0	0	0	0	13,331,599
Restricted Debt Service	0	0	0	0	0	209,004,202	209,004,202
Restricted Environment	0	0	0	0	0	0	0
Restricted for Unemployment Compensation	0	0	0	0	0	0	0
Restricted for Workers' Compensation	0	0	0	0	0	0	0
Restricted Law, Safety and Justice:	0	0	0	0	0	0	0
Restricted Recreation, Resource	0	0	0	0	0	0	0
Restricted Health	0	0	0	0	0	0	0
Restricted Other	0	0	0	0	23,631,473	0	23,631,473
Unrestricted (Deficit)	101,277,200	205,176,831	86,797	1,871,113	3,209,228	99,626,181	411,247,350
Total Net Assets	\$ 1,159,729,644	\$ 5,569,997,884	\$ 108,486	\$ 1,871,113	27,156,747	\$ 311,136,833	7,070,000,707

See Notes to the Basic Financial Statements

Statement of Activities

For the Year Ended June 30, 2011

Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
State of Wyoming:				
Governmental Activities:				
General Government	\$ 309,564,320	\$ 140,134,942	\$ 45,422,659	\$ 0
Business Regulation	48,725,889	14,912,078	17,447,007	0
Education	1,455,793,128	2,571,265	180,412,831	0
Health Services	863,558,737	6,173,447	444,484,029	28,991,784
Law, Justice and Safety	233,195,173	7,568,287	36,986,371	0
Employment	61,910,251	8,819,951	40,433,348	0
Recreation and Resource Development	579,671,309	61,614,970	453,027,386	0
Social Services	150,153,471	1,182,910	74,717,038	0
Transportation Services	57,648,565	0	0	0
Interest on Long Term Debt	1,971,607	0	0	0
Total Governmental Activities	3,762,192,450	242,977,850	1,292,930,669	28,991,784
Business-Type Activities:				
Workers' Compensation Insurance	331,390,666	199,872,930	1,283,184	0
Liquor Commission	75,021,782	86,039,100	0	0
Canteen Fund	1,935,833	2,053,347	0	0
Subsidence Insurance	72,523	28,868	42,611	0
Honor Farm Agricultural Sales	386,713	533,819	0	0
Wyoming Health Insurance	19,410,328	20,762,585	552,498	0
Unemployment Compensation	187,671,970	128,373,971	79,162,992	0
Total Business-Type Activities	615,889,815	437,664,620	81,041,285	0
Total State of Wyoming	\$ 4,378,082,265	\$ 680,642,470	\$ 1,373,971,954	\$ 28,991,784
Component Units:				
University of Wyoming	\$ 522,008,109	\$ 90,839,119	\$ 131,368,407	\$ 0
Wyoming Department of Transportation	585,432,829	24,977,142	377,250,793	20,529,672
Wyoming Pipeline Authority	542,124	15,700	0	0
Wyoming Infrastructure Authority	2,319,515	14,454	0	0
Wyoming Business Council	82,512,220	51,813	18,221,135	0
Wyoming Community Development Authority	60,027,123	63,913,413	9,017,762	0
Total Component Units	\$ 1,252,841,920	\$ 179,811,641	\$ 535,858,097	\$ 20,529,672
General Revenues:				
Taxes:				
Sales & Use Taxes				
Mineral Severance				
Federal Mineral Royalties				
Coal Bonus Lease Payments				
Other Taxes:				
School Foundation 12 Mill Levy				
School District Recapture revenues				
Insurance Premium Taxes				
Domestic Corporation registrations				
Miscellaneous				
Investment Income				
Change in Fair Value of Investments				
Other Revenue				
State Appropriations				
Additions to Permanent Endowments				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets - Beginning				
Prior Period Adjustment (Note 1 (G))				
Beginning Balance - Restated				
Net Assets - Ending				

See Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets

State of Wyoming			Component Units					
Governmental Activities	Business-Type Activities	Total	University of Wyoming	Wyoming Department of Transportation	Wyoming Pipeline Authority	Wyoming Infra-Structure Authority	Wyoming Business Council	Wyoming Community Development Authority
\$ (124,006,719)	\$ 0	\$ (124,006,719)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(16,366,805)	0	(16,366,805)	0	0	0	0	0	0
(1,272,809,032)	0	(1,272,809,032)	0	0	0	0	0	0
(383,909,478)	0	(383,909,478)	0	0	0	0	0	0
(188,640,515)	0	(188,640,515)	0	0	0	0	0	0
(12,656,951)	0	(12,656,951)	0	0	0	0	0	0
(65,028,953)	0	(65,028,953)	0	0	0	0	0	0
(74,253,523)	0	(74,253,523)	0	0	0	0	0	0
(57,648,565)	0	(57,648,565)	0	0	0	0	0	0
(1,971,607)	0	(1,971,607)	0	0	0	0	0	0
(2,197,292,150)	0	(2,197,292,150)	0	0	0	0	0	0
0	(130,234,552)	(130,234,552)	0	0	0	0	0	0
0	11,017,318	11,017,318	0	0	0	0	0	0
0	117,514	117,514	0	0	0	0	0	0
0	(1,044)	(1,044)	0	0	0	0	0	0
0	147,106	147,106	0	0	0	0	0	0
0	1,904,755	1,904,755	0	0	0	0	0	0
0	19,864,993	19,864,993	0	0	0	0	0	0
0	(97,183,910)	(97,183,910)	0	0	0	0	0	0
(2,197,292,150)	(97,183,910)	(2,294,476,060)	0	0	0	0	0	0
0	0	0	(299,800,583)	0	0	0	0	0
0	0	0	0	(162,675,222)	0	0	0	0
0	0	0	0	0	(526,424)	0	0	0
0	0	0	0	0	0	(2,305,061)	0	0
0	0	0	0	0	0	0	(64,239,272)	0
0	0	0	0	0	0	0	0	12,904,052
0	0	0	(299,800,583)	(162,675,222)	(526,424)	(2,305,061)	(64,239,272)	12,904,052
501,875,328	0	501,875,328	0	131,192,733	0	0	0	0
911,188,146	0	911,188,146	13,365,000	72,011,702	0	0	0	0
806,695,690	0	806,695,690	0	0	0	0	0	0
45,347,006	0	45,347,006	0	0	0	0	0	0
281,091,316	0	281,091,316	0	0	0	0	0	0
183,431,563	0	183,431,563	0	0	0	0	0	0
11,496,954	0	11,496,954	0	0	0	0	0	0
11,592,070	0	11,592,070	0	0	0	0	0	0
530,665	0	530,665	0	0	0	0	0	0
681,441,827	104,428,341	785,870,168	76,319,523	1,177,319	615	1,663,197	923,209	7,933,327
683,347,205	68,721,640	752,068,845	0	0	0	0	0	(3,995,063)
0	0	0	64,038,996	2,583,640	0	0	236,123	0
0	0	0	221,102,654	57,302,011	0	0	60,751,450	0
0	0	0	26,174,929	0	601,964	847,782	0	0
11,969,140	(11,969,140)	0	0	0	0	0	0	0
4,130,006,910	161,180,841	4,291,187,751	401,001,102	264,267,405	602,579	2,510,979	61,910,782	3,938,264
1,932,714,760	63,996,931	1,996,711,691	101,200,519	101,592,183	76,155	205,918	(2,328,490)	16,842,316
11,999,418,762	229,198,207	12,228,616,969	1,058,529,125	5,380,877,244	32,331	1,665,195	29,485,237	294,294,517
(968,371)	115,125	(853,246)	0	87,528,457	0	0	0	0
11,998,450,391	229,313,332	12,227,763,723	1,058,529,125	5,468,405,701	32,331	1,665,195	29,485,237	294,294,517
\$ 13,931,165,151	\$ 293,310,263	\$ 14,224,475,414	\$ 1,159,729,644	\$ 5,569,997,884	\$ 108,486	\$ 1,871,113	\$ 27,156,747	\$ 311,136,833

See Notes to the Basic Financial Statements

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Foundation Program Fund	Legislative Reserve Fund	Common School Land Fund	Permanent Mineral Trust Fund	American Recovery and Reinvestment Fund	Non-Major Governmental Funds	Totals
ASSETS								
Cash and Pooled Investments	\$ 2,137,655,069	\$ 369,820,584	\$ 0	\$ 2,325,287,368	\$ 5,402,640,180	\$ 2,641,400	\$ 2,781,850,132	\$ 13,019,894,733
Cash and Investments with Trustee	434,110,856	52,332,928	0	271,262,431	616,984,700	0	260,607,752	1,635,298,667
Cash with Fiscal Agent	0	0	0	81,232,622	0	0	3,379,157	84,611,779
Accounts Receivable (net)	418,987,965	41,679,493	0	172,648,577	397,969,563	302,127	295,003,331	1,326,591,056
Interest Receivable	40,362,648	614,995	0	9,517,004	0	0	13,893,033	64,387,680
Due from Other Funds	21,178,766	3,676,711	0	24,115	5,527,500	733,718	306,043,694	337,184,504
Due from Other Governments	224,523,133	350,361,384	0	0	0	31,472,331	14,509,152	620,866,000
Due from Component Units	94,162	0	0	0	0	0	751,658	845,820
Loan Receivables (net)	1,456,311	0	0	154,330	67,385,724	0	321,164,363	390,160,728
Prepaid Leases	8,615,783	0	0	0	0	0	193,825	8,809,608
Inventory	3,178,688	0	0	0	0	0	337,260	3,515,948
Total Assets	\$ 3,290,163,381	\$ 818,486,095	\$ 0	\$ 2,860,126,447	\$ 6,490,507,667	\$ 35,149,576	\$ 3,997,733,357	\$ 17,492,166,523
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts Payable	\$ 453,517,741	\$ 77,736,568	\$ 0	\$ 223,325,238	\$ 529,320,652	\$ 28,620,293	\$ 482,492,863	\$ 1,795,013,355
Liability Under Securities Lending	445,555,530	53,712,606	0	278,413,852	633,250,564	0	267,478,278	1,678,410,830
Due to Other Funds	9,646,284	251,820,489	0	3,676,711	0	0	73,751,874	338,895,358
Deposits held in trust	559,180	0	0	0	0	0	0	559,180
Due to Other Governments	0	0	0	0	0	6,455,668	1,324,761	7,780,429
Due to Component Units	84,864,338	0	0	0	0	0	9,741,751	94,606,089
Compensated Absences Payable	1,089,198	29,681	0	0	0	0	141,954	1,260,833
Claims Payable	43,487,085	0	0	0	0	0	15,205,193	58,692,278
Deferred Revenue:								
Unearned Revenue	33,039,382	0	0	0	1,629,886	73,615	25,563,576	60,306,459
Unavailable Revenue	0	296,815,558	0	0	0	0	0	296,815,558
Total Liabilities	1,071,758,738	680,114,902	0	505,415,801	1,164,201,102	35,149,576	875,700,250	4,332,340,369
Fund Balance								
Nonspendable:								
Corpus	0	0	0	2,354,556,316	5,258,920,841	0	604,865,920	8,218,343,077
Loans Receivable	1,456,311	0	0	154,330	67,385,724	0	321,040,399	390,036,764
Prepays	8,615,783	0	0	0	0	0	193,825	8,809,608
Inventory	3,178,688	0	0	0	0	0	337,260	3,515,948
Restricted	0	138,371,193	0	0	0	0	623,937,755	762,308,948
Committed	82,316,338	0	0	0	0	0	1,571,657,948	1,653,974,286
Assigned	252,099,236	0	0	0	0	0	0	252,099,236
Unassigned	1,870,738,287	0	0	0	0	0	0	1,870,738,287
Total Fund Balance	2,218,404,643	138,371,193	0	2,354,710,646	5,326,306,565	0	3,122,033,107	13,159,826,154
Total Liabilities and Fund Balances	\$ 3,290,163,381	\$ 818,486,095	\$ 0	\$ 2,860,126,447	\$ 6,490,507,667	\$ 35,149,576	\$ 3,997,733,357	\$ 17,492,166,523

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2011

Fund balances—total governmental funds	\$ 13,159,826,154
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	870,115,426
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	18,680,794
Internal service funds are used by management to charge the costs of certain activities, such as insurance, telecommunications, technology and transportation to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	120,096,161
Some liabilities are not due and payable in the current period and therefore are not reported in the fund.	<u>(237,553,384)</u>
Net assets of governmental activities	<u>\$ 13,931,165,151</u>

See Notes to the Basic Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2011

	General Fund	Foundation Program Fund	Legislative Reserve Fund	Common School Land Fund	Permanent Mineral Trust Fund	American Recovery and Reinvestment Fund	Non-Major Governmental Funds	Totals
REVENUES								
Taxes								
Sales and Use Taxes	\$ 494,496,404	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,158,776	\$ 500,655,180
Mineral Severance Taxes	494,963,427	0	0	0	375,782,058	0	42,612,393	913,357,878
Other Taxes	23,210,774	464,867,545	0	0	0	0	408,918	488,487,237
Federal Mineral Royalties	466,602,075	321,045,188	0	0	0	0	19,048,427	806,695,690
Coal Bonus Lease Payments	0	0	0	0	0	0	45,347,006	45,347,006
Use of Property	15,616,620	0	0	261,470,204	0	0	46,381,044	323,467,868
License & Permits	8,470,035	0	0	0	0	0	50,165,457	58,635,492
Fines and Forfeitures	5,443,017	14,142	0	0	0	0	3,751,477	9,208,636
Federal	622,527,031	1,305,206	0	0	0	184,211,667	82,617,140	890,661,044
Charges for Sales and Services	31,951,274	37,876	0	0	0	0	35,167,650	67,156,800
Interest Income	150,851,368	39,847,722	0	109,643,424	0	0	100,023,129	400,365,643
Interest Income From								
Permanent Mineral Trust Fund	240,614,510	0	0	0	35,475,472	0	0	276,089,982
Net Increase/(Decrease) in the Fair Market								
Value of Investments	19,709,980	1,112,559	0	181,897,503	419,544,156	0	60,317,741	682,581,939
Miscellaneous Receipts	409,072	0	0	2,928,974	0	0	1,383,318	4,721,364
Revenue from Others	29,691,960	0	0	0	0	441,306	42,648,396	72,781,662
Sale of Land	0	0	0	0	0	0	28,642	28,642
Total Revenues	2,604,557,547	828,230,238	0	555,940,105	830,801,686	184,652,973	536,059,514	5,540,242,063
EXPENDITURES								
Current:								
General Government	138,060,847	0	0	0	0	233,370	27,122,561	165,416,778
Business Regulation	15,267,840	0	0	0	0	12,234,505	23,248,925	50,751,270
Education	486,590,099	810,100,770	0	6,627,001	0	43,026,945	146,882,742	1,493,227,557
Health Services	830,748,491	0	0	0	0	57,567,641	26,013,592	914,329,724
Law, Justice and Safety	156,422,324	0	0	0	0	3,600,356	34,738,580	194,761,260
Employment	59,803,395	0	0	0	0	5,614,147	1,464,463	66,882,005
Recreation and Resource Development	322,362,303	0	0	0	0	52,218,711	239,950,627	614,531,641
Social Services	151,428,667	0	0	0	0	5,911,920	3,985,244	161,325,831
Transportation	57,648,565	0	0	0	0	0	0	57,648,565
Debt Service:								
Principal Retirement	0	0	0	0	0	0	2,654,005	2,654,005
Interest	0	0	0	0	0	0	3,677,864	3,677,864
Total Expenditures	2,218,332,531	810,100,770	0	6,627,001	0	180,407,595	509,738,603	3,725,206,500
Excess (Deficiency) of Revenues								
Over (Under) Expenditures	386,225,016	18,129,468	0	549,313,104	830,801,686	4,245,378	26,320,911	1,815,035,563
OTHER FINANCING SOURCES (USES)								
Transfers In	260,620,930	606,151,789	0	3,885,890	0	733,718	742,394,104	1,613,786,431
Transfers Out	(277,045,221)	(656,366,051)	0	(219,581,667)	0	(15,251,469)	(443,416,509)	(1,611,660,917)
Capital Leases	125,132	0	0	0	0	0	0	125,132
Total Other Financing Sources (Uses)	(16,299,159)	(50,214,262)	0	(215,695,777)	0	(14,517,751)	298,977,595	2,250,646
Net Change in Fund Balances	369,925,857	(32,084,794)	0	333,617,327	830,801,686	(10,272,373)	325,298,506	1,817,286,209
Fund Balances-Beginning	399,356,424	170,455,987	1,402,609,780	2,021,093,319	4,495,504,879	10,272,373	2,852,857,260	11,352,150,022
Prior Period Adjustment (Footnote 1 (G))	1,449,122,362	0	(1,402,609,780)	0	0	0	(56,122,659)	(9,610,077)
Beginning Fund Balances Restated	1,848,478,786	170,455,987	0	2,021,093,319	4,495,504,879	10,272,373	2,796,734,601	11,342,539,945
Fund Balances-Ending	\$ 2,218,404,643	\$ 138,371,193	\$ 0	\$ 2,354,710,646	\$ 5,326,306,565	\$ 0	\$ 3,122,033,107	\$ 13,159,826,154

See Notes to the Basic Financial Statements

Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2011

Net change in fund balances—total governmental funds \$ 1,817,286,209

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$113,516,958 exceeded change in net book value on disposal of capital assets (\$9,420,786) and depreciation (\$43,865,526) in the current period. 60,230,646

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,944,251)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,654,005

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 22,685,798

Internal service funds are used by management to charge the costs of certain activities, such as insurance, telecommunications, technology and transportation to individual funds. The net revenue (expense) of internal service funds is included in governmental activities in the Statement of Activities. 31,802,353

Change in net assets of governmental activities \$ 1,932,714,760

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Enterprise Funds				
	Workers' Compensation Insurance Fund	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Pooled Investments	\$ 242,252,967	\$ 5,281,970	\$ 4,212,572	\$ 251,747,509	\$ 22,966,747
Cash and Investments with Trustee	180,908,239	0	2,964,258	183,872,497	15,940,615
Amounts on Deposit with U.S. Treasury	0	38,533,542	0	38,533,542	0
Accounts Receivable (net)	184,223,392	5,333,836	8,175,601	197,732,829	15,518,773
Interest Receivable	7,422,065	0	106,256	7,528,321	730,907
Taxes Receivable	0	35,635,365	0	35,635,365	0
Due from Other Funds	522,427	1,137,700	174,079	1,834,206	3,254,919
Due from Other Governments	283,615	2,232,377	552,498	3,068,490	149,076
Due from Component Units	0	0	0	0	829,400
Inventory	0	0	14,040,847	14,040,847	35,774
Prepaid Expenses	0	0	84,173	84,173	0
Total Current Assets	615,612,705	88,154,790	30,310,284	734,077,779	59,426,211
Noncurrent Assets:					
Cash and Pooled Investments	1,210,974,189	39,256,606	21,057,805	1,271,288,600	114,806,180
Cash and Investments with Trustee	12,845,899	0	210,485	13,056,384	1,131,908
Amounts on Deposit with U.S. Treasury	0	94,402,530	0	94,402,530	0
Capital Assets (net)	10,144,607	0	536,483	10,681,090	13,398,018
Total Non-Current Assets	1,233,964,695	133,659,136	21,804,773	1,389,428,604	129,336,106
Total Assets	1,849,577,400	221,813,926	52,115,057	2,123,506,383	188,762,317
LIABILITIES					
Current Liabilities:					
Accounts Payable	217,874,672	8,571,887	8,787,915	235,234,474	26,263,839
Liability Under Securities Lending	198,862,171	0	3,258,440	202,120,611	17,522,614
Due to Other Funds	523,462	2,111,274	206,119	2,840,855	537,416
Due to Other Governments	0	2,383,153	0	2,383,153	805
Compensated Absences Payable	1,114,711	0	199,338	1,314,049	958,360
Claims and Benefits Payable	156,113,828	1,827,893	11,383,630	169,325,351	18,441,918
Capital Lease Payable	118,749	0	0	118,749	0
Deferred Revenue:					
Unearned Revenue	0	0	254,234	254,234	567,415
Total Current Liabilities	574,607,593	14,894,207	24,089,676	613,591,476	64,292,367
Long Term Liabilities:					
Compensated Absences Payable	19,277	0	189,946	209,223	319,940
Claims and Benefits Payable	1,216,311,216	0	0	1,216,311,216	4,053,849
Capital Lease Payable	84,205	0	0	84,205	0
Total Non-Current Liabilities	1,216,414,698	0	189,946	1,216,604,644	4,373,789
Total Liabilities	1,791,022,291	14,894,207	24,279,622	1,830,196,120	68,666,156
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	9,941,653	0	536,483	10,478,136	13,398,018
Restricted for Unemployment Compensation	0	206,919,719	0	206,919,719	0
Restricted for Workers Compensation	48,613,456	0	0	48,613,456	0
Unrestricted	0	0	27,298,952	27,298,952	106,698,143
Total Net Assets	\$ 58,555,109	\$ 206,919,719	\$ 27,835,435	\$ 293,310,263	\$ 120,096,161

See Notes to the Basic Financial Statements

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2011

	Enterprise Funds				
	Workers' Compensation Insurance Fund	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Sales and Services (Note 9)	\$ 199,872,930	\$ 128,373,971	\$ 109,417,719	\$ 437,664,620	\$ 263,279,753
Total Revenues	199,872,930	128,373,971	109,417,719	437,664,620	263,279,753
OPERATING EXPENSES					
Salaries and Wages	8,311,360	0	1,811,707	10,123,067	7,594,647
Employee Benefits	3,436,700	0	786,727	4,223,427	3,003,439
Travel	328,071	0	34,561	362,632	73,360
Purchases for Resale	0	0	73,585,357	73,585,357	16,992
Rental, Supplies and Services	7,883,648	0	901,852	8,785,500	26,153,669
Contracted Services	304,863	0	298,617	603,480	9,116,607
Claims and Benefits Expense	310,226,345	187,671,970	19,267,720	517,166,035	195,674,654
Interest Expense	19,575	0	0	19,575	0
Depreciation Expense	879,896	0	133,245	1,013,141	5,370,430
Total Operating Expenses	331,390,458	187,671,970	96,819,786	615,882,214	247,003,798
Operating Income (Loss)	(131,517,528)	(59,297,999)	12,597,933	(178,217,594)	16,275,955
NONOPERATING REVENUES (EXPENSES)					
Grants Received	1,283,184	79,162,992	595,109	81,041,285	0
Grant and Aid Payments	0	0	(6,816)	(6,816)	0
Investment Income	98,466,133	5,106,478	855,730	104,428,341	4,994,738
Net Increase/(Decrease) in the Fair Market Value of Investments	68,602,431	0	119,209	68,721,640	765,266
Gain/(Loss) on Disposal of Capital Assets	(208)	0	(577)	(785)	(77,232)
Total Nonoperating Revenues (Expenses)	168,351,540	84,269,470	1,562,655	254,183,665	5,682,772
Income (Loss) Before Transfers	36,834,012	24,971,471	14,160,588	75,966,071	21,958,727
Transfers from Other Funds	35,608	1,137,700	0	1,173,308	10,361,720
Transfers to Other Funds	0	(2,111,274)	(11,031,174)	(13,142,448)	(518,094)
Change in Net Assets	36,869,620	23,997,897	3,129,414	63,996,931	31,802,353
Total Net Assets-Beginning	21,685,489	182,921,822	24,590,896	229,198,207	87,934,204
Prior Period Adjustment (Note 1 (G))	0	0	115,125	115,125	359,604
Net Assets restated	21,685,489	182,921,822	24,706,021	229,313,332	88,293,808
Total Net Assets-Ending	\$ 58,555,109	\$ 206,919,719	\$ 27,835,435	\$ 293,310,263	\$ 120,096,161

See Notes to the Basic Financial Statements

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Enterprise Funds				
	Workers' Compensation Insurance Fund	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Charges for Sales and Services	\$ 194,090,473	\$ 124,487,054	\$ 106,947,225	\$ 425,524,752	\$ 252,277,462
Cash Payments to Suppliers for Goods and Services	(173,566,549)	(189,344,093)	(96,092,186)	(459,002,828)	(233,278,443)
Cash Payment to Employees for Services	(12,045,527)	0	(2,577,087)	(14,622,614)	(10,649,065)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	8,478,397	(64,857,039)	8,277,952	(48,100,690)	8,349,954
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Grants Received	1,283,184	79,162,992	595,109	81,041,285	0
Transfers In	35,608	1,137,700	0	1,173,308	10,361,720
Transfers Out	0	(2,111,274)	(11,031,174)	(13,142,448)	(518,094)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	1,318,792	78,189,418	(10,436,065)	69,072,145	9,843,626
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of Capital Assets	(3,512,049)	0	(105,643)	(3,617,692)	(4,588,289)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(3,512,049)	0	(105,643)	(3,617,692)	(4,588,289)
CASH FLOWS FROM INVESTMENT ACTIVITIES:					
Investment Income	98,030,585	5,106,478	852,986	103,990,049	4,841,318
Change in the Fair Value of Investments	68,602,431	0	119,209	68,721,640	765,266
Securities Lending Collateral	(45,930,802)	0	(1,101,478)	(47,032,280)	(731,856)
Net Change in Pooled Investments Trade Receivable/Payable	11,227,524	417,782	93,128	11,738,434	2,137,950
NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES	131,929,738	5,524,260	(36,155)	137,417,843	7,012,678
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	138,214,878	18,856,639	(2,299,911)	154,771,606	20,617,969
CASH AND CASH EQUIVALENTS, JULY 1, 2010, as previously reported	1,508,766,416	158,618,009	30,629,906	1,698,014,331	133,867,877
Prior Period Cash Restatement (Note 1 (G))	0	0	115,125	115,125	359,604
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 1,646,981,294	\$ 177,474,648	\$ 28,445,120	\$ 1,852,901,062	\$ 154,845,450
OPERATING INCOME (LOSS)	\$ (131,517,528)	\$ (59,297,999)	\$ 12,597,933	\$ (178,217,594)	\$ 16,275,955
Adjustments to Reconcile Operating Income (Loss) to Net Cash					
Depreciation	879,897	0	133,245	1,013,142	5,370,430
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable and Taxes Receivable	(5,864,568)	(5,145,672)	(2,155,702)	(13,165,942)	(1,422)
(Increase) Decrease in Due from Other Funds	297,549	743,369	297,350	1,338,268	(2,062,860)
(Increase) Decrease in Due from Other Governments	(215,439)	515,386	(552,498)	(252,551)	(36,052)
(Increase) Decrease in Due from Component Unit	0	0	0	0	(239,349)
(Increase) Decrease in Inventories	0	0	1,781,761	1,781,761	13,161
(Increase) Decrease in Prepaid Expense	0	0	(10,486)	(10,486)	0
Increase (Decrease) in Deferred Revenue	0	0	(105,818)	(105,818)	(8,662,608)
Increase (Decrease) in Due to Other Funds and Other Governments	523,346	497,334	(2,799)	1,017,881	536,888
Increase (Decrease) in Accounts Payable	1,007,402	(458,316)	(3,215,410)	(2,666,324)	(5,316,739)
Increase (Decrease) in Capital Leases	(110,268)	0	0	(110,268)	0
Increase (Decrease) in Claims and Benefits Payable	143,447,402	(1,711,141)	(545,532)	141,190,729	2,450,169
Increase (Decrease) in Compensated Absences	30,604	0	55,908	86,512	22,381
Total Adjustments	139,995,925	(5,559,040)	(4,319,981)	130,116,904	(7,926,001)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 8,478,397	\$ (64,857,039)	\$ 8,277,952	\$ (48,100,690)	\$ 8,349,954
Reconciliation of Cash and Cash Equivalents to Amounts Shown On Statement of Net Assets					
Cash and Pooled Investments	\$ 1,453,227,156	\$ 44,538,576	\$ 25,270,377	\$ 1,523,036,109	\$ 137,772,927
Cash and Investments with Trustee	193,754,138	0	3,174,743	196,928,881	17,072,523
Amounts on Deposit with U.S. Treasury	0	132,936,072	0	132,936,072	0
Total Cash and Cash Equivalents shown on Statement of Net Assets	\$ 1,646,981,294	\$ 177,474,648	\$ 28,445,120	\$ 1,852,901,062	\$ 154,845,450

See Notes to the Basic Financial Statements

Statement of Net Assets

Fiduciary Funds

June 30, 2011

	Pension Trust Funds	Private- Purpose Trust Fund	Investment Trust Fund	Agency Funds
ASSETS				
Cash and Cash Equivalents:				
Cash and Pooled Investments	\$ 545,786,289	\$ 41,295,264	\$ 534,183,298	\$ 89,581,789
Withdrawal InTransit	0	0	100,000	
Cash and Investments with Trustee	0	5,827,180	0	0
Total Cash and Cash Equivalents	545,786,289	47,122,444	534,283,298	89,581,789
Receivables:				
Accounts Receivable (net)	184,175,670	4,642,391	0	0
Tax Receivable	419,151	0	0	57,344,512
Interest Receivable	15,459,560	239,367	354,178	0
Currency Contract Receivable	527,116,201	0	0	0
Other	202,155	0	0	0
Rebate and Fee Income Receivable	650,613	0	0	0
Total Receivables	728,023,350	4,881,758	354,178	57,344,512
Investments, at Fair Value:				
Securities	6,165,802,557	0	0	0
Securities Lending Collateral	514,298,586	0	0	0
Investments, at Fair Value	6,680,101,143	0	0	0
Total Assets	7,953,910,782	52,004,202	534,637,476	146,926,301
LIABILITIES				
Administrative and consulting fees payable	6,626,621	7,338,192	1,237,751	0
Liability Under Securities Lending	514,298,586	5,980,805	0	0
Due to Other Governments	0	0	0	95,708,524
Due to Component Unit	0	0	0	39,802
Due to Individuals and/or Organizations	0	0	0	51,177,975
Currency Contract Payable	519,364,230	0	0	0
Claims and Benefits Payable	467,381	0	0	0
Securities Purchased	247,579,204	0	0	0
Total Liabilities	1,288,336,022	13,318,997	1,237,751	146,926,301
NET ASSETS				
Net Assets Held in Trust for:				
Pension Benefits	6,665,574,760	0	0	0
Participants	0	0	533,399,725	0
Individuals, Organizations, and Other Governments	0	38,685,205	0	0
Total Net Assets	\$ 6,665,574,760	\$ 38,685,205	\$ 533,399,725	\$ 0

See Notes to the Basic Financial Statements

Statement of Changes in Net Assets

Fiduciary Funds

For the Year Ended June 30, 2011

	Pension Trust Funds	Private- Purpose Trust Fund	Investment Trust Fund
Additions:			
Contributions:			
Employee	\$ 153,226,113	\$ 0	\$ 0
Employer	119,937,806	0	0
Participants	0	0	610,069,582
Other	6,031,944	3,831,519	0
	<u>279,195,863</u>	<u>3,831,519</u>	<u>610,069,582</u>
Investment Income:			
Net Increase/(Decrease) in the Fair Value of Investments	628,130,301	250,455	(307,278)
Interest and Dividends	147,310,373	788,670	3,466,237
Investment Fees	(16,274,747)	0	0
Security Lending Gross Income	3,913,453	0	0
Broker Rebates	(476,332)	0	0
Agent Fees	(528,644)	0	0
Net Income (Loss) from Investing Activities	<u>762,074,404</u>	<u>1,039,125</u>	<u>3,158,959</u>
Total Additions	<u>1,041,270,267</u>	<u>4,870,644</u>	<u>613,228,541</u>
Deductions:			
Benefits Paid	360,500,534	0	0
Refunds	16,885,967	0	0
Administrative Expenses	4,842,546	0	687,410
Withdrawals	0	680,086	439,519,772
Total Deductions	<u>382,229,047</u>	<u>680,086</u>	<u>440,207,182</u>
Change in Net Assets	659,041,220	4,190,558	173,021,359
Net Assets-Beginning	<u>6,006,533,540</u>	<u>34,494,647</u>	<u>360,378,366</u>
Net Assets-Ending	<u>\$ 6,665,574,760</u>	<u>\$ 38,685,205</u>	<u>\$ 533,399,725</u>

See Notes to the Basic Financial Statements

State of Wyoming
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

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Notes to the Basic Financial Statements

For the Year Ended June 30, 2011

NOTE 1 Summary of Significant Accounting Policies

A. Reporting entity

The basic financial statements include all funds of the primary government, which is the State, as well as the component units determined to be included in the State's financial reporting entity. The decision to include a potential component unit in the State's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the State's reporting entity.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, entities with which the State has significant operational or financial relationships such as boards, commissions and authorities are considered component units. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions be reported with the balances and transactions of the State.

Discretely presented component units are reported in separate columns in the government-wide statements to reflect that they are legally separate from the State.

The Governor appoints the governing boards with the advice and consent of the senate, for all discretely presented component units. The State has an ability to impose its will on all discretely presented component units. Except for the Wyoming Community Development Authority all other component units would be included under the provisions of fiscal dependency due to the level of budget provided by the State.

The following organizations comprise the State's discretely presented component units:

The Wyoming Department of Transportation administers the State's construction and maintenance programs for roads and bridges and is legally separate from the State. The Governor appoints a voting majority of the DOT's Commission and is able to remove appointed board members at will. The financial information included for DOT relates to its fiscal year ended September 30, 2010.

The Wyoming Community Development Authority is an independent authority that provides low interest financing for Wyoming home buyers. WCDA issues negotiable notes and bonds to fulfill its purpose. Neither the faith and credit nor taxing power of the State may be pledged for the amounts so issued. The State appoints a majority of WCDA board members and the State authorizes WCDA bond issuances; thereby, WCDA is financially accountable to the State.

The Wyoming Business Council is an independent authority that provides economic development and growth for the State. The State appoints all of the directors and provides a material subsidy to WBC.

The University of Wyoming is a public land grant research university serving as a statewide resource of higher education. The University of Wyoming is governed by a board made up of twelve members appointed by the Governor with the consent of the Senate and receives significant support from the State.

The Wyoming Pipeline Authority is an independent authority created to plan, finance, construct, develop, acquire, maintain, and operate a pipeline system or systems within or outside of the State of Wyoming. The governing board is appointed by the Governor with the consent of the Senate. The Authority is dependent upon the State to finance its operating costs.

The Wyoming Infrastructure Authority is an independent authority created to diversify and expand the State's economy through improvements in Wyoming's electric transmission infrastructure and to facilitate the consumption of Wyoming energy. The Authority will participate in planning, financing, constructing, developing, acquiring, maintaining and operating electric transmission facilities and their supporting infrastructure. The State appoints the five-member board and now provides funding through general fund appropriations.

To obtain the component unit financial reports, contact:

Wyoming Department of Transportation
5300 Bishop Boulevard
P.O. Box 1708
Cheyenne, WY 82002

Wyoming Community Development Authority
155 North Beech Street
P.O. Box 634
Casper, WY 82602

Wyoming Business Council
1214 W. 15th Street
Cheyenne, WY 82002

University of Wyoming
Accounting Office
P.O. Box 3314
Room 101, Old Main
Laramie, WY 82071-3314

Wyoming Pipeline Authority
152 No. Durbin Street
Suite 250
Casper, WY 82601

Wyoming Infrastructure Authority
200 E. 17th Street
Suite B
Cheyenne, WY 82001

B. Basis of Presentation

The accompanying financial statements of the State of Wyoming, (the State), have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental organizations in the United States. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

The financial statements have been prepared primarily from accounts and records maintained by the State Auditor. Financial data for the Wyoming Retirement System (WRS), Wyoming Department of Transportation (DOT), University of Wyoming (University) including its component unit, the University of Wyoming Foundation (Foundation), Wyoming Community Development Authority (WCDA), Wyoming Business Council (WBC), Wyoming Pipeline Authority (WPA), and the Wyoming Infrastructure Authority (WIA) have been derived from reports prepared by those organizations, based on independent accounting systems maintained by them.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The **Statement of Net Assets** presents the reporting entities' non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in four categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted net assets – expendable** include resources in which the State is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

- **Restricted net assets – nonexpendable** consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
- **Unrestricted net assets** consist of net assets that do not meet the definition of the three preceding categories. Unrestricted net assets often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The **Statement of Activities** demonstrates the degree, to which the direct expenses, of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable within a specific function or segment. The cost allocation by internal service is included in the direct expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Revenues are classified by program and general revenues. Program revenues include 1) charges to customers or applicants for goods and services 2) operating grants and contributions, and 3) capital grants and contributions. General revenues consist of all revenues not considered program revenue. All taxes are considered general revenues. Certain indirect costs have been allocated to functional activities.

As permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Funds that use Proprietary Fund Accounting*, the State has elected not to adopt Financial Accounting Standards Board (FASB) statements issued after November 30, 1989, unless the GASB specifically adopts such FASB statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60-75 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Sales and use tax, mineral severance tax, federal mineral royalty tax, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. The statutory basis for recognizing mineral severance taxes for apportionment purposes differs from the basis used to recognize revenue in the accompanying financial statements. All other revenue items are considered to be measurable and available only when cash is received by the State.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of operations.

The State uses funds and component units to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

Governmental Funds:

The State reports the following major governmental funds:

- a. General Fund as the primary operating fund of the State, accounts for all financial resources except those required to be accounted for in another fund.
- b. Foundation Program Fund accounts for federal mineral royalties, mineral severance tax and other revenue sources, which are restricted for payments to school districts.
- c. Legislative Reserve Fund accounts for mineral severance tax and other revenue sources, which are restricted for specific appropriation by the Legislature.
- d. Common School Land Fund accounts for land donated to the State and income derived from those lands. The revenue earned by this fund is restricted for the purpose of establishing, maintaining, and supporting school facilities.
- e. Permanent Mineral Trust Fund accounts for a portion of severance tax. The interest earned by this fund is restricted for distribution to specific funds.
- f. American Recovery and Reinvestment Fund accounts for the funds that were obtained through the American Recovery & Reinvestment Act.

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenue and expenses are classified as operating and non-operating. Operating revenues and expenses generally result from providing goods and services. All other revenues and expenses are reported as non-operating.

The State reports the following major enterprise funds:

- a. Workers' Compensation Insurance Fund accounts for activities of the Wyoming Workers' Compensation Insurance Fund that provides workers' compensation insurance to government and private businesses.
- b. Unemployment Insurance Fund accounts for activities of the Wyoming Unemployment Trust Fund that provides unemployment benefits to those eligible.

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the State, or to other governmental units, on a cost-reimbursement basis. The Internal Service Funds include the Computer Technology Fund, Motor Vehicle Fund, Central Duplicating Fund, Telecommunications Fund, Group Insurance Fund, Wyoming Surplus Property Fund, Personnel/Training Fund, State Self Insurance Fund, and the Wyoming Building Corporation.

Fiduciary Funds:

- a. Pension Trust Funds account for the assets held by WRS, as trustee, for nine retirement systems. The financial information included for WRS relates to its fiscal year ended December 31, 2009. WRS is legally separate from the State. However, the State appoints a voting majority of the WRS board, sets the contribution requirements and has a fiduciary responsibility for WRS assets.
- b. Private-Purpose Trust Fund accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e., unclaimed property/escheat property).
- c. Investment Trust Fund accounts for the assets belonging to Wyoming municipalities invested by the State Treasurer (i.e., WYO-Star).
- d. Agency Funds account for assets that the State holds on behalf of others as their agent.

E. Assets, liabilities, and net assets or equity

1. **Deposits and investments.** Current statutes require all cash and investments of State agencies other than those of the University and the WRS to be pooled and invested by the State Treasurer's Office. The State Treasurer maintains different cash and investment pools for the Common School Land Fund, Permanent Mineral Trust Fund, Workers' Compensation Insurance Fund, Wyoming Tobacco Settlement Fund, and Water Fund and one cash and investment pool for the remainder of the fund types. Earnings from the cash and investment pools are credited monthly, utilizing a formula based on the average daily balance, to the applicable accounts and funds. The majority of the funds maintained by the State are not legally allowed to earn interest. The interest earned by these funds is credited directly to the General Fund. The State reports all investments at fair value, except for investments in participating interest-earning investment contracts having a remaining maturity at time of purchase of one year or less. Participating interest earning investment contracts having a remaining maturity at time of purchase of one year or less are recorded at amortized cost. For the purpose of the statement of cash flows, the State considers all assets held in the cash and investment pool to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at any time, similar to a demand deposit account.
2. **Receivables and Payables.**
 - a. **Due to Due From.** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" in the balance sheet. See Note 6.
 - b. **Property Taxes.** The counties in the State levy property taxes in the first half of August and submit a portion of the tax levy to the State. The tax levy is divided into two billings: the first billing is mailed in the first half of September, generally September 1; the second billing is generally mailed on March 1. The billings are considered due upon receipt by the taxpayer. The taxpayer has the option of paying the full amount on December 31. Property taxes are assessed as of January 1 of each year for that year.
 - c. **Advances to other funds and component units.** Inter-fund loans receivable are reported as advances and are offset equally by a fund balance reserve account that indicates they do not constitute expendable available financial resources and therefore, are not available for appropriation.
3. **Inventories and Prepays.** Inventories and prepays are accounted for using the purchases method. Inventories are reported in the proprietary funds using the lower of average cost or market. In the governmental fund types, inventories are accounted for at cost or average cost on a first-in, first-out basis. However, as inventories on hand at June 30, 2011, are significant, they have been recorded as assets in the governmental funds. Inventories are reported by the University at the lower of cost (first-in, first-out) or market except for livestock inventory that is reported at net realizable value. The Department of Transportation's inventories are valued at average cost, less an allowance for obsolete items and charged to expenditures when consumed.
4. **Securities lending collateral.** Securities on loan for cash collateral are reported in the Statement of Net Assets. Liabilities resulting from the security lending transactions are also reported. Additional disclosures describing security-lending transactions are provided in Note 3.
5. **Capital assets.** Capital assets, which include property, plant and equipment, and infrastructure assets are reported in the governmental or business-type activities columns in the government-wide financial statements (Statement of Net Assets). Capital assets are stated at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are stated at their estimated fair market value on the date received. The State currently does not capitalize interest costs incurred during construction, except on business-type activities. Capital assets of the business-type activities are capitalized in the fund in which they are utilized.

- a. **Property, plant and equipment.** The State capitalizes all buildings, land and other capital assets that have a value or cost equal to or greater than the capitalization threshold for its asset type at the date of acquisition and has a useful life that extends beyond a single reporting period. The State’s capital assets are depreciated over their useful lives using the straight-line method. Capital asset thresholds and estimated useful lives are as follows:

Asset Type	Estimated Life	Capitalization Threshold
Buildings	5-40 years	\$ 500
Improvements	5-25 years	25,000
Land & Easements	N/A	Capitalize All
Equipment	3 - 17 years	5,000
Vehicles	3 - 7 years	5,000
Infrastructure	40 years	1,500,000
Works of Art/Historical Treasures	N/A	Exemption
Intangible - depreciable	3-15 years	5,000
Intangible - non depreciable	Indefinite	5,000

- b. **Intangible Assets.** The State implemented GASB 51 – *Accounting and Financial Reporting for Intangible Assets* effective 7/1/09. Examples of intangible assets include software, software licenses, internally generated software, land use rights, easements, patents, and trademarks.
 - c. **Infrastructure.** Infrastructure assets can include roads, bridges, lighting systems, drainage systems and flood control systems, and rest areas. The primary government will have infrastructure in the State Parks and Cultural Resources Division and the Department of Game and Fish and may report Infrastructure on a network and subsystem basis. Department of Transportation (DOT) reports most of the infrastructure assets for the State. DOT’s capitalization level for infrastructure is \$250,000. In accordance with the alternative approach to depreciating infrastructure assets permitted by GASB Statement No. 34, DOT has elected to expense all infrastructure related expenditures, except for those expenditures related to additions to or improvement of infrastructure assets, in lieu of depreciating infrastructure assets. In order to utilize the alternative system, DOT must maintain an asset management system which will assess asset condition and must maintain infrastructure assets at the condition level established by the DOT. Infrastructure acquired prior to fiscal years ending after June 30, 1980 are reported.
 - d. **Art and the Wyoming State Museum Collection.** The State has not capitalized works of art, historical treasures and artifacts contained in the collections of the Wyoming State Museum. The collection is held for public exhibition, education, or research in furtherance of public service, protected, kept unencumbered, cared for, preserved, and subject to an organizational policy that requires the proceeds from sales of collection items to be used to maintain the existing collection.
6. **Compensated absences.** Employees of the different State agencies earn vacation leave, based on their number of years of service, and sick leave of one day per month. Employees are vested and allowed to accumulate up to 384 hours of vacation leave. In addition, employees are paid for one half of accumulated sick leave upon termination of employment with a maximum payment for one half (½) of 960 hours. The amount of vested accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the governmental funds in the government fund financial statements. Amounts of vested accumulated leave not expected to be liquidated with expendable available financial resources is not reported by the governmental funds in the government fund financial statements. All vested accumulated leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.
7. **Deferred revenue.** The State reports deferred revenue on its government-wide statements and its fund financial statements. At the fund level, deferred revenue is recognized either as unearned revenue or unavailable revenue. Unearned revenue arises when resources are received by the State before it has legal claim to them, as when grant funds are received prior to the occurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized. Unavailable revenue arises when revenue does not meet the ‘susceptibility to accrual’ test, which is the revenue must be both measurable and available to finance expenditures of the current fiscal period, including property tax receivable assessed but not levied.
8. **Long-term obligations.** In the government-wide statements and proprietary fund financial statements, long-term liabilities are reported as liabilities. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable

available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

9. **Fund equity.** The State implemented Governmental Accounting Standards Board Statement 54, 'Fund Balance Reporting and Governmental Fund Type Definitions. This statement created a new hierarchy for the equity section of governmental funds. This hierarchy is further discussed in Section G of this note.
10. **Inter-fund transactions.** Inter-fund services provided and used are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide statements. Inter-fund receivables and payables have been eliminated from the Statement of Net Assets, except for the residual amounts due between governmental and business-type activities. See further information in Note 7.

F. Reconciliation of government-wide and fund financial statements

- a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The Reconciliation of the Balance Sheet to the Statement of Net Assets includes an item that explains, "Some liabilities are not due and payable in the current period and therefore are not reported in the fund." The details of this \$(237,553,384) difference are shown here:

Bonds Payable	\$ (35,925,454)
Compensated Absences	(55,184,339)
OPEB Obligation	(48,884,764)
Deferred Interest and Interest Payable	(2,169,425)
Capital Leases	(189,514)
LAUST Liability	(87,157,516)
Benefits Payable	(7,840,990)
Other	(201,382)
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets-governmental activities	<u>\$ (237,553,384)</u>

- b. Explanation of certain differences between the Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide statement of activities.

The Reconciliation of the Statement of Revenues, Expenditures & Changes in the Fund Balance to the Statement of Activities includes an item that explains, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The details of this \$(22,685,798) difference are shown here:

Compensated Absences	\$ (1,884,817)
Deferred Bond Interest Payable	1,733,996
Other	(201,382)
Benefits Payable	398,711
OPEB Obligation	(12,583,651)
Laust Liability	35,009,689
Capital Leases	213,252
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at change in net assets of governmental activities	<u>\$ 22,685,798</u>

G. Beginning Fund Balance/Net Asset Restatements

- a. GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions* clarifies the definition for a special revenue fund and provides for a new fund balance classification structure. GASB Statement 54 states that for a fund to be classified as a special revenue fund, the fund must have a specific revenue stream that is significant, is restricted or committed to the specific purpose of the fund,

and is expected to continue for the foreseeable future. Funds whose major source of revenue is an appropriation from another fund (general fund, budget reserve) will stay as an operating fund in the state's accounting system, but will "roll" to the General fund for financial reporting purposes.

Implementation of GASB 54 resulted in 23 funds being "rolled" to the general fund, the creation of two new financial reporting fund classes R01-Environmental Quality Fund-Restricted and R31-Special Projects Fund-Restricted, 41 funds being closed down due to inactivity, five special revenue funds being moved to an agency fund class and two special revenue funds being moved to a proprietary fund class.

The new fund balance classifications of non-spendable, restricted, committed, assigned and unassigned are structured primarily upon the extent to which the primary government is bound to follow constraints on the resources of the governmental funds. Non-spendable generally refers to categories of resources such as the corpus of a fund which must remain intact and such items as prepaid expenditures and inventories which will never convert to cash. Loans receivable is generally another category of non-spendable.

Restricted fund balance generally refers to whether the State could be forced by external entities, to use resources within the fund for a specific purpose.

Committed fund balance generally refers to the commitment of resources by the State's highest decision making authority. For the State of Wyoming that is considered to be the Legislature, which by statute, creates a fund and authorizes the collection of certain revenues for the use of the fund.

Assigned fund balance refers to that portion of fund balance allocated by the persons responsible for the operation of the fund's activities and delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance refers to that portion of a fund balance that is available for any purpose. The General Fund is the only governmental fund to have a positive unassigned fund balance.

Based upon the application of GASB Statement 54 to the governmental fund classifications the following beginning fund balance restatements have been made to the Statement of Revenues, Expenditures and Changes in Fund Balances:

General Fund beginning fund balance was restated by \$1,449,122,362, Legislative Reserve Fund beginning fund balance was restated by \$(1,402,609,780), Non major special revenue fund beginning fund balances were restated by \$(55,658,779) and Non major permanent fund beginning fund balances were restated by \$(463,880).

Also, the Statement of Revenues, Expenses, and Changes in Fund Net Assets for Non-Major Enterprise Funds were restated by a net increase of \$115,125. This increase is a result of GASB 54 adjustments. The Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets for Internal Service Funds were restated by an increase of \$359,604. This increase is a result of GASB 54 adjustments.

The Statement of Activities reflects a restatement of beginning Net Assets:

The governmental activities beginning net assets have been restated by a net decrease of \$968,371. Of this amount net assets were restated by a decrease of \$9.3 million and beginning net assets were also restated by an increase of \$8.3 million. The \$9.3 million is attributable to restatements due to GASB Statement 54 and the \$8.3 million is attributable to previously unrecorded capital assets as follows:

Of this increase, \$7.3 million is attributable to previously unrecorded internally developed software due to GASB 51 – Accounting and Financial Reporting for Intangible Assets and \$1.0 for additional construction in progress not previously recorded.

The net assets for Business-Type activities were restated by a net increase of \$115,125. This restatement was attributable to GASB 54 adjustments.

Wyoming Department of Transportation – Prior Period Adjustment

It was discovered that infrastructure work in progress had not been fully identified over the last four years by \$87,528,457. This error has been corrected. The effect of the correction is to increase infrastructure work in progress and the investment in capital assets by \$87,528,457.

NOTE 2 Funds and Component Units

The following table lists all of the funds and component units reflected in this financial report:

PRIMARY GOVERNMENT:		
	<u>MAJOR FUNDS</u>	
<u>Governmental Funds:</u> General Fund		<u>Proprietary Funds:</u> <u>Enterprise Funds:</u> Workers' Compensation Insurance Fund Unemployment Compensation Fund
<u>Special Revenue Funds:</u> Foundation Program Fund American Recovery & Reinvestment Act		
<u>Permanent Funds:</u> Common School Land Fund Permanent Mineral Trust Fund		
	<u>NON-MAJOR FUNDS</u>	
<u>Governmental Funds:</u> <u>Special Revenue Funds:</u> Environmental Quality Fund - Committed Environmental Quality Fund - Restricted Board & Regulatory Fund Game and Fish Fund Special Projects Fund - Committed Special Projects Fund - Restricted Community College Grants Fund Water Fund Workforce Development Fund Mineral Royalties Fund Government Royalty Distributions Farm Loan Loss Reserve Fund State Revolving Fund Miners Hospital Land Fund Omnibus Land Fund Donations and Bequests Fund Wyoming Wildlife Fund Endowment Fund Retirees Prefunded Health Surcharge Conservation Fund State Land Fund Flex Benefit Program Fund		<u>Proprietary Funds:</u> <u>Enterprise Funds:</u> Liquor Commission Fund Canteen Fund Subsidence Insurance Fund Honor Farm Agricultural Sales Fund Wyoming Health Insurance Fund
		<u>Internal Service Funds:</u> Computer Technology Fund Motor Vehicle Fund Central Duplicating Fund Group Insurance Fund Wyoming Surplus Property Fund Personnel\Training Fund State Self Insurance Fund
		<u>Fiduciary Funds</u> <u>Private-Purpose Trust Funds:</u> Unclaimed Property Fund
<u>Permanent Funds:</u> Wyoming Wildlife Trust Fund Montgomery Home for the Blind Fund Wyoming Tobacco Settlement Fund Wyoming Military Assistance Trust Fund Wyoming Cultural Trust Fund Sundry Trust Funds Wyoming Excellence in High Education Endowment Funds		<u>Investment Trust Fund:</u> WYO-Star
<u>Agency Funds:</u> Treasurer's Agency Fund Department of Revenue Fund Other Agency Funds Environmental Cash Bond Fund Funds Held For Individuals		<u>Pension Trust Funds:</u> Public Employees Pension Plan State Patrol , Game and Fish Warden, and Criminal Investigator Retirement Plan Volunteer Firemen's Pension Plan Paid Firemen's Pension Plans (Plans A & B) Wyoming Judicial Pension Plan Law Enforcement Pension Plan Wyoming Deferred Contribution 457 Plan Volunteer Emergency Medical Technician Pension Plan
		<u>Debt Service Fund</u>
<u>Capital Projects Fund</u>	<u>DISCRETELY PRESENTED COMPONENT UNITS</u>	
<u>Governmental</u> <u>Component Units:</u> Department of Transportation Wyoming Business Council		<u>Proprietary</u> <u>Component Units:</u> University of Wyoming Wyoming Community Development Authority Wyoming Pipeline Authority Wyoming Infrastructure Authority

NOTE 3 Deposits and Investments

GASB Statement No. 40 *Deposit and Investment Risk Disclosures-An Amendment of GASB Statement No. 3* addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB 40 also requires disclosure of formal policies related to deposits and investment risks.

In addition, GASB Statement No. 14 *The Financial Reporting Entity* requires separate deposit and investment risk information to be provided for each of the State's component units. This note includes separate deposit and investment disclosure information for the University of Wyoming, Wyoming Retirement System, Wyoming Business Council, Wyoming Community Development Authority, Wyoming Pipeline Authority, and the Wyoming Infrastructure Authority. The University of Wyoming, Wyoming Retirement System and Wyoming Department of Transportation, however, have cash and investments, some of which are held in the State cash and investment pool at June 30, 2011. These investments are included in the respective risk disclosures for the primary government.

MASTER INVESTMENT POLICY

The State Loan and Investment Board (SLIB), consists of the five elected officials – the Governor, Secretary of State, State Auditor, State Treasurer and State Superintendent of Public Instruction. The SLIB is responsible for fiduciary oversight of the state's non-pension investment portfolio. The SLIB establishes the Master Investment Policy and Sub-Policies (Policy). The SLIB reviews the Policy at least annually by law, and updates the Policy throughout the year as needed.

The Policy sets forth roles and responsibilities, acceptable transactions, and performance expectations of the state portfolio. The Policy is aligned with state statutes governing state investments.

Those managing the State's investment program are governed in part by the prudent investor rule contained in the State's Uniform Prudent Investor Advisor Act. This rule states "Trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust."

The Policy restates the prudent investor principle that ..."investments or groups of investments shall not be evaluated in isolation but in the context of the entire investment portfolio and as part of an overall investment strategy of the trust or fund from which the investment is derived, consistent with the policies for such trust or fund established ... by the Board."

The Policy also allows a trustee to delegate investment and management functions that a prudent trustee of comparable skills could properly delegate under the circumstances. The Policy further states the trustee shall exercise reasonable care, skill and caution in:

- a) Selecting an agent;
- b) Establishing the scope and terms of the delegation, consistent with the purposes and terms of the trust; and
- c) Periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the terms of the delegation.

It is the stated policy of the Board "to invest public funds of the State of Wyoming (the "State") in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The current Wyoming State portfolio consists of the Permanent Mineral Trust Fund, the Permanent Land Fund, the Common School Permanent Land Fund, the University Permanent Land Fund, the Hathaway Scholarship Fund, the Higher Education Endowment Fund, the Workers' Compensation Fund, the Tobacco Settlement Trust Fund and the State Agency Pool. The State of Wyoming also invests the Wyoming State Treasurer's Asset Reserve (WYO-STAR), which is Wyoming's local government investment pool. All available funds are invested with the following objectives and priorities:

- a) Safety of principal. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio;
- b) Liquidity requirements of anticipated and unanticipated expenditures;
- c) Yield;
- d) Recognition of differing objectives and needs of various fund portfolios;
- e) Conformance with State law and other pertinent legal restrictions;
- f) Maximization of the total rate of return on investment consistent with the foregoing objectives;
- g) Diversification by asset type, security and investment manager in order to smooth the volatility of quarterly returns.

These objectives and priorities apply to the funds as a whole. Specific objectives and priorities are further delineated in each fund's sub-policy. Specific objectives and priorities for individual asset managers are delineated by mandate.

At June 30, 2011 the State had external investment managers for equities, fixed income, real estate, private equity, absolute return, overlay and cash management strategies.

During fiscal year 2011, the State continued to maintain diversification through asset allocation. State statutes allow monies in the permanent funds to be invested in common stocks not to exceed fifty-five percent (55%). The following schedule reflects Fiscal Year 2011 weightings:

<u>Permanent Funds</u>	<u>Fixed Income, and cash equivalents</u>	<u>Equities</u>
Permanent Mineral Trust Fund	48.0%	52.0%
Common School Land Fund	46.0%	54.0%
Permanent Lands Fund Pool	48.4%	51.6%
University Permanent Land Fund Pool	48.5%	51.5%
Hathaway Scholarship Endowment Fund	55.0%	45.0%
Higher Education Endowment Fund	55.0%	45.0%

State law allows the Workers' Compensation Fund an equity allocation of up to 45 percent. The actual percent is set by the direction of the State Department of Workforce Services; it is currently 30 percent.

<u>Enterprise Fund</u>	<u>Fixed Income, cash and cash equivalents</u>	<u>Equities</u>
Workers' Compensation Fund	70.2%	29.8%

The state also invests the following:

	<u>Fixed Income and cash equivalents</u>
State Agency Pool	100%
Tobacco Settlement Trust Fund	100%

The long term (10 plus years) total return expectation is just under 7% for a portfolio with a 50/50 mix of fixed income and cash, and equity. The long term total return expectation for portfolios containing just fixed income and cash is 5%.

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings of interest and dividends would be treated as ordinary income and distributed accordingly. The policy also provides that capital losses will be made good from future capital gains and not ordinary income.

For financial reporting purposes the State Treasurer's policy of deferring the distribution of realized losses is reversed and has no financial impact. Accounting adjustments are made to the State's financial statements such that recognized losses are distributed as if they had been distributed as part of investment income.

Risk exposures for the different funds within the managed fund classifications including the State's managed fiduciary Unclaimed Property Fund are not significantly different than the deposit and investment risks of the primary government. As each risk element is presented, disclosure will specify whether the Policy formally provides for management of the particular risk being discussed.

A. Custodial Credit Risk-Deposits

Deposits that have exposure to custodial credit risk are those which are not covered by depository insurance and are either uncollateralized, or collateralized with securities held by the pledging financial institution or held by pledging financial institution but not in the depositor-government's name.

STATE OF WYOMING

Wyoming Statutes require any deposit not so insured shall be secured by depository bond or approved collateral securities as required by law.

As of June 30, 2011 the State had no deposits exposed to custodial credit risk.

Custodial Credit Risk-Agency Funds

Deposits not collateralized and not so required by state law include those funds held on behalf of others. At year-end, \$7.7 million was held in demand and savings bank accounts and \$26.7 million was held in bank certificates of deposit. These funds are reported in the agency funds.

UNIVERSITY OF WYOMING—Investment Policy

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.

It is the policy of the University to invest endowment funds under a memorandum of agreement with the University of Wyoming Foundation. Investment goals for these funds are designed to achieve donor objectives, protect assets from excessive risk, provide program income and growth of the endowment and preserve the purchasing power of both the principal and the income. The Foundation Board of Directors reviews and establishes limits on market segment investment concentration, maximum investment in any company, and maximum share of portfolio per manager.

The University oversees the investment of funds for the Advance Payment of Higher Education Costs (APHEC) program through the use of an external investment firm selected by the Board of Trustees. The investment goal for APHEC is the same as for the endowments. The University also has investments managed by the State of Wyoming Treasurer's Office. These investments are managed under the State of Wyoming Master Investment Policy.

The University has funds on deposit with the Wyoming State Treasurer's pooled investments.

UNIVERSITY OF WYOMING—Custodial Credit Risk-Deposits

At June 30, 2011, the carrying amount of the University's demand deposits in financial institutions was \$42,119,337 and the bank balance was \$45,470,802. 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.

CUSTODIAL CREDIT RISK

At June 30, 2011, the University had \$10,800,470 on deposit with the Foundation. Detailed information on the Foundation's pooled cash and investments is available from the Foundation.

WYOMING RETIREMENT SYSTEM, WYOMING BUSINESS COUNCIL, WYOMING COMMUNITY DEVELOPMENT AUTHORITY, WYOMING PIPELINE AUTHORITY, WYOMING INFRASTRUCTURE AUTHORITY, AND WYOMING DEPARTMENT OF TRANSPORTATION--Custodial credit risk

As of December 31, 2010 for the Wyoming Retirement System, September 30, 2010 for Wyoming Department of Transportation and June 30, 2011 for the other component units; none had deposits exposed to custodial credit risk.

B. Investment Risk Categories

GASB Statement 40 requires presentation to discuss those risks associated with investment activity including credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk.

Credit Risk is the risk the issuer will not fulfill its obligation to the holder of the investment. The minimum credit ratings for investment debt securities as provided in the State's Master Investment Policy for fixed income managers are A1/P1 or equivalent for commercial paper, B for long-term corporate debt, BBB for mortgage fixed income securities, AA for Mortgage-backed securities, and AA for Asset-backed securities. Either Standard and Poor's, Fitch or Moody's ratings are acceptable. Where the issue is split-rated, the lower of the ratings will apply. N/R indicates that the investment is not rated. Legislatively authorized investments represent those investments the Treasurer has been directed to invest in by the Legislature and/or approved by the Legislature.

Custodial credit risk is for those investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investments for the State. The information presented is based on concentrations of investments in the State's portfolio.

Interest rate risk is the exposure that the fair value of the State's fixed-income investments fluctuates in response to changes in market interest rates. An element of interest rate risk are those securities which are 'highly sensitive' to changes in interest rates. These highly sensitive securities are separately disclosed.

Foreign currency risk is that changes in foreign exchange rates will adversely affect the fair value of an investment. This risk disclosure applies only to investments that are denominated in foreign currencies. The State's Master Investment Policy does not provide a policy for foreign currency diversification.

STATE OF WYOMING

The State's investments at June 30, 2011 are presented here:

State of Wyoming		
Schedule of Investments		
June 30 2011		
Fixed Income:	Fair Market Value	Percentage of Fair Value
Agency Backed Bonds	\$ 697,092,438	4.61%
Asset Backed Securities	115,076,818	0.76%
CMO/REMIC	311,691,576	2.06%
Commercial Mortgage Backed Securities	107,931,036	0.71%
Commercial Paper	67,989,828	0.45%
Convertible Bonds	378,665,970	2.51%
Corporate Bonds	1,754,224,803	11.63%
Discounted Notes	501,166,550	3.32%
Foreign Asset Backed Bonds	7,221,703	0.05%
Foreign Asset Backed Securities	8,992,922	0.06%
Foreign CMO/REMIC	3,895,027	0.03%
Foreign Commercial Mortgage Backed Securities	1,188,302	0.01%
Foreign Corporate Bonds	72,807,712	0.48%
Foreign Government Bond Sovereign Debt	265,331,135	1.76%
Foreign International Authority	25,957,569	0.17%
Foreign Money Market	918,824	0.01%
Foreign Treasury Securities	2,842,723	0.02%
Foreign Forward Currency Contracts	(1,107,339)	-0.01%
Foreign Spot Currency Contracts	11,015	0.00%
Foreign Swaps	(594)	0.00%
Forward Currency Contract	(1,447,251)	-0.01%
Options	(447,581)	0.00%

Government Bond Sovereign Debt	187,315,353	1.24%
Guaranteed Investment Contracts	12,627,725	0.08%
International Authority	2,646,326	0.02%
Legislatively Authorized Investments	210,522,623	1.40%
Money Markets	433,506,191	2.87%
Mortgage Backed Securities	2,585,139,432	17.13%
Municipal Bonds	187,768,594	1.24%
Mutual Fund	97,633,554	0.65%
Repurchase Agreement Pools	574,953,093	3.81%
Step Ups-Agency Backed Bonds	504,866,540	3.35%
Step Ups-Government Bonds Sovereign Debt	1,085,381	0.01%
Swaps	4,482,789	0.03%
US Government Bonds	62,963,643	0.42%
US Treasury Securities	1,099,332,372	7.29%
Total Fixed Income Investments	\$ 10,284,846,802	68.16%
<u>Equities:</u>		
Domestic Equities	2,016,017,756	13.36%
Foreign Equities	1,308,080,167	8.67%
Foreign Forward Currency Contracts	(2,804)	0.00%
Foreign Spot Currency Contracts	(2,808)	0.00%
Mutual Fund	31,046,511	0.21%
US Dollar Denominated Foreign Equities	199,043,899	1.32%
Total Equity Investments	\$ 3,554,182,721	23.56%
<u>Alternative Investments:</u>		
Absolute Return	755,096,018	5.00%
Private Equity	220,935,855	1.46%
Real Estate	268,454,866	1.78%
Total Alternative Investments	\$ 1,244,486,739	8.24%
<u>Currency:</u>		
Foreign Currency	5,546,406	0.04%
Total Investments	\$ 15,089,062,668	100.00%

A reconciliation of total investments to the Statement of Net Assets is presented here:

June 30, 2011	
Reconciliation:	
Total Cash and Investments	\$ 15,089,062,668
Reported on Statement of Net Assets	
Cash and Pooled Investments Current and Non-Current	14,680,703,769
Cash with Fiscal Agent Current and Non-Current	84,611,779
Less: Cash & Pooled Investments separately disclosed	
Blended Component Unit not in Total Investments	0
Add: Cash and Investments not included on Statement of Net Assets	
Cash & Pooled Inv-Component Units	192,870,067
Cash & Pooled Inv-Private Purpose Trust Fund	41,295,264
Cash & Pooled Inv-Agency Funds	89,581,789
Total not included on Basic Financial Statements	323,747,120
Total Cash and Investments	\$ 15,089,062,668

Custodial Credit Risk

The State does not have any custodial credit risk exposure.

Concentration of Credit Risk

The Wyoming State Treasurer's fixed income portfolio holds \$4,049,448,013 or 39.4% of the fixed income securities in government agency securities such as Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal Home Loan Bank (FHLB). These agency securities hold a rating of AAA. While the State's Master Investment Policy sets limits for concentration of investments, it provides that U.S. agency bonds are eligible without limitation.

Credit Risk

The credit risk disclosures for the State's fixed income portion of its investments, including derivatives, as of June 30, 2011, are presented here:

STATE OF WYOMING				
CREDIT QUALITY DISTRIBUTIONS				
FOR SECURITIES WITH CREDIT EXPOSURE				
AS OF JUNE 30, 2011				
CATEGORY	CREDIT RATING		MARKET VALUE	PERCENTAGE OF TOTAL INVESTMENTS
AGENCY BONDS	AAA	\$	704,314,141	6.85%
ASSET BACKED SECURITIES	AAA		42,986,804	0.42%
ASSET BACKED SECURITIES	AA		1,613,193	0.02%
ASSET BACKED SECURITIES	A		3,544,662	0.03%
ASSET BACKED SECURITIES	BBB		31,590,686	0.31%
ASSET BACKED SECURITIES	BB		11,251,177	0.11%
ASSET BACKED SECURITIES	B		2,298,816	0.02%
ASSET BACKED SECURITIES	CCC		15,807,738	0.15%
ASSET BACKED SECURITIES	CC		4,272,924	0.04%
ASSET BACKED SECURITIES	C		67,029	0.00%
ASSET BACKED SECURITIES	D		6,750,241	0.07%
ASSET BACKED SECURITIES	NR		3,886,470	0.04%
CMO/REMIC COMMERCIAL	AAA		26,351,092	0.26%
CMO/REMIC COMMERCIAL	AA		2,543,221	0.02%
CMO/REMIC COMMERCIAL	A		16,216,981	0.16%
CMO/REMIC COMMERCIAL	BBB		8,466,068	0.08%
CMO/REMIC COMMERCIAL	BB		8,119,170	0.08%
CMO/REMIC COMMERCIAL	B		20,792,395	0.20%
CMO/REMIC COMMERCIAL	CCC		70,718,886	0.69%
CMO/REMIC COMMERCIAL	CC		13,836,600	0.13%
CMO/REMIC COMMERCIAL	C		359,572	0.00%
CMO/REMIC COMMERCIAL	D		9,882,051	0.10%
CMO/REMIC COMMERCIAL	NR		267,213	0.00%
CMO/REMIC FHLMC	AAA		36,195,874	0.35%
CMO/REMIC FNMA	AAA		73,006,810	0.71%
CMO/REMIC GNMA	AAA		28,830,670	0.28%
COMMERCIAL MORTGAGE BONDS	AAA		47,353,420	0.46%
COMMERCIAL MORTGAGE BONDS	AA		4,244,963	0.04%
COMMERCIAL MORTGAGE BONDS	A		30,766,928	0.30%
COMMERCIAL MORTGAGE BONDS	BBB		26,754,027	0.26%
COMMERCIAL PAPER	A - 1		67,989,828	0.66%
CONVERTIBLE BONDS	NR		378,665,970	3.68%
CORPORATE BONDS	AAA		79,211,936	0.77%
CORPORATE BONDS	AA		145,144,690	1.41%
CORPORATE BONDS	A		625,613,322	6.08%
CORPORATE BONDS	BBB		787,032,933	7.65%
CORPORATE BONDS	BB		138,047,900	1.34%
CORPORATE BONDS	B		41,273,397	0.40%
CORPORATE BONDS	CCC		1,825,975	0.02%
CORPORATE BONDS	C		281,755	0.00%
CORPORATE BONDS	NR		8,600,607	0.08%
DISCOUNTED NOTES	NR		501,166,550	4.87%
GOVERNMENT BONDS	AAA		9,187,189	0.09%
GOVERNMENT BONDS SOVEREIGN DEBT	AAA		116,420,076	1.13%
GOVERNMENT BONDS SOVEREIGN DEBT	AA		52,854,726	0.51%
GOVERNMENT BONDS SOVEREIGN DEBT	A		36,998,107	0.36%
GOVERNMENT BONDS SOVEREIGN DEBT	BBB		156,380,574	1.52%
GOVERNMENT BONDS SOVEREIGN DEBT	BB		67,272,059	0.65%
GOVERNMENT BONDS SOVEREIGN DEBT	B		17,171,672	0.17%
GOVERNMENT BONDS SOVEREIGN DEBT	NR		5,549,274	0.05%
GUARANTEED INVESTMENT CONTRACTS	NR		12,627,725	0.12%
INTERNATIONAL AUTHORITY	AAA		27,990,522	0.27%
INTERNATIONAL AUTHORITY	A		613,373	0.01%

MONEY MARKETS	AAA	2,906,063	0.03%
MONEY MARKETS	NR	431,518,952	4.20%
MORTGAGE BACKED SECURITIES FHLMC	AAA	669,971,384	6.52%
MORTGAGE BACKED SECURITIES FNMA	AAA	1,559,926,714	15.17%
MORTGAGE BACKED SECURITIES GNMA	AAA	355,241,334	3.45%
MUNICIPAL BONDS	AAA	48,155,061	0.47%
MUNICIPAL BONDS	AA	82,670,658	0.80%
MUNICIPAL BONDS	A	50,735,322	0.49%
MUNICIPAL BONDS	BBB	756,197	0.01%
MUNICIPAL BONDS	BB	218,349	0.00%
MUNICIPAL BONDS	NR	5,233,007	0.05%
MUTUAL FUNDS	NR	97,633,554	0.95%
REFCO	AAA	53,776,454	0.52%
REPURCHASE AGREEMENT POOLS	NR	574,953,093	5.59%
STEP UP GOVERNMENT BONDS SOVEREIGN DEB	BBB	1,085,381	0.01%
STEP UP GOVERNMENT BONDS	AAA	504,866,540	4.91%
US TREASURY BILLS	A -1	226,217,526	2.20%
US TREASURY BONDS	AAA	189,602,033	1.84%
US TREASURY NOTES	AAA	686,355,539	6.68%
LEGISLATIVELY AUTHORIZED INVESTMENTS			
AERONAUTICS LOANS	NR	7,169,950	0.08%
BASIN ELECTRIC INFRASTRUCTURE AUTHORIT'	NR	33,702,000	0.34%
DRAINAGE DISTRICTS	NR	24,000	0.00%
GUARANTEED INVESTMENT CONTRACTS	NR	6,887,727	0.08%
MORTGAGE LOANS	NR	485,684	0.00%
SBAA Loans	NR	153,262	0.00%
TDOA	NR	162,100,000	1.59%
GRAND TOTAL		\$ 10,283,355,764	100.00%

Interest Rate Risk

The interest rate disclosure for the State's fixed income portion of its investments, including derivatives, is presented here. The State has chosen the segmented time distribution method for its interest rate disclosure. This method most closely matches how the State manages interest rate risk.

The State has no formal policy with respect to managing interest rate risk within its Master Investment Policy, however, the Policy does provide guidance relative to safety, liquidity and yield using the following criteria:

- Funds are analyzed by asset class including cash to determine if securities need to be purchased or sold.
- Future needs are determined and current positions are reviewed.
- Economic, market and interest rate assumptions are considered.
- Securities are selected based on market value, price and availability.
- Trades are executed to raise cash, to shift maturity, to change asset mix, to enhance yield and to improve quality.

Maturity assumptions have been made using a matrix analyzing interest versus final maturity dates of callable securities. The maturity assumptions or average life of the fixed income portfolio securities are displayed in the Interest Rate Risk presented here:

STATE OF WYOMING						
INTEREST RATE ORGANIZED BY INVESTMENT TYPE USING SEGMENTED TIME DISTRIBUTION						
AS OF JUNE 30, 2011						
CATEGORY	MARKET	LESS THAN			OVER 10 YRS	
		1 YEAR	1 - 5 YRS	6-10 YRS		
AGENCY BACKED BONDS	\$ 704,314,141	\$ 287,286,946	\$ 367,925,411	\$ 39,972,922	\$ 9,128,862	
ASSET BACKED SECURITIES	124,069,740	27,642,726	45,984,317	34,687,333	15,755,364	
CMO/REMIC - COMMERCIAL	177,553,249	12,977,974	64,364,012	95,518,103	4,693,160	
CMO/REMIC - FHLMC	36,195,874	5,630,853	30,498,029	66,992	0	
CMO/REMIC - FNMA	73,006,810	2,451,203	62,194,677	1,580,969	6,779,961	
CMO/REMIC - GNMA	28,830,670	0	7,152,139	21,678,531	0	
COMMERCIAL MORTGAGE BONDS	109,119,338	2,804,765	32,778,223	73,536,350	0	
COMMERCIAL PAPER	67,989,828	67,989,828	0	0	0	
CONVERTIBLE BOND	378,665,970	0	378,665,970	0	0	
CORPORATE BONDS	1,827,032,515	87,701,648	580,952,712	843,167,441	315,210,714	
DERIVATIVES	3,416,305	4,263,928	(802,422)	(45,201)	0	
DISCOUNTED NOTES	501,166,550	501,166,550	0	0	0	
GOVERNMENT BONDS	9,187,189	0	0	9,187,189	0	
GOVERNMENT BONDS SOVEREIGN DEBT	452,646,488	13,171,726	140,243,734	204,111,199	95,119,829	
GUARANTEED INVESTMENT CONTRACTS	12,627,725	0	0	376,504	12,251,221	
INTERNATIONAL AUTHORITY	28,603,895	0	3,944,164	24,659,731	0	
MONEY MARKETS	434,425,015	434,425,015	0	0	0	
MORTGAGE BACKED SECURITIES FHLMC	669,971,384	38,831,815	396,514,878	234,624,691	0	
MORTGAGE BACKED SECURITIES FNMA	1,559,926,714	2,039,061	1,300,054,223	257,833,430	0	
MORTGAGE BACKED SECURITIES GNMA	355,241,334	42,829	154,314,260	188,807,582	12,076,663	
MUNICIPAL BONDS	187,768,594	2,345,427	9,236,772	15,831,047	160,355,348	
MUTUAL FUNDS	97,633,554	0	0	97,633,554	0	
REFCO	53,776,454	4,560,400	11,802,112	12,721,722	24,692,220	
REPURCHASE AGREEMENT POOLS	574,953,093	574,953,093	0	0	0	
STEP UPS_GOV. BONDS SOVEREIGN DEBT	1,085,381	1,085,381	0	0	0	
STEP UPS_AGENCY BACKED BONDS	504,866,540	198,610,228	282,100,412	24,155,900	0	
US TREASURY BILLS	226,217,523	226,217,523	0	0	0	
US TREASURY BONDS	189,602,033	0	0	5,564,086	184,037,947	
US TREASURY NOTES	686,355,539	13,637,853	317,207,070	355,427,294	83,322	
LEGISLATIVELY AUTHORIZED INVESTMENTS						
AERONAUTICS LOANS	7,169,950	0	0	0	7,169,950	
BASIN ELECTRIC INFRASTRUCTURE AUTH.	33,702,000	0	0	0	33,702,000	
DRAINAGE DISTRICTS	24,000	24,000	0	0	0	
GUARANTEED INVESTMENT CONTRACTS	6,887,727	0	6,887,727	0	0	
MORTGAGE LOANS	485,684	0	0	0	485,684	
SBAA Loans	153,262	0	42,353	110,909	0	
TDOA	162,100,000	0	162,100,000	0	0	
GRAND TOTAL	\$ 10,286,772,068	\$ 2,509,860,772	\$ 4,354,160,773	\$ 2,541,208,278	\$ 881,542,245	

Foreign Currency Risk

The foreign currency risk disclosures for the State's investment portfolio are presented here:

STATE OF WYOMING FOREIGN CURRENCY RISKS AS OF JUNE 30, 2011					
Denomination	Foreign Cash (MV)	Foreign Fixed Income (MV)	Foreign Equities (MV)	Foreign Derivatives (MV or URGL)	Total Foreign Currency
AUSTRALIAN DOLLAR	288,980	0	71,916,476	0	72,205,456
BRAZILIAN REAL	63,262	31,368,284	35,240,978	(694,409)	65,978,115
CANADIAN DOLLAR	166,339	82,988,556	88,323,470	(1,345,064)	170,133,301
CHILEAN PESO	0	0	2,231,547	16,227	2,247,774
COLOMBIA PESO	0	5,157,683	1,053,677	(33,935)	6,177,425
CZECH KORUNA	969	0	1,845,973	0	1,846,942
DANISH KRONE	6,936	0	9,831,635	0	9,838,571
EUROPEAN EURO	1,729,570	143,473,680	381,269,624	(1,128,122)	525,344,752
HONG KONG DOLLAR	83,353	0	68,873,910	5,345	68,962,608
HUNGARIAN FORINT	114,883	1,666,479	757,202	(16,190)	2,522,374
INDIAN RUPEE	0	0	0	79,313	79,313
INDONESIAN RUPIAH	75,408	8,619,049	10,117,353	130,437	18,942,247
ISRAELI SHEKEL	17,094	0	3,772,567	0	3,789,661
JAPANESE YEN	249,826	37,123,859	178,947,873	(1,255,945)	215,065,613
MALAYSIAN RINGGIT	10,173	11,196,346	9,973,245	281,195	21,460,959
MEXICAN PESO	579,274	14,805,986	14,060,842	282,792	29,728,894
MOROCCAN DIRHAM	414	0	228,297	0	228,711
NEW ROMANIAN LEU	0	0	0	0	0
NEW TURKISH LIRA	76,910	6,647,019	3,248,797	(21,054)	9,951,672
NEW ZEALAND DOLLAR	50,544	0	637,079	0	687,623
NORWEGIAN KRONE	76,559	0	13,611,987	0	13,688,546
PERUVIAN NUEVO SOL	53,958	1,226,228	0	2,034	1,282,220
PHILIPPINE PESO	41,277	0	980,006	(65,678)	955,605
POLISH ZLOTY	23,044	4,223,687	6,516,144	550,958	11,313,833
POUND STERLING	437,732	16,488,509	184,522,321	103,431	201,551,993
RUSSIAN RUBLE	0	0	0	179,891	179,891
SINGAPORE DOLLAR	13,746	0	14,551,822	93,243	14,658,811
SOUTH AFRICAN RAND	662,519	17,271,797	16,597,749	(210,763)	34,321,302
SOUTH KOREAN WON	352	0	47,212,687	124,105	47,337,144
SWEDISH KRONA	176,358	0	36,955,545	0	37,131,903
SWISS FRANC	517,911	0	101,349,243	0	101,867,154
THAI BAHT	12,937	6,898,755	3,446,426	13,702	10,371,820
YUAN RENMINBI	24,286	0	5,692	70,145	100,123
Grand Total	5,554,614	389,155,917	1,308,080,167	(2,838,342)	1,699,952,356

The State's Master Investment Policy does not provide a policy for foreign currency denomination diversification, with the exception of Global Fixed Income Managers. These managers can take investment positions in currency and currency forwards, futures, and options as long as 70% of the overall currency exposure is hedged to the US dollar.

The foreign currency disclosure differs from the foreign investments on the Schedule of Investments by \$(280,353). This difference is due to the investment disclosure requirements for reporting futures contracts, swaps, and forward currency contracts at unrealized gain or loss (URGL) and not at market value (MV).

Highly Sensitive Securities

The Wyoming State Treasurer's fixed income portfolios hold securities that are classified as "highly sensitive". These securities, because of their specific type and structure, are rate sensitive as market conditions change. The portfolio holds \$2,585,139,432 or 25.1% of the fixed income securities in mortgage-backed securities. Collateralized mortgage obligations, (CMO's) perform like mortgage-backed securities. The portfolio holds \$315,586,603 or 3.07% of the fixed income securities in highly sensitive CMO's. During FY11, the State continued to trade step-up bonds in the portfolio. Step-up bonds are structured so that the bonds, at strategic times during their life, will step-up to a higher interest rate if they aren't called. These type of bonds diversify the portfolio and add options that may present opportunities to take capital gains. The portfolio holds \$505,951,921 or 4.92% of the fixed income securities in step-up structured bonds.

Derivatives

The State of Wyoming permits the use of derivatives by its international equity and external fixed income managers. Examples of derivative instruments permitted, but not limited to, are foreign exchange contracts, financial futures, forwards, options, swaps and swaptions. All derivative instruments utilized are considered "Investment derivative instruments" as defined in GASB 53 "Accounting and Financial Reporting for Derivative Instruments".

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2011, classified by type, and the changes in fair value of such derivative instruments, which are included in investment income, for the year then ended as reported in the 2011 financial statements are as follows:

STATE OF WYOMING					
Derivative Instruments - Summary Disclosure					
AS OF JUNE 30, 2011					
DERIVATIVE INSTRUMENT	TYPE	CHANGE IN FAIR VALUE AMOUNT (USD)		FAIR VALUE	NOTIONAL AMOUNT
		JUNE 30, 2010-	JUNE 30, 2011	AMOUNT (USD)	(LOCAL CURRENCY)
				JUNE 30, 2011	JUNE 30, 2011
Futures					
	BOND INDEX FUTURES		4,338,965	2,670,087	(3,304)
	INTEREST RATE FUTURES		(782,933)	1,646,985	2,322
Options					
	BOND INDEX CALL OPTION		(7,907)	0	0
	BOND INDEX PUT OPTION		(331,067)	0	0
	FUTURE INTEREST RATE CALL OPTION		(125,400)	101,063	1,156
	FUTURE INTEREST RATE PUT OPTION		(64,463)	56,425	484
	INDEX CALL OPTION		(21,861)	0	0
	INFLATION FLOORS		101,627	(45,201)	(13,900,000)
	INTEREST RATE CALL OPTION		2,462,469	(9,300)	(12)
	INTEREST RATE PUT OPTION		(691,338)	(550,568)	(121,700,338)
	INTEREST RATE SWAPTION		68,616	0	0
Swaps					
	CREDIT DEFAULT SWAPS		1,674,984	(46,335)	164,949,868
	INTEREST RATE SWAPS (IRS)		(2,732,825)	(453,186)	160,037,054
To-Be-Announced Securities (TBAs)					
	FHLMC GOLD TBA		(1,042,235)	183,429,212	173,565,000
	FNMA TBA		(1,093,521)	52,773,249	38,005,000
	GNMA I TBA		(626,808)	100,510,456	94,520,000
	GNMA II TBA		(469,340)	0	0
Forward Currency Contracts					
	AUSTRALIAN DOLLAR		8,792	0	0
	BRAZILIAN REAL		(364,088)	(510,114)	(32,643,277)
	CANADIAN DOLLAR		(4,135,336)	(1,345,064)	(69,469,000)
	CHILEAN PESO		3,679	16,227	143,412,424
	COLOMBIA PESO		(35,051)	(33,935)	(2,313,927,886)
	DANISH KRONE		(188,264)	0	0
	EURO		(2,856,400)	(1,085,638)	(90,249,436)
	HONG KONG DOLLAR		5,370	5,345	0
	HUNGARIAN FORINT		(168,622)	13,747	(281,798,551)
	INDIAN RUPEE		98,758	79,313	135,892,028
	INDONESIAN RUPIAH		(191,553)	130,437	28,089,015,814
	JAPANESE YEN		(885,113)	(1,255,945)	(2,278,261,706)
	MALAYSIAN RINGGIT		54,901	398,432	11,243,572
	MEXICAN PESO		308,224	173,268	42,052,539
	NEW ROMANIAN LEU		(2,066)	0	0
	NEW TAIWAN DOLLAR		(1)	0	0
	NEW TURKISH LIRA		145,132	(21,054)	6,672,207
	PERUVIAN NUEVO SOL		(4,141)	2,034	2,318,783
	PHILIPPINE PESO		(40,216)	(65,678)	180,073,193
	POLISH ZLOTY		1,065,622	560,287	34,331,571
	POUND STERLING		221,773	103,431	(8,595,000)
	RUSSIAN RUBLE		175,469	179,891	264,663,294
	SINGAPORE DOLLAR		96,269	93,243	1,553,369
	SOUTH AFRICAN RAND		(169,054)	(210,762)	(40,568,165)
	SOUTH KOREAN WON		340,452	124,105	5,377,475,852
	SWEDISH KRONA		(847)	0	0
	THAI BAHT		13,491	20,890	62,757,182
	YUAN RENMINBI		226,365	70,145	23,851,604
	US DOLLAR		0	0	214,870,831
	Grand Total		(5,619,492)	337,525,492	

Derivatives—Risks

Credit, interest rate and foreign currency risks affecting derivatives and other applicable investments are addressed in previous sections of Note 3. These risks, applicable to other fixed income and foreign investments, are not substantially different from the same risks affecting applicable derivative instruments.

In addition to the principal risks noted above, Forward Foreign Currencies, Credit Default Swaps and Interest Rate Swaps are also subject to counterparty risk. In general, counterparty risk is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Generally, counterparty risk is controlled through dealing with a number of different counterparties reasonably deemed to be creditworthy by the investment manager.

Derivatives—Counterparty Risk

Counterparty risk with swaps is limited by execution under standardized International Swap and Derivatives Association Agreements. These contracts allow for the mutual exchange of collateral should an overall unsecured market value exceed a certain threshold (e.g., \$250,000). Counterparties which are exchanges or market places are not rated as there is little to no risk associated with them.

STATE OF WYOMING		
SCHEDULE OF COUNTERPARTY RISK		
JUNE 30, 2011		
Derivative Instrument		Counterparty Credit Rating
Futures	Bond Index Futures	AA
	Bond Index Futures	A
	Bond Index Futures	NR
	Interest Rate Futures	A
Options	Future Interest Rate Call Option	AA
	Future Interest Rate Call Option	A
	Interest Rate Put Option	A
	Options	AA
	Options	A
Swaps	Credit Default Swap	AA
	Credit Default Swap	A
	Interest Rate Swap	AA
	Interest Rate Swap	A
TBAs	TBAs	AA
	TBAs	A
Forward Currency Contracts	Forward Currency Contracts	AA
	Forward Currency Contracts	A

Derivatives—Contingency

Derivative instruments often contain credit-risk-related contingent features that could result in an immediate payment to the counterparty. For example, a material adverse change clause could provide the counterparty with the right to early terminate the derivative agreement. Alternatively, it could provide a basis for renegotiating the agreement if specific events occur, such as a downgrade of the entity's credit rating below investment grade. These provisions may include an obligation to post additional collateral in instances where the credit-risk contingent feature is triggered or the counterparty is provided the right to terminate the agreement early.

Contingent features that could result in an immediate payment from the counterparty include the event of a downgrade of the counterparty below a specified rating, commonly A-/A3. Additionally, the counterparty can request immediate payment in the event assets under management of the portfolio falls by more than 30% in a year or 15% in a month. It is important to note that these contingent features are not compulsory, rather they are voluntary. Based on discussions with its investment managers, the State has determined the fair value of derivatives with contingent features held in the State's investment portfolio is not significant.

SECURITIES LENDING –PRIMARY GOVERNMENT

State Statutes permit the State Treasurer to lend its securities, through the use of agents, to broker-dealers and other entities with simultaneous agreement to return the collateral for the same securities in the future. The State's agents lend securities, of the type on loan at year-end, for collateral in the form of cash or other securities at 100 percent of value for US Treasury Strips and US Treasury Bills, and 102-105 percent of value for other securities. The State, through its agents, measures the fair value of the securities loaned against the fair value of the collateral on a daily basis. Additional collateral is obtained as necessary to ensure such transactions are adequately collateralized. Securities lent for securities collateral are classified according to the category of the collateral. At year-end, the State has no credit risk exposure to borrowers because the amounts the State owes the borrowers exceed the amounts the borrowers owe the State. The contract with the State's agent requires it to indemnify the State if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the State for income distributions by the securities' issuers while the securities are on loan.

The following represents the balances relating to the securities lending transactions at the financial statement date:

	Fair Value Underlying Securities	Value of Collateral Received before Reinvestment
Lent for Cash Collateral		
U.S. Governments	\$ 512,208,571	\$ 522,747,148
U.S. Government Agencies	583,361,579	601,263,538
Non U.S. Governments	28,201,847	29,314,773
Corporate Securities	408,349,413	422,443,526
Equities	342,705,277	354,802,371
Total Lent for Cash Collateral	<u>1,874,826,687</u>	<u>1,930,571,356</u>
Lent for Securities (Bulk) Collateral		
U.S. Governments	272,724,372	279,237,024
U.S. Government Agencies	8,958,854	9,190,766
Corporate Securities	99,701	104,032
Equities	293,232	299,128
Total Lent for Securities (Bulk) Lending	<u>282,076,159</u>	<u>288,830,950</u>
Total Securities Lending	<u>\$ 2,156,902,846</u>	<u>\$ 2,219,402,306</u>

Cash collateral is invested in the lending agent's investment pool, which at year-end has a weighted-average maturity of 630 days. As of June 30, 2011, the State's sole security lending agent uses the securities final maturity to calculate the weighted-average maturity. The relationship between the maturities of the investment pool and the State's loans is affected by the maturities of securities loans made by other entities that use the agent's pool, which the State cannot determine. The State cannot pledge or sell collateral securities received unless the borrower defaults. At June 30, 2011, the cash collateral of \$1,930,571,356 was recorded as cash and investments with trustee and as a liability under security lending. The difference between the amount shown here and the amount reflected in the Statement of Net Assets of \$1,849,300,071 for the primary government is due to the amounts allocated to component units and private purpose trust fund.

Credit Risk

The credit risk disclosures for the State's securities lending program are presented here:

STATE OF WYOMING				
CREDIT QUALITY DISTRIBUTIONS				
FOR SECURITIES WITH CREDIT EXPOSURE				
SECURITY LENDING				
AS OF JUNE 30, 2011				
CATEGORY	CREDIT RATING		MARKET VALUE	PERCENTAGE OF TOTAL INVESTMENTS
ASSET BACKED SECURITIES	AAA	\$	43,576,247	2.32%
ASSET BACKED SECURITIES	CCC		56,203,343	2.99%
COMMERCIAL PAPER	A-1		15,499,783	0.82%
CERTIFICATE OF DEPOSIT	A-1		144,999,910	7.70%
MEDIUM TERM NOTE	A-1		60,216,194	3.20%
MEDIUM TERM NOTE	NR		16,383,534	0.87%
MONEY MARKET FUND	AAA		46	0.00%
REPURCHASE AGREEMENTS	A-1		450,000,000	23.91%
TIME DEPOSIT	A-1		401,032,241	21.31%
YANKEE C/D	A-1		694,083,341	36.88%
GRAND TOTAL		\$	1,881,994,639	100.00%

The market value reflected in the above table, of collateral securities purchased with cash received from securities lending practices, is \$49,589,234 million less than cash collateral received. This means the state would require at least an additional \$49.6 million in cash to satisfactorily liquidate all outstanding securities lending transactions as of June 30, 2011.

Custodial Credit Risk

For the State's securities lending program, the State has lent its securities for other securities. These securities have custodial credit risk, and at June 30, 2011 these securities had an amortized cost of \$278,670,521. By investment type there were \$269,663,680 in US Government securities, \$8,634,915 in US Government Agencies, \$98,913 in corporate securities and \$273,013 in equities.

Concentration of Credit Risk

The State's securities lending program does not have any concentration of credit risk exposure.

Interest Rate Risk

The State has chosen the segmented time distribution method for its interest rate disclosure. This method most closely matches how the State manages interest rate risk. There is minimal interest rate risk due to the average life of the security lending portfolio. The maturity assumptions or average life of the security lending portfolio are displayed in the following table:

STATE OF WYOMING						
INTEREST RATE ORGANIZED BY INVESTMENT TYPE USING SEGMENTED TIME DISTRIBUTION						
SECURITY LENDING						
JUNE 30, 2011						
CATEGORY	MARKET		LESS THAN			MORE THAN
			1 YEAR	1 - 5 YRS		10 YRS
ASSET BACKED SECURITIES	\$ 99,779,590	\$ 0	\$ 0	\$ 0	\$ 0	99,779,590
COMMERCIAL PAPER	15,499,783		15,499,783	0		0
CERTIFICATE OF DEPOSIT	144,999,910		144,999,910	0		0
MEDIUM TERM NOTE	76,599,728		76,599,728	0		0
MONEY MARKET FUND	46		46	0		0
REPURCHASE AGREEMENTS	450,000,000		450,000,000	0		0
TIME DEPOSIT	401,032,241		401,032,241	0		0
YANKEE C/D	694,083,341		669,090,791	24,992,550		0
GRAND TOTAL	\$ 1,881,994,639	\$ 1,757,222,499	\$ 24,992,550	\$ 99,779,590		

Foreign Currency Risk

The State had no foreign currency exposure in its securities lending program as of June 30, 2011.

Highly Sensitive Securities

There are no highly sensitive securities to disclose for the state's securities lending program.

UNIVERSITY OF WYOMING

As of June 30, 2011, the University had investments with weighted-average maturities as shown in the following table:

Investment Type	Cost or Amortized Cost	Fair Value	Weighted Average Maturity In Years
US Government Sponsored			
Enterprise Discount Notes	\$ 180,869,584	\$ 180,941,425	0.49
Certificate of Deposit	2,400,000	2,400,000	0.26
Mutual Funds	620,808	563,135	n/a
Total Investments	\$ 183,890,392	\$ 183,904,560	

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 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 quality ratings of investments that are rated.

Investment Type	Fair Value	Quality Rating AAA
US Government Sponsored		
Enterprise Discount Notes	\$ 180,941,425	\$ 192,109,508
Total Investments	\$ 180,941,425	\$ 192,109,508

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, 2011, the University held securities from the following issuers in excess of 5% of the total portfolio: Federal Farm Credit Bank 8.91%, Federal Home Loan Bank 42.73%, Federal Home Loan Mortgage Corporation 8.14%, and Federal National Mortgage Corporation 27.81%.

UNIVERSITY OF WYOMING—FOUNDATION

University owned endowment funds are held by the Foundation for investment purposes. The investment committee, following the Prudent Expert Rule, carries out the Foundation's investment policy. The Prudent Expert Rule states that a fiduciary shall manage the portfolio "with the care, skill, prudence and diligence, under circumstances then prevailing, and that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and like aims." External managers have been hired to invest in the following asset classes: equities, fixed income, absolute return, private equity/venture capital, hedged equity and real estate. A long-term target asset allocation strategy

has been implemented to achieve required returns while minimizing risk. All investment vehicles selected must be in compliance with the laws of the State of Wyoming, Internal Revenue Code prohibitions on self-dealing or vehicles that would jeopardize the carrying out of the exempt purpose of the Foundation and restrictions on Unrelated Business Taxable Income.

The University and Foundation have invested in alternative investments defined as hedge funds, private equity, venture capital and other investments for which the fair market value is not readily attainable. Because the alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. At June 30, 2011 the alternative investments held by the Foundation were \$89,329,853.

As of June 30, 2011 the University of Wyoming investments held by the Foundation, primarily in mutual funds, had weighted average maturities, where applicable, as shown in the following tables:

Investment Type	Historical	Fair Value	Weighted Average
	Cost		Maturity in Years
Cash Funds	\$ 1,386,098	\$ 1,386,098	N/A
Real Assets	10,191,325	13,385,615	N/A
Private Equity	19,892,474	26,127,419	N/A
Absolute Return	25,740,206	33,808,019	N/A
Fixed Income	4,652,614	6,110,893	5.37
Hedged Equity	15,268,329	20,053,918	N/A
International Equity	12,089,775	15,879,101	N/A
Domestic Equity	17,351,491	23,224,458	N/A
Liquidity	238,772	313,611	N/A
	<u>\$ 106,811,084</u>	<u>\$140,289,132</u>	

Interest rate risk

The Foundation has no formal policy addressing interest rate risk.

Credit risk

The high yield and fixed income bond mutual fund investments are not rated.

Custodial credit risk

The Foundation does not have a formal investment policy for custodial credit risk. Investments are held in safekeeping by external custodians in the Foundation's name.

Concentration of credit risk

The Foundation's investment policy limits concentrations as follows:

1. The initial investment in any one issuer should not exceed 10% of a manager's portfolio (with the exception of U.S. Government securities);
2. The investment with any one issuer should not exceed 15% of a manager's portfolio (with the exception of U.S. Government securities);
3. No purchases of securities of the portfolio manager's organization or of any firm with controlling interest in said organization are to be made.

At June 30, 2011, there were no single issuer investments that exceeded 5% of the total holdings of the Foundation.

The Foundation's investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1: Quoted prices available in active markets for indicated investments as of the reporting date. The type of investments which would generally be included in Level 1 include listed equity securities and listed derivatives.

Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs in to the determination of fair value require significant judgment or estimation by Investment Manager. The types of investments which would generally be included in this category include debt and equity securities issued by private entities.

The summarized investments of the Foundation at June 30, 2011 are as follows:

Investment Type	Carrying Amount	Fair Value
Level 1:		
Money Market Funds	16,793,837	16,793,837
Stock	41,675,621	47,397,827
Corporate Bonds and Notes	76,322,921	77,454,718
Government Obligations	211,653	211,653
Other Investments	338,455	351,071
	<u>\$ 135,342,487</u>	<u>\$ 142,209,106</u>
Level 2:		
Real Estate	12,741,000	12,754,860
Y Cross Ranch	4,275,397	4,275,397
International equity	16,365,612	22,069,584
Domestic trust	11,335,689	18,402,828
Private equity funds	825,949	679,029
Absolute return hedge funds	9,000,000	15,055,239
Long/short hedge funds	24,000,000	28,646,979
	<u>\$ 78,543,647</u>	<u>\$ 101,883,916</u>
Level 3:		
Insurance	247,564	247,564
Other investments	8,805	8,805
Private equity funds	46,047,969	58,619,068
Absolute return hedge funds	39,806,514	60,820,485
Real Estate and energy funds	23,030,446	30,031,756
Long/short hedge funds	16,242,427	21,737,926
	<u>\$ 125,383,725</u>	<u>\$ 171,465,604</u>
Combined total	<u>\$ 339,269,859</u>	<u>\$ 415,558,626</u>

WYOMING RETIREMENT SYSTEM

The System's Board has been authorized by the Wyoming Legislature pursuant to State statutes, to act on behalf of the plan membership in investing and managing monies in the retirement account, and in doing so shall exercise the judgment and care that a prudent investor would, in light of the purposes, terms, distribution requirements and all other circumstances surrounding the monies in the retirement account, including risk and return objectives established by the Board which are reasonably suitable to the purpose of the Wyoming Retirement System. The Board shall evaluate and select investments in appropriate asset classes as is deemed necessary to enhance returns or reduce risk in the total portfolio and has delegated to staff the responsibility to select strategic asset classes and investment managers.

The Wyoming Retirement System's schedule of defined benefit plan investments, as of December 31, 2010 is presented here:

WYOMING RETIREMENT SYSTEM	
SCHEDULE OF INVESTMENTS BY INVESTMENT TYPE	
AS OF DECEMBER 31, 2010	
Equities-U.S.	\$ 2,295,344,954
Equities-International	1,368,692,860
Fixed Income	1,568,667,426
Cash-Equivalents	569,722,523
Alternative Investments	537,327,436
Total Investments	\$ 6,339,755,199

Credit Risk-Debt Securities

Fixed income grade investments shall have an average quality of the portfolio equivalent of a Standard & Poor's rating of A or better. Managers of accounts holding publicly traded non-Government debt should select and manage them so as to assure an appropriate balance in maturity, quality, marketability and adequate diversification with respect to industry and issues.

High yield investments are defined by the System as those debt securities, which carry a Standard & Poor's quality rating of BB or lower. Fund managers who manage these investments should structure a well diversified portfolio with respect to rating, maturity, duration, yield, industry and issuer with the intent of minimizing the risk of losses in any single security.

The distribution of quality rating of debt securities in the System's investment portfolio at fair value as of December 31, 2009 is as follows:

WYOMING RETIREMENT SYSTEM	
CREDIT QUALITY FOR SECURITIES WITH CREDIT EXPOSURE	
AS OF DECEMBER 31, 2010	
Quality Rating:	
AAA	\$ 761,981,642
AA	98,980,860
A	180,306,409
BBB	187,436,854
BB	81,224,857
B	174,563,430
Below B	84,173,374
Total Credit Risk Debt Securities	\$ 1,568,667,426

Custodial Credit Risk

Custodial credit risk for deposits of the defined benefit plans is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. Deposits subject to this risk are those other than the \$4,743,871 of deposits held by the State Treasurer. These deposits totaling \$518,410,116 are held by the System's primary custodian are collateralized by commercial paper, repurchase agreements and money market mutual funds held by the primary custodian or its agents in accounts in the name of the Wyoming Retirement System.

Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2010, the carrying amount of all deposits and the corresponding bank balance totaled approximately \$523.2 million.

Investment securities within the defined benefit plans are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the System and are held by either the counterparty or the counterparty's trust department or agent, but not in the System's name. Consistent with the System's investment policy, all investments are held by the System's primary custodian and registered in the System's name except for approximately \$273.7 million in real estate holdings.

The System does not have a formal deposit or investment policy for custodial credit risk.

Concentration of Credit Risk

The Systems and Plans expect the domestic investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines in accordance with the System's investment policies.

The policy of the Board is to discourage equity investment managers from holding positions in a single issue whose market value exceeds 5% of the market value of the portfolio. However, exceptions can be made if this percentage of the overall portfolio is exceeded as a consequence of long held positions whose value has grown as a consequence of their strong returns. At December 31, 2010, the System did not hold any single investment with a market value of greater than 5% of its portfolio. The board does not have any formal policy relating to any specific investment related risk.

The Board does not authorize the use of derivatives as speculative instruments or in a leveraged manner such that the risk of loss from a particular position would be materially larger than if actual securities were utilized. Derivatives for the purpose of equitizing cash in a non-leveraged context, is acceptable with specific Board authorization.

The purpose of real estate investments is to provide counter cyclical returns income and a defense against inflation. Funds considered will be comprised primarily of highly-leased properties with reasonable income components. The real estate portfolio, in aggregate, shall be diversified by property type, property size, geographic region, and economic sector exposure. Leverage shall be used sparingly.

Interest Rate Risk

The System is also exposed to investment fair value loss arising from increased interest rates. Duration is a measure of the sensitivity of a debt security's value to rate changes. It is calculated using the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. More specifically, it is the approximate percentage change in value for a 100 basis point change in rates. The System's investment policy guidelines require that the investment grade debt securities portfolio be maintained with a weighted-average portfolio duration of no longer than ten years. No specific investment guidelines exist for other debt securities subject to interest rate risk not included in the investment grade portfolio.

At December 31, 2010 the following table shows investments by investment type, amount and the effective weighted duration:

WYOMING RETIREMENT SYSTEM		
INTEREST RATE RISK ORGANIZED BY INVESTMENT TYPE USING DURATION METHOD		
AS OF DECEMBER 31, 2010		
Investment Type	Amount	Effective Weighted Duration
Government Securities	\$ 373,771,880	2.05
Asset Backed	17,206,392	1.47
Mortgage Backed Securities	398,854,836	1.15
CMO/REMIC	2,699,198	0
Commercial Mortgage Backed	77,232,326	1.62
Corporate Bonds	527,974,414	2.88
Other	170,928,380	1.13
Total Debt Securities	\$ 1,568,667,426	1.97

Foreign Currency Risk

The System also expects its international security investment managers to maintain diversified portfolios by currency denomination; however, no formal policy limits have been established. At December 31, 2010, the System's exposure to foreign currency risk for its short-term and equity securities is as follows:

	Foreign Cash	Foreign Equities	International Interest Rates		Foreign Cash	Foreign Equities	International Interest Rates
Australian Dollar	28,740	62,791,164	0	Israel Shekel	2,432	7,024,620	0
Austrian Schilling	0	6,646,178	0	Italian Lira	0	3,068,605	0
Belgium Franc	0	0	0	Japanese Yen	4,892,717	175,596,524	0
Brazilian Real	52,698	46,531,590	3,048,202	Korea Won	0	5,813,081	0
British Pound	73,546	128,921,360	0	Malaysian Ringgit	66,305	7,978,007	0
Canadian Dollar	0	27,835,878	0	Mexican New Peso	9,633	17,121,982	0
Chilean Peso	0	4,811,393	0	Moroccan Dirham	3	428,895	0
China Yuan	0	39,571,118	0	Netherlands Guilders	0	13,433,613	0
Colombian Peso	3,734	2,257,916	0	New Zealand Dollar	343	649,290	0
Cypriot Pound	0	696,150	0	Norwegian Krone	3,117	7,608,310	0
Czech Republic Krona	132	5,887,281	0	Philippine Peso	11,661	1,452,790	0
Danish Krone	3,597	14,176,772	0	Polish New Zloty	24,154	4,904,784	0
Egyptian Pound	15	1,338,080	0	Portuguese Escudo	0	1,126,042	0
Euro	(9,964,022)	174,799,450	0	Russian Ruble	0	41,460,554	0
Finnish Markka	0	4,894,757	0	Singapore Dollar	5,378	10,292,288	0
French Franc	0	27,382,707	0	South African Rand	14,812	33,069,795	0
German Mark	0	33,849,890	0	South Korea Won	12,120	39,031,452	0
Greek Drachma	0	2,219,836	0	Swedish Krona	443,062	26,531,701	0
Hong Kong Dollar	19,390	95,835,976	0	Swiss Franc	26,788	67,589,955	0
Hungarian Forint	485	1,075,306	0	Taiwan Dollar	11,691	45,346,678	0
India Rupee	1	60,163,850	0	Thai Baht	0	4,786,300	0
Indonesian Rupiah	9,672	6,959,610	0	Turkish Lira	1,865	4,337,004	0
International SDR	0	12,364,567	0	Ukraine Hryrnia	0	255,651	0
Irish Pound	0	2,869,808	0	United Kingdom	0	85,904,302	0
					(4,245,931)	1,368,692,860	3,048,202

The System also had foreign exposure for its investment strategy International Real Return in the Euro of 14,323,347.

At December 31, 2010, the System had no debt securities denominated in a foreign currency.

Derivatives

The system permits the use of derivatives in accordance with the Wyoming Retirement System Policy. All derivative instruments utilized are considered "Investment derivative instruments" as defined in GASB 53 "Accounting and Financial Reporting for Derivative Instruments".

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2010, classified by instrument at fair value are presented here:

WYOMING RETIREMENT SYSTEM
DERIVATIVE INSTRUMENTS--SUMMARY DISCLOSURE
01 JANUARY 2010 TO 31 DECEMBER 2010

Industry	Currency	Change in Unrealized G/L (Base)	End Fair Value Amount (Base)	End Notional (Net)
FUTURES	BOND INDEX FUTURES	719,292	148,016	318,577,470
	EQUITY INDEX FUTURES	(4,683,469)	(4,683,469)	156,093,026
OPTIONS	FUTURE INTEREST RATE CALL	85,127	86,806	(9,391,563)
	FUTURE INTEREST RATE PUT O	(66,300)	(99,488)	16,697,063
	INTEREST RATE CALL OPTION	(68,050)	(75,000)	(4,896,750)
	FHLMC GOLD TBA	27,101	11,645,481	6,432,341
	FNMA TBA	620,523	67,309,612	64,773,350
	GNMA I TBA	192,255	8,043,202	4,305,774
	GNMA II TBA	34,963	27,338,650	26,946,247
CURRENCY	AUSTRALIAN DOLLAR	994,606	849,790	31,545
	BRAZILIAN REAL	(155,323)	(147,381)	2,912,810
	CANADIAN DOLLAR	251,930	20,912	(113,041)
	CZECH KORUNA	(148,288)	0	0
	EURO	2,774,067	3,140,402	(6,176,011)
	HUNGARIAN FORINT	(44,406)	0	0
	JAPANESE YEN Total	3,126,717	2,022,584	391,260,752
	NEW ZEALAND DOLLAR	22,221	0	0
	NORWEGIAN KRONE	62,078	0	0
	POLISH ZLOTY	380,998	0	0
	POUND STERLING	1,366,883	1,366,883	1,169,314
	SOUTH KOREAN WON	(196,546)	(138,393)	329,955
	SWEDISH KRONA	68,335	68,335	19,565,322
	SWISS FRANC	(643,736)	0	0
	US DOLLAR	0	0	(298,420,813)
Grand Total		4,720,978	116,896,942	690,096,791

Derivative Risks

Credit, interest rate and foreign currency risks affecting derivatives and other applicable investments are addressed in previous sections of Note 3. These risks, applicable to other fixed income and foreign investments, are not substantially different from the same risks affecting applicable derivative instruments.

In addition to the principal risks noted above, Forward Foreign Currencies, Credit Default Swaps and Interest Rate Swaps are also subject to counterparty risk. In general, counterparty risk is the risk of loss of an amount expected to be delivered under an agreement in the event of the default or bankruptcy of the counterparty. Generally, counterparty risk is controlled through dealing with a number of different counterparties reasonably deemed to be creditworthy by the investment manager.

Derivative – Contingency

Derivative instruments often contain credit-risk-related contingent features that could result in an immediate payment to the counterparty. For example, a material adverse change clause could provide the counterparty with the right to early terminate the derivative agreement. Alternatively, it could provide a basis for renegotiating the agreement if specific events occur, such as a downgrade of the entity's credit rating below investment grade. These provisions may include an obligation to post additional collateral in instances where the credit-risk contingent feature is triggered or the counterparty is provided the right to terminate the agreement early.

Contingent features that could result in an immediate payment from the counterparty include the event of a downgrade of the counterparty below a specified rating, commonly A-/A3. Additionally, the counterparty can request immediate payment in the event assets under management of the portfolio falls by more than 30% in a year or 15% in a month. It is important to note that these contingent features are not compulsory, rather they are voluntary.

Defined Contribution Plan Cash and Investments

The cash and investments held within the defined contribution plan are comprised of the aggregate holdings of the participant's accounts that are invested in 25 different mutual-fund type investment options and cash held on deposit with the State collected from participants as fees for the purposes of plan administration. Plan participants determine the holdings of their individual participant accounts; therefore, the exposure of each participant to the investment risks discussed above including custodial, credit, interest rate, foreign currency and concentration is determined by that individual's risk tolerance. Additionally, the risks of the investment portfolios associated with each of the 25 investment options are determined by the mutual fund manager and may vary depending on their risk tolerances and performance objectives. The defined contribution plan does not have any investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represents 5% or more of the Plan's net assets.

Limited Partnerships

The System has invested in limited partnerships. As of December 31, 2010 the market value of these investments was \$228,360,077. The limited partnerships invest in a variety of investments and as such, credit risk information is not available.

SECURITIES LENDING-WYOMING RETIREMENT SYSTEM

Under the authority of the governing statutes and in accordance with policies set by the Board of Trustees, the System lends its securities to broker-dealers with a simultaneous agreement to return the collateral for the securities in the future. The System's custodian is authorized to lend available securities to authorized broker-dealers subject to the receipt of acceptable collateral. The System lends securities such as common stock, U.S. Treasury and corporate bonds and receives collateral in the form of either cash or other securities similar to the type on loan. Borrowers are required to provide collateral amounts of 102% of the market value of loaned U.S. securities plus accrued interest and 105% of the market value of loaned non-U.S. securities plus accrued interest. The System cannot pledge or sell collateral securities received until and unless a borrower defaults. Securities held as collateral at year-end are not subject to the preceding disclosures of custodial credit risk as they are held in a collateral investment pool. At year-end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. Contracts with the lending agents require them to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan. Net securities lending income during the year ended December 31, 2010 was \$2,908,477.

Securities lent as of December 31, 2010, with a market value of \$514,298,586 and a collateral value at a rate of 102% and/or 105%, as appropriate, for a total market value of \$526,806,005, could be terminated on demand by either the System or the borrower(s). There is no direct match of the maturities of the collateral investments with the maturities of the securities loaned.

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

The WCDA trust indentures and State statutes authorize the types of investments in which WCDA invests. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage-backed securities, guaranteed investment contracts, mutual funds, and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury, or agencies and instrumentalities of the U.S. Government. The investments are carried at fair value except for certificate of deposits that are carried at cost.

The components of the Authority's investment portfolio are as follows:

Investments			
Certificates of Deposit		\$	0
Guaranteed Investment Contracts			151,100,000
Housing Revenue Bonds			14,600,000
U.S. Government and Agency Securities			154,916,856
Total		\$	<u>320,616,856</u>

Credit Risk

State statutes limit the types of investments available to the Authority. Investments, including the underlying securities for repurchase agreements, are held by the Authority's trustees in the Authority's name. Guaranteed investment contracts which have a maturity beyond 18 months are generally guaranteed by AAA rated institutions or collateralized.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Substantially all of the Authority's investments are held in the name of the Authority by a trustee.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority attempts to match its investment maturities to the expected call dates of its bonds or needs for purchasing mortgages. With this investment focus, investments would be expected to reach maturity with limited realized gains or losses.

As of June 30, 2011, the Authority had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Certificates of Deposit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Escrowed Money Market	151,100,000	151,100,000	0	0	0
Housing Revenue Bonds	14,600,000	0	0	0	14,600,000
U.S. Government and Agency Securities	154,916,856	1,496,265	2,908,706	13,635,319	136,876,566
Total	<u>\$ 320,616,856</u>	<u>\$ 152,596,265</u>	<u>\$ 2,908,706</u>	<u>\$ 13,635,319</u>	<u>\$ 151,476,566</u>

Interest Rate Swaps

Swap Objectives

The Authority has entered into interest rate swap agreements in connection with variable-rate bond series as a technique to lower the cost of long-term debt. The objective of the swaps is to effectively change the variable interest rate on the bonds to a synthetic fixed rate.

Terms and Values

Bond Series	Swap Contractual Dates	Notional Amount	Fixed Rate Paid	Variable Rate Received	Termination Date	Fair Value	Counterparty Credit Rating
2005 Series 2	3/31/2005	\$ 3,670,000	3.523%	70% of LIBOR	6/1/2021	\$ (182,787)	AAA/Aa3
2005 Series 4	6/30/2005	4,735,000	3.260%	70% of LIBOR	12/1/2021	(213,687)	AAA/Aa3
2005 Series 7	9/20/2005	3,855,000	3.325%	70% of LIBOR	12/1/2016	(195,010)	AAA/Aa3
2006 Series 2	1/19/2006	8,000,000	3.465%	70% of LIBOR	12/1/2013	(578,424)	AAA/Aa3
2006 Series 5	4/20/2006	10,000,000	3.926%	70% of LIBOR	6/1/2014	(956,075)	AAA/Aa3
2006 Series 7	6/26/2006	10,000,000	4.115%	70% of LIBOR	6/1/2014	(1,011,910)	AAA/Aa3
2006 Series 9	9/27/2006	10,000,000	3.621%	70% of LIBOR	12/1/2014	(950,219)	AAA/Aa3
2007 Series 2	1/11/2007	6,000,000	3.678%	70% of LIBOR	12/1/2014	(581,897)	AAA/Aa3
2007 Series 4	3/13/2007	14,000,000	3.577%	70% of LIBOR	6/1/2015	(1,400,574)	AAA/Aa3
2007 Series 6	5/10/2007	14,000,000	3.661%	70% of LIBOR	6/1/2015	(1,446,564)	AAA/Aa3
2007 Series 8	7/31/2007	12,000,000	3.924%	USD-SIFMA	6/1/2015	(1,280,902)	AAA/Aa3
2007 Series 11	11/7/2007	12,000,000	3.530%	70% of LIBOR	12/1/2015	(1,235,924)	AAA/Aa3
2008 Series 2	5/13/2008	13,000,000	3.075%	70% of LIBOR	6/1/2016	(1,100,481)	AAA/Aa3
		<u>\$ 121,260,000</u>				<u>\$ (11,134,454)</u>	

As of June 30, 2011, the Authority's swap agreements had a net fair value of (\$11,134,454). If negative, the fair value of the swaps may be offset by reductions in total interest payments required under the related variable-rate bond, creating lower synthetic rates. The net fair value reported above as of June 30, 2011 is inclusive of accrued interest of \$340,106. Accrued interest is separately reported on the Authority's balance sheet. The resultant change in gross fair value was \$1,219,519. Because the coupons on the related variable-rate bonds adjust to the changing interest rates, the bonds do not have a corresponding fair value increase. The fair value amounts, obtained from an independent third-party, represent mid-market valuations that approximate the current economic value using prices and rates at the average of the estimated bid and offer amounts.

Swap Risks

Credit Risk – As of June 30, 2011, the Authority was exposed to credit risk on swaps which could have a positive fair value. The positive fair value of any one swap would represent the Authority's exposure to the potential failure of a single counterparty. Should the counterparty to this transaction fail to perform according to the swap contract, the Authority would face a maximum possible loss equivalent to the swap's fair value. As of June 30, 2011, the swap counterparties were rated AAA by Standard & Poor's and Aa3 by Moody's Investors Service. The Authority's policy to manage credit risk would require the Authority to seek credit enhancements should the counterparty's ratings be below AA- or Aa3.

Interest Rate Risk – The Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, receive-variable interest rate swap, as LIBOR or the SIFMA swap index decreases, the Authority's net payment on the swap increases.

Basis Risk – Basis risk is the potential mismatch between the variable interest rate paid on the underlying bonds and the variable rate payments received by the Authority pursuant to the swap. The Authority's variable rate bond interest payments should correspond to the SIFMA Index (formerly the BMA Index), while the payments the Authority receives pursuant to the swap are for the most part 70 percent of LIBOR. The Authority is exposed to basis risk should LIBOR and SIFMA Index rates converge. If a change occurs that results in the rates moving to convergence (that is, the SIFMA Index exceeding 70 percent of LIBOR), the value to the Authority of the hedge from the swap is diminished. As of June 30, 2011 and 2010, the SIFMA Index rate was 0.09 and 0.25 percent, respectively, while 70 percent of LIBOR (the swap rate) was 0.13 and 0.24 percent, respectively.

Termination Risk – The Authority or the counterparty may terminate the swaps if the other party fails to perform under the terms of the swap contracts. The swaps may be terminated by the Authority at its discretion with a maximum of ten days' notice. If a swap was terminated, the variable-rate bonds would no longer carry a synthetic fixed rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk –The Authority is exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated bonds. When these hedging derivative instruments terminate or are terminated by either party, the Authority will not realize the synthetic fixed rate offered by the swaps on the underlying bond issues. The following bond series are exposed to rollover risk:

Associated Bond Issuance	Bond Maturity Date	Swap Termination Date
2005 Series 2	December 1, 2035	June 1, 2021
2005 Series 4	December 1, 2035	December 1, 2021
2005 Series 7	June 1, 2036	December 1, 2016
2006 Series 2	December 1, 2035	December 1, 2013
2006 Series 5	December 1, 2036	June 1, 2014
2006 Series 7	June 1, 2037	June 1, 2014
2006 Series 9	June 1, 2037	December 1, 2014
2007 Series 2	December 1, 2037	December 1, 2014
2007 Series 4	December 1, 2037	June 1, 2015
2007 Series 6	December 1, 2037	June 1, 2015
2007 Series 8	June 1, 2038	June 1, 2015
2007 Series 11	December 1, 2038	December 1, 2015
2008 Series 2	December 1, 2038	June 1, 2016

WYOMING INFRASTRUCTURE AUTHORITY

The Wyoming Infrastructure Authority had deposits and investments with a carrying amount of \$1,786,094 at June 30, 2011. The investments were in certificates of deposit. The investments held by the Wyoming Infrastructure Authority had no exposure to investment risks associated with debt securities.

Investments		
	Cash and Investments	\$ 1,786,094
	Total	\$ 1,786,094

WYOMING BUSINESS COUNCIL

Deposits for WBC are invested in the pooled cash account (state agency investment pool) managed by the State and included in the State's deposit and risk disclosure above. The Council's allocation of the state agency pool is .35%. Also, the council participates in the state's security lending transactions which are noted above.

WYO-STAR

The Wyoming State Treasurer's Asset Reserve Fund (WYO-STAR), which is Wyoming's local government investment pool, has been established, in accordance with Wyoming statute 9-1-416 to invest funds upon request of any county, municipality, school district or any other local governmental entity. The State Land and Investment Board oversees the WYO-STAR program and there is no involuntary participation in WYO-STAR. In accordance with GAAP, the external portion of WYO-STAR is reported as an investment trust fund in the fiduciary funds, using the economic resources measurement focus and accrual basis of accounting, due to the State's fiduciary responsibility. The internal portion of the pool is reported in the Deferred Compensation Fund of the Wyoming Retirement System and the University of Wyoming. The investments of WYO-STAR are carried at their fair value as determined at June 30th each year. A ratio based on the participants share to the total share invested in WYO-STAR is used to determine each participant's share. The State has not provided or obtained any legally binding guarantees during fiscal year 2011 to support the value of the shares. A summary of WYO-STAR Investments as of June 30, 2011 is presented here:

WYO-STAR INVESTMENTS JUNE 30, 2011	
Total Investments	\$ 536,167,179
Securities with no Credit Risk or Interest Rate Risk	0
Securities with Credit and Interest Rate Risk	<u>\$ 536,167,179</u>

Credit Risk

The credit risk disclosures for the State's WYO-STAR Program are presented here:

STATE OF WYOMING CREDIT QUALITY DISTRIBUTIONS FOR SECURITIES WITH CREDIT EXPOSURE WYOSTAR JUNE 30, 2011			
CATEGORY	CREDIT RATING	MARKET VALUE	PERCENTAGE OF TOTAL INVESTMENTS
AGENCY BONDS	AAA	\$ 27,872,200	5.20%
CMO/REMIC - FHLMC	AAA	9,871,858	1.84%
CMO/REMIC - FNMA	AAA	13,735,466	2.56%
CMO/REMIC - GNMA	AAA	4,369,843	0.82%
CORPORATE BONDS	AAA	5,889,897	1.10%
DISCOUNTED NOTES	NR	347,357,480	64.79%
MONEY MARKETS	NR	604	0.00%
MORTGAGE BACKED SECURITIES FHLMC	AAA	8,528,110	1.59%
MORTGAGE BACKED SECURITIES FNMA	AAA	24,367,001	4.54%
MORTGAGE BACKED SECURITIES GNMA	AAA	1,580,852	0.29%
REPURCHASE AGREEMENT POOLS	NR	35,336,000	6.59%
US TREASURY BILLS	A-1	12,200,967	2.28%
US TREASURY NOTES	AAA	45,056,901	8.40%
GRAND TOTAL		\$ 536,167,179	100.00%

Custodial Credit Risk

The WYO-STAR Program at June 30, 2011 had no custodial credit risk exposure.

Concentration of Credit Risk

The WYO-STAR fixed income portfolio holds \$431,732,115 or 80.52% of the fixed income securities in government agency securities such as Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal Home Loan Bank (FHLB). These agency securities hold a rating of AAA.

Interest Rate Risk

The WYO-STAR investment portfolio by description as stated in the Master Investment Policy administers the short-term cash deposits made with the State by local entities. The actual investments are administered to provide liquid cash reserves, placing the majority portion in a cash portfolio and the rest in an extended cash portfolio.

These guidelines afford minimal interest rate risk.

The maturity assumptions or average life of the WYO-STAR fixed income portfolio securities are displayed in the WYO-STAR Interest Rate Risk Table:

STATE OF WYOMING					
INTEREST RATE ORGANIZED BY INVESTMENT TYPE USING SEGMENTED TIME DISTRIBUTION					
WYO-STAR					
AS OF JUNE 30, 2011					
CATEGORY	MARKET	LESS THAN			6-10 YEARS
		1 YEAR	1 - 5 YRS		
AGENCY BONDS	\$ 27,872,200	\$ 7,996,360	\$ 19,875,840	\$	0
CMO/REMIC - FHLMC	9,871,858	1,760,446	8,111,412		0
CMO/REMIC - FNMA	13,735,466	847,722	12,887,744		0
CMO/REMIC - GNMA	4,369,843	0	4,369,843		0
CORPORATE BONDS	5,889,897	4,081,938	1,807,959		0
DISCOUNTED NOTES	347,357,480	347,357,480	0		0
MONEY MARKETS	604	604	0		0
MORTGAGE BACKED SECURITIES FHLMC	8,528,110	0	8,528,110		0
MORTGAGE BACKED SECURITIES FNMA	24,367,001	0	24,205,610		161,391
MORTGAGE BACKED SECURITIES GNMA	1,580,852	666	1,580,186		0
REPURCHASE AGREEMENT POOLS	35,336,000	35,336,000	0		0
US TREASURY BILLS	12,200,967	12,200,967	0		0
US TREASURY NOTES	45,056,901	20,553,599	24,503,302		0
GRAND TOTAL	\$ 536,167,179	\$ 430,135,782	\$ 105,870,006	\$	161,391

Foreign Currency Risk

As of June 30, 2011 the WYO-STAR investment portfolio had no exposure to foreign currency risk.

Highly Sensitive Securities

The WYO-STAR fixed income portfolios hold securities that are classified as "highly sensitive". These securities, because of their specific type and structure, are rate sensitive as market conditions change. The portfolio holds \$34,475,963 or 6.43% of the fixed income securities in mortgage-backed securities. Collateralized mortgage obligations, (CMO's) perform like mortgage-backed securities. The portfolio holds \$27,977,167 or 5.22% of the fixed income securities in highly sensitive CMO's.

WYO-STAR Master Investment Policy

The target asset allocation, as stated in the Master Investment Policy, comprises one hundred percent (100%) of the fund in short term bonds and cash.

Diversification/permissible investments as stated in the Master Investment Policy permits purchase of the following securities:

- Asset Backed Securities
- Repurchase Agreements
- Government Securities: including obligations of the U.S. Treasury and Obligations of the U.S. Government Agencies or Instruments, bearing floating or fixed interest rates.
- Asset-backed securities will be limited to CMOs or pass through; the collateral for which is securities issued by Government Mortgage National Association (GMNA), Federal National Mortgage Association (FNMA), or Federal Home Loan Mortgage Corporation (FHLMC) or notes fully guaranteed as to principal and interest by the Small Business Administration. Automobile receivables and credit receivables will also be considered permissible investments.
- Currency: U.S. dollar denomination only.

The following tables represent the condensed statements of net assets and changes in net assets for the Investment Trust Fund WYO-STAR. The tables below include amounts for both the primary government, as well as its component units, and therefore will not agree to the Statement of Net Assets-Fiduciary Funds and the Statement of Changes in Net Assets-Fiduciary Funds, respectively.

Statement of Net Assets	
Investment Trust Fund	
June 30, 2011	
Assets	
Cash & Pooled Investments	\$ 536,167,179
Withdrawal Intransit	100,000
Interest Receivable	355,493
Total Assets	<u>536,622,672</u>
Liabilities	
Accounts Payable	1,237,750
Total Liabilities	<u>1,237,750</u>
Net Assets Held In Investment Trust Fund	
External Participants	533,399,725
Internal Participants-Deferred Compensation	1,661,635
Internal Participants-UW	323,562
Total Net Assets	<u>\$ 535,384,922</u>

Statement of Changes in Net Assets	
Investment Trust Fund	
For the Year Ended June 30, 2011	
Additions	
Contributions	<u>\$ 610,801,783</u>
Investment Income (Loss):	
Net Gain (Loss) in Fair Value of Investments	(532,596)
Interest and Investment Income	3,479,155
Total Investing Activity Income	<u>2,946,559</u>
Total Additions	<u>613,748,342</u>
Deductions	
Withdrawals	440,269,772
Administrative Expenses	689,963
Total Deductions	<u>440,959,735</u>
Net Increase (Decrease)	172,788,607
Total Assets Held in Investment Trust Fund	
Beginning of Year	362,596,315
End of Year	<u>\$ 535,384,922</u>

ALTERNATIVE INVESTMENTS

The State of Wyoming, and its component units, has invested in alternative investments defined as hedge funds, private equity, venture capital and other investments for which the fair market value is not readily attainable. Because the alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material. At June 30, 2011, the organizations holding alternative investments were:

State of Wyoming	\$1,244,486,739
University of Wyoming Foundation	89,329,853
	<u>\$1,333,816,592</u>

NOTE 4 Loans Receivable

As of June 30, 2011, the gross amount of outstanding loans for governmental type funds was \$390,822,866. The largest portion of loans outstanding are municipal wastewater, totaling \$234,789,870, which have rates which vary between 0% and 2.5%, are primarily collateralized by pledges of revenue, and are required to be repaid within a maximum of 30 years. The second major category of loans outstanding are water loans, totaling \$86,250,528, which have rates which vary between 4% and 11%, are primarily collateralized by mortgages and pledges of revenue, are required to be repaid within a maximum of 50 years and are for the construction maintenance and evaluation of water facilities. At June 30, 2011, loans receivable included loans to one major loan customer totaling \$64,525,751 which comprised 16% of total loans receivable.

The State's loans receivable as of June 30, 2011, are as follows:

	General Fund	Common School Land Fund	Permanent Mineral Fund	Non-Major Governmental Funds	Total
Receivables:					
General Fund	\$ 1,456,311	\$ 0	\$ 0	\$ 0	\$ 1,456,311
Common School Land	0	154,330	0	0	154,330
Irrigation Loans	0	0	4,717,806	0	4,717,806
Farm Loans	0	0	13,489,636	0	13,489,636
Ag Prod Loan	0	0	15,268,960	0	15,268,960
Hot Springs State Park	0	0	84,752	0	84,752
City & Town Loans	0	0	24,500,810	0	24,500,810
Joint Powers	0	0	9,892,898	0	9,892,898
Livestock Loans	0	0	93,000	0	93,000
Water Development I	0	0	0	46,409,935	46,409,935
Water Development II	0	0	0	20,353,268	20,353,268
Buffalo Bill Dam	0	0	0	19,487,325	19,487,325
Farm Loan Loss Res	0	0	0	100,536	100,536
Municipal Wastewater	0	0	0	234,789,870	234,789,870
Public Buildings Land	0	0	0	23,429	23,429
Gross Receivables	1,456,311	154,330	68,047,862	321,164,363	390,822,866
Less: Allowance	0	0	662,138	0	662,138
Net Total Receivables	\$ 1,456,311	\$ 154,330	\$ 67,385,724	\$ 321,164,363	\$ 390,160,728

As of June 30, 2011, the State had committed \$69,952,027 in various loans for distribution after June 30th.

Receivables classified as Municipal Wastewater Loans include funds provided through the American Recovery and Reinvestment Act of 2009 (ARRA). Provisions of the federal grant require the state to provide borrowers with debt forgiveness and/or zero percent (0%) interest rates on loans made with ARRA funds. Loan agreements address specific conditions or requirements for debt forgiveness. The debt forgiveness provision of these loans is effective at the completion of the project. During the year ended June 30, 2011, the principal forgiven for the CWSRF ARRA and DWSRF ARRA projects was approximately \$10 million and \$8.5 million, respectively. The estimated principal forgiveness at project completion as of June 30, 2011 for CWSRF ARRA projects is \$16.6 million and the estimated principal forgiveness at project completion as of June 30, 2011 for the DWSRF ARRA projects is \$16.4 million. Total loans provided through the ARRA provisions for these programs were \$19.3 million.

University of Wyoming Loans Receivable

As of June 30, 2011, the total amount of outstanding loans was \$28,722,243 net of an allowance for doubtful accounts. The outstanding loans primarily consist of medical school contracts, which have rates from 0% to 8%, repayment schedules of 96 months after leaving school and allow for loan cancellation based on the number of years of residency at eligible clinics in the State of Wyoming or upon practicing full-time medicine in the State of Wyoming. The University and the University of Wyoming Foundation had pledged receivables due of \$16,416,350 for donor pledges.

Wyoming Community Development Authority

WCDA loans receivable consist of mortgage loans receivable. As of June 30, 2011, mortgage loans receivable consist of the following:

Single-Family Mortgage Bonds, 1978 Indenture Fund, bearing interest at 0% to 8.9%, 25 to 30 year term, FHA or private mortgage company insured or guarantee by RD, VA, or mortgage guaranty fund:	\$ 102,419,017
Less: Reserve for Losses on Loans	(3,689,454)
	<u>98,729,563</u>
Housing Revenue Bonds, 1994 Indenture Fund, bearing interest at 1.5% to 8.625%, 25 to 30 year term, FHA or private mortgage company insured, or guaranteed by RD, VA, or mortgage guaranty fund:	818,187,267
Less: Reserve for Losses on Loans	(30,121,652)
	<u>788,065,615</u>
Single Family Mortgage Warehousing Bonds 2010, bearing interest at 4.75%, 30 year term FHA insured, or guaranteed by RD or VA	47,351,998
Wyoming Homeownership Bonds, 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed:	(650,000)
	<u>46,701,998</u>
Federal Program Fund with various terms, including deferred payments and fixed rates, 10 to 30 year term:	61,352,008
Less: Reserve for Losses on Loans	(2,150,000)
	<u>59,202,008</u>
Wyoming Homeownership Bonds 1992 Indenture Fund, bearing interest at 7.625%, 30 year term, FHA or private mortgage company insured, or RD guaranteed	<u>425,746</u>
Federal Program Fund with various terms, including deferred payments and bearing interest at 0% to 5.19%, 10 to 30 year term	25,542,326
Less: Reserve for Losses on Loans	(895,000)
	<u>24,647,326</u>
Housing Trust Fund, bearing interest at 0% to 11.375%, 1 to 30 year term, FHA or private mortgage company insured or guarantee by VA or mortgage guaranty fund:	10,441,653
Reserve for Losses on Loans	(3,743,895)
Less:	<u>6,697,758</u>
Mortgage Loans Receivable, Net	<u>\$ 1,024,470,014</u>
Reported in the following classifications:	
Restricted mortgage loans receivable, net	\$ 971,070,258
Mortgage loans receivable, net	53,399,756
	<u>\$ 1,024,470,014</u>

Total loan loss reserves for mortgage loans receivable established by the Authority as of June 30, 2011 was \$41,250,000 for mortgage loans receivable.

As of June 30, 2011 the Authority had 416 loans delinquent for 90 days or more from the population of 12,305 loans. The outstanding balance of mortgages delinquent for 90 days or more was \$29,720,808.

Wyoming Business Council

Interest rates on loans vary from 1% to 4.5% and have varying maturity dates through 2026; collateral includes personal guarantees, mortgages on real estate, and liens on receivables, inventory, furniture, equipment and crops. At June 30, 2011, loans receivable included outstanding loans to two major loan customers totaling \$2,856,626, which comprised 35% of gross loans receivable as of that date. There was \$148,719 non-accruing loans which were fully reserved as of June 30, 2011. There were two loans totaling \$103,417 charged off during the year ended June 30, 2011.

	Gross Balance	Allowance	Net Balance
Economic Development Fund	\$ 4,962,193	\$ 495,080	\$ 4,467,113
Technology Development Fund	148,719	148,719	0
General Fund	2,974,415	0	2,974,415
Total Loan Receivable	<u>\$ 8,085,327</u>	<u>\$ 643,799</u>	<u>\$ 7,441,528</u>

Wyoming Infrastructure Authority

	Gross Balance	Allowance	Net Balance
Loan Receivable-Basin Electric	\$ 33,704,000	\$ 0	\$ 33,704,000
Total Loan Receivable	<u>\$ 33,704,000</u>	<u>\$ 0</u>	<u>\$ 33,704,000</u>

The Wyoming Infrastructure Authority, under its bonding authority, previously issued \$34,500,000 dollars in Revenue Bonds purchased in total by the Wyoming State Treasurer. These bonds are secured by a loan receivable from Basin Electric for the same amount. This note accrues interest at 4.84%, and matures on September 15, 2025.

NOTE 5 Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

Primary Government

	Restated (Note 1 (G))					Balance
	Beginning July 1, 2010	Additions	Deletions	Transfers In	Transfers Out	June 30, 2011
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 56,592,849	\$ 23,500	\$ 659	\$ 8,926,377	\$ 88,000	\$ 65,454,067
Construction in Progress	191,076,112	95,047,878	8,198,462	84,800	202,600,200	75,410,128
Intangibles - non depreciable	24,426,373	427,245	0	1,895,252	0	26,748,870
Total Capital Assets, not being depreciated	<u>272,095,334</u>	<u>95,498,623</u>	<u>8,199,121</u>	<u>10,906,429</u>	<u>202,688,200</u>	<u>167,613,065</u>
Capital assets, being depreciated:						
Buildings, structures, and improvements	658,025,236	236,655	142,831	174,893,138	0	833,012,198
Land Improvements	0	0	0	1,855,825	0	1,855,825
Equipment, furniture & fixtures	184,544,513	7,835,013	20,658,210	2,275,143	2,026,080	171,970,379
Vehicles	47,691,033	6,549,184	3,345,480	26,189	26,189	50,894,737
Infrastructure	24,939,504	0	0	14,729,330	0	39,668,834
Intangibles - depreciable	32,662,950	7,937,012	80,044	40,634	0	40,560,552
Total Capital Assets, being depreciated	<u>947,863,236</u>	<u>22,557,864</u>	<u>24,226,565</u>	<u>193,820,259</u>	<u>2,052,269</u>	<u>1,137,962,525</u>
Less accumulated depreciation for:						
Buildings, structures and improvements	219,676,250	23,240,530	66,038	0	0	242,850,742
Land Improvements	0	122,770	0	0	0	122,770
Equipment, furniture & fixtures	141,918,256	12,308,665	19,898,207	1,627,379	1,635,056	134,321,037
Vehicles	27,517,141	5,811,843	2,934,271	26,189	26,189	30,394,713
Infrastructure	710,605	996,382	0	0	0	1,706,987
Intangibles - depreciable	5,994,150	6,744,898	73,153	0	0	12,665,895
Total accumulated depreciation	<u>395,816,402</u>	<u>49,225,088</u>	<u>22,971,669</u>	<u>1,653,568</u>	<u>1,661,245</u>	<u>422,062,144</u>
Total capital assets, being depreciated, net	<u>552,046,834</u>	<u>(26,667,224)</u>	<u>1,254,896</u>	<u>192,166,691</u>	<u>391,024</u>	<u>715,900,381</u>
Governmental activities capital assets, net	<u>\$ 824,142,168</u>	<u>\$ 68,831,399</u>	<u>\$ 9,454,017</u>	<u>\$ 203,073,120</u>	<u>\$ 203,079,224</u>	<u>\$ 883,513,446</u>
Business-type Activities:						
Capital assets, not being depreciated:						
Construction in Progress	\$ 5,906,100	\$ 3,357,831	\$ 0	\$ 0	\$ 0	\$ 9,263,931
Total Capital Assets, not being depreciated	<u>5,906,100</u>	<u>3,357,831</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,263,931</u>
Capital assets, being depreciated:						
Equipment, furniture & fixtures	14,172,926	225,304	82,885	13,782	0	14,329,127
Vehicles	169,408	0	0	0	0	169,408
Intangibles - depreciable	513,478	27,394	0	0	0	540,872
Total Capital Assets, being depreciated	<u>14,855,812</u>	<u>252,698</u>	<u>82,885</u>	<u>13,782</u>	<u>0</u>	<u>15,039,407</u>
Less accumulated depreciation for:						
Equipment, furniture & fixtures	12,330,559	838,786	82,101	7,677	0	13,094,921
Vehicles	167,164	1,946	0	0	0	169,110
Intangibles - depreciable	186,866	171,351	0	0	0	358,217
Total accumulated depreciation	<u>12,684,589</u>	<u>1,012,083</u>	<u>82,101</u>	<u>7,677</u>	<u>0</u>	<u>13,622,248</u>
Total Capital Assets, being depreciated, net	<u>2,171,223</u>	<u>(759,385)</u>	<u>784</u>	<u>6,105</u>	<u>0</u>	<u>1,417,159</u>
Business-type activities capital assets, net	<u>\$ 8,077,323</u>	<u>\$ 2,598,446</u>	<u>\$ 784</u>	<u>\$ 6,105</u>	<u>\$ 0</u>	<u>\$ 10,681,090</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	Depreciation Expense	
Governmental activities:		
General government	\$	30,887,422
Business regulation		563,287
Education		1,729,202
Health Services		2,398,678
Law, justice and safety		3,593,556
Employment		1,135,538
Recreation and resource development		8,037,215
Social services		880,189
Total depreciation expense - governmental activities	\$	<u>49,225,088</u>
Business-type activities:		
Liquor Commission	\$	110,105
Canteen		2,622
Honor Farm Agricultural		20,518
Wyoming Workers' Compensation		879,896
Total depreciation expense - business-type activities	\$	<u>1,013,141</u>

Depreciation expense on assets being acquired under capitalized leases is included with depreciation expense on owned assets.

Discretely Presented Component Units

The following is a summary of the University and WCDA net capital assets as June 30, 2011:

	University of Wyoming	WCDA
Capital assets, not being depreciated:		
Land	\$ 11,874,071	\$ 227,600
Land improvements	2,624,144	0
Construction in progress	139,103,951	0
	<u>153,602,166</u>	<u>227,600</u>
Capital assets, being depreciated:		
Infrastructure	13,681,164	0
Improvements other than buildings	11,342,922	34,502
Buildings	513,060,210	2,143,358
Machinery and equipment	96,108,051	1,494,284
Library materials	79,113,631	0
	<u>713,305,978</u>	<u>3,672,144</u>
Less accumulated depreciation for:		
Infrastructure	10,914,968	0
Improvements other than buildings	5,704,763	10,370
Buildings	172,802,613	437,816
Machinery and equipment	69,649,973	945,108
Library materials	66,509,609	0
	<u>325,581,926</u>	<u>1,393,294</u>
Total Depreciable Assets (net)	<u>387,724,052</u>	<u>2,278,850</u>
Total Capital Assets	<u>541,326,218</u>	<u>\$ 2,506,450</u>
University of Wyoming Foundation		
Furniture and equipment, net of depreciation	278,991	
Total University of Wyoming Foundation	<u>278,991</u>	
Total University of Wyoming and University of Wyoming Foundation	<u>\$ 541,605,209</u>	

The following is the Department of Transportation's capital asset activity for the year ended September 30, 2010:

	Beginning Balance, As restated	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Infrastructure assets	\$ 5,137,783,842	\$ 100,712,049	\$ 30,710,934	\$ 5,207,784,957
Land	6,874,551	298,121	432,034	6,740,638
Noninfrastructure work in progress	2,884,875	2,851,657	63,634	5,672,898
Total capital assets, not being depreciated	<u>5,147,543,268</u>	<u>103,861,827</u>	<u>31,206,602</u>	<u>5,220,198,493</u>
Capital assets, being depreciated:				
Site Improvements	10,690,447	1,171,961	0	11,862,408
Buildings	138,353,987	1,426,183	707,375	139,072,795
Vehicles and road machinery	101,515,598	13,146,555	6,145,063	108,517,090
General property	19,624,344	1,439,277	1,019,501	20,044,120
Capital assets, being depleted:				
Gravel Pit	1,233,000	0	0	1,233,000
Total capital assets, being depreciated	<u>271,417,376</u>	<u>17,183,976</u>	<u>7,871,939</u>	<u>280,729,413</u>
Less accumulated depreciation and depletion for:				
Site improvements	8,677,492	576,591	0	9,254,083
Buildings	54,305,237	13,591,577	0	67,896,814
Vehicles and road machinery	43,330,694	6,667,552	3,711,826	46,286,420
General property	11,542,336	1,716,714	807,415	12,451,635
Gravel Pit	217,901	0	0	217,901
Total accumulated depreciation	<u>118,073,660</u>	<u>22,552,434</u>	<u>4,519,241</u>	<u>136,106,853</u>
Total capital assets, net of depreciation	<u>153,343,716</u>	<u>(5,368,458)</u>	<u>3,352,698</u>	<u>144,622,560</u>
Capital assets, net	<u>\$ 5,300,886,984</u>	<u>\$ 98,493,369</u>	<u>\$ 34,559,300</u>	<u>\$ 5,364,821,053</u>

The following is Wyoming Pipeline Authority's capital asset activity for the year ended June 30, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance
Furniture and equipment	\$ 84,026	\$ 0	\$ 0	\$ 84,026
Total property and equipment	<u>84,026</u>	<u>0</u>	<u>0</u>	<u>84,026</u>
Less accumulated depreciation				
Furniture and equipment	52,974	9,363	0	62,337
Total accumulated depreciation	<u>52,974</u>	<u>9,363</u>	<u>0</u>	<u>62,337</u>
Furniture and equipment, net	<u>\$ 31,052</u>	<u>\$ (9,363)</u>	<u>\$ 0</u>	<u>\$ 21,689</u>

The following is Wyoming Business Council's capital asset activity for the year ended June 30, 2011:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 6,224	\$ 13,900	\$ 6,224	\$ 13,900
Capital assets, being depreciated:				
Leasehold improvements	12,626	0	0	12,626
Capitalized leases - equipment	92,273	0	0	92,273
Furniture, fixtures and equipment	377,276	5,403	17,429	365,250
Intangible assets	20,017	255,090	0	275,107
Total capital assets, being depreciated	<u>502,192</u>	<u>260,493</u>	<u>17,429</u>	<u>745,256</u>
Less accumulated depreciation for:				
Leasehold improvements	12,626	0	0	12,626
Capitalized leases - equipment	8,306	21,489		29,795
Furniture, fixtures and equipment	294,783	32,978	15,485	312,276
Intangible assets	4,230	13,254	0	17,484
Total accumulated depreciation	<u>319,945</u>	<u>67,721</u>	<u>15,485</u>	<u>372,181</u>
Total capital assets, net of depreciation	\$ <u>188,471</u>	\$ <u>206,672</u>	\$ <u>8,168</u>	\$ <u>386,975</u>

NOTE 6 Receivables and Payables

On the Statement of Net Assets the "Due to Primary Government" and the "Due from Component Units" does not balance by \$4,179,462. The "Due to Component Units" and the "Due from Primary Government" does not balance by \$19,765,299. These differences are due primarily to the Department of Transportation's September 30 fiscal year end.

To the extent that certain transactions between funds had not been paid or received as of June 30, 2011, balances of inter-fund amounts receivable or payable have been recorded as presented below. Amounts due to internal service funds are generally for services performed by those funds. The principle amounts of the balances within the Non-Major Governmental Funds represent advances between funds.

Payable Fund	Receivable Fund					
	General Fund	Foundation Program Fund	Common School Land Fund	Permanent Mineral Trust Fund	American Recovery & Reinvest Fund	Workers' Comp Fund
Major Funds:						
General Fund	\$ 0	\$ 0	\$ 0	\$ 5,527,500	\$ 733,718	\$ 473,150
Foundation Program Fund	663,298	0	0	0	0	0
Common School Land Fund	0	3,676,711	0	0	0	0
Workers' Compensation Fund	60,657	0	0	0	0	0
State Unemployment Fund	0	0	0	0	0	35,608
Non-Major Govt Funds	20,245,394	0	24,115	0	0	13,669
Non-Major Enterprise Funds	206,119	0	0	0	0	0
Internal Service Funds	3,298	0	0	0	0	0
Total	<u>\$ 21,178,766</u>	<u>\$ 3,676,711</u>	<u>\$ 24,115</u>	<u>\$ 5,527,500</u>	<u>\$ 733,718</u>	<u>\$ 522,427</u>
	State Unemployment Fund	Non-Major Govt Funds	Non-Major Enterprise Funds	Internal Service Funds	Total Receivables & Payables	
Major Funds:						
General Fund	\$ 0	\$ 632,371	\$ 174,079	\$ 2,105,466	\$ 9,646,284	
Foundation Program Fund	0	250,689,922	0	467,269	251,820,489	
Common School Land Fund	0	0	0	0	3,676,711	
Workers' Compensation Fund	0	0	0	462,805	523,462	
State Unemployment Fund	0	2,075,666	0	0	2,111,274	
Non-Major Govt Funds	1,137,700	52,111,617	0	219,379	73,751,874	
Non-Major Enterprise Funds	0	0	0	0	206,119	
Internal Service Funds	0	534,118	0	0	537,416	
Total	<u>\$ 1,137,700</u>	<u>\$ 306,043,694</u>	<u>\$ 174,079</u>	<u>\$ 3,254,919</u>	<u>\$ 342,273,629</u>	

NOTE 7 Inter-fund Transfers

State of Wyoming

The primary government's operating transfers for the year ended June 30, 2011, were as follows:

Transferred From	Transferred To				
	General Fund	Foundation Program Fund	Common School Land Fund	State Unemployment Fund	American Recovery & Reinvest Fund
Major Funds:					
General Fund	\$ 183,752,172	\$ 0	\$ 0	\$ 0	\$ 733,718
Foundation Program Fund	15,220,117	0	3,885,890	0	0
Common School Land Fund	0	219,581,667	0	0	0
American Recovery & Reinvest Fund	0	0	0	0	0
State Unemployment Fund	0	0	0	0	0
Non-Major Govt Funds	50,099,373	386,570,122	0	1,137,700	0
Non-Major Enterprise Funds	11,031,174	0	0	0	0
Internal Service Funds	518,094	0	0	0	0
Total	<u>\$ 260,620,930</u>	<u>\$ 606,151,789</u>	<u>\$ 3,885,890</u>	<u>\$ 1,137,700</u>	<u>\$ 733,718</u>
	Non-Major Govt Funds	Non-Major Enterprise Funds	Internal Service Funds	Total Transfer To & Transfer From	
Major Funds:					
General Fund	\$ 82,213,855	\$ 0	\$ 10,345,476	\$ 277,045,221	
Foundation Program Fund	637,260,044	0	0	656,366,051	
Common School Land Fund	0	0	0	219,581,667	
American Recovery & Reinvest Fund	15,251,469	0	0	15,251,469	
State Unemployment Fund	2,075,666	35,608	0	2,111,274	
Non-Major Govt Funds	5,593,070	0	16,244	443,416,509	
Non-Major Enterprise Funds	0	0	0	11,031,174	
Internal Service Funds	0	0	0	518,094	
Total	<u>\$ 742,394,104</u>	<u>\$ 35,608</u>	<u>\$ 10,361,720</u>	<u>\$ 1,625,321,459</u>	

Transfers are used to 1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them; 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and 3) move profits from the Liquor Commission Fund (\$11.0) as required by law.

In the fiscal year ended June 30, 2011, the significant transfers include transfers to the General Fund from the Non-Major Governmental Funds representing excess revenues not needed in those funds (\$50.1). Transfers from the Common School Land Fund (\$219.6) are the investment income that is distributed to the Foundation Program Fund for the expenditures in that fund. These transfers were made in accordance with statutory authority granted by the Legislature.

The General Fund transfers to non-major governmental funds included the transfer of appropriations to the Capital Construction Fund (\$57.7) and transfers for operational activities (\$24.5).

The Non-Major Government transfers to non-major government funds were for operational activities during the year (\$5.6).

NOTE 8 Long-Term Obligations

State of Wyoming

During the year ended June 30, 2011, the following changes occurred in long-term liabilities for the primary government:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Governmental Activities:					
Revenue Bonds	\$ 38,579,459	\$ 0	\$ 2,654,005	\$ 35,925,454	\$ 2,645,454
Compensated Absences	55,201,529	46,744,663	44,222,720	57,723,472	44,102,746
Capital Leases	402,766	125,132	338,384	189,514	105,878
Deferred Interest Payable	3,433,590	101,999	1,835,995	1,699,594	1,699,594
Net OPEB Obligation	36,301,113	20,645,500	8,061,849	48,884,764	0
Claims/Benefits Payable	217,974,432	343,866,411	385,654,292	176,186,551	77,783,412
Total Governmental Long-term Obligations	<u>\$ 351,892,889</u>	<u>\$ 411,483,705</u>	<u>\$ 442,767,245</u>	<u>\$ 320,609,349</u>	<u>\$ 126,337,084</u>
Business-Type Activities:					
Compensated Absences	\$ 1,436,800	\$ 1,400,521	\$ 1,314,049	\$ 1,523,272	\$ 1,314,049
Capital Leases	313,222	0	110,268	202,954	118,749
Claims/Benefits Payable	1,244,445,838	326,987,461	185,796,732	1,385,636,567	169,325,351
Total Business-Type Long-term Obligations	<u>\$ 1,246,195,860</u>	<u>\$ 328,387,982</u>	<u>\$ 187,221,049</u>	<u>\$ 1,387,362,793</u>	<u>\$ 170,758,149</u>

Claims and benefits payable of the governmental activities are primarily liabilities of the General Fund for health and welfare benefits and the Environmental Quality Special Revenue Fund for claims associated with damages from prior mining activities. Compensated absences are payable by the funds in which they are incurred that are primarily the General Fund, the Board and Regulatory Special Revenue Fund, the Game and Fish Special Revenue Fund, and Computer Technology Internal Service Fund. Revenue bonds and deferred interest payable will be liquidated by Debt Service Fund. The net OPEB obligation is partially funded by the retirees prefunded health insurance fund. In the business-type activities, the claims and benefits payable are primarily liabilities of the Workers' Compensation Insurance and Wyoming Health Insurance Funds. The inclusion of Deferred Interest Payable is the result of interest on outstanding bonds being deferred until the bonds mature.

Department of Transportation

The following table represents the changes in long-term liabilities of the DOT during the year ended September 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 22,321,430	\$ 13,341,590	\$ 13,090,218	\$ 22,572,802	\$ 13,090,218
Governmental activities, Long-term liabilities	<u>\$ 22,321,430</u>	<u>\$ 13,341,590</u>	<u>\$ 13,090,218</u>	<u>\$ 22,572,802</u>	<u>\$ 13,090,218</u>

University of Wyoming

The following table represents the changes in long-term liabilities of the University during the year ended June 30, 2011

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Business-Type Activities:					
Revenue Bonds	\$ 75,932,541	\$ 0	\$ 2,602,893	\$ 73,329,648	\$ 2,768,000
Capital Leases	683,218	0	121,122	562,096	124,535
Compensated Absences	13,125,863	6,706,970	7,619,038	12,213,795	6,106,898
Deposits Held in Trust	10,066,142	0	844,124	9,222,018	7,401,551
U S Government Loans Refundable	7,050,605	6,732	0	7,057,337	0
Other Post employment benefits	3,012,000	2,349,600	0	5,361,600	954,800
Total Business-Type Long-term Obligations	\$ 109,870,369	\$ 9,063,302	\$ 11,187,177	\$ 107,746,494	\$ 17,355,784

Wyoming Pipeline Authority

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Year
Business-Type Activities					
Compensated Absences	\$ 23,952	\$ 0	\$ 14,263	\$ 9,689	\$ 0
Due To Primary Government	681,067	0	681,067	0	0
Total Business-Type activities, Long-term liabilities	\$ 705,019	\$ 0	\$ 695,330	\$ 9,689	\$ 0

Operations for the Authority for the 2011-2012 Biennium are provided through a direct general fund appropriation.

Wyoming Infrastructure Authority

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Year
Business-Type Activities					
Due To Primary Government	\$ 34,500,000	\$ 0	\$ 798,000	\$ 33,702,000	\$ 1,654,000
Compensated Absences	2,333	6,751	0	9,084	0
Total Business-Type activities, Long-term liabilities	\$ 34,502,333	\$ 6,751	\$ 798,000	\$ 33,711,084	\$ 1,654,000

It was also determined at the time of the 2010 debt forgiveness that the Authority shall receive an appropriation from the State of Wyoming for administrative costs. The first appropriation was for the year ended June 30, 2011, and was in the amount of \$847,782.

Interest and principal maturities for the Infrastructure Authority's long term debt are as follows:

Year	Principal	Interest	Total Debt Service
2012	\$ 1,654,000	\$ 1,561,465	\$ 3,215,465
2013	1,733,000	1,482,978	3,215,978
2014	1,818,000	1,400,715	3,218,715
2015	1,906,000	1,314,419	3,220,419
2016	1,998,000	1,223,973	3,221,973
2017-2021	11,556,000	4,601,148	16,157,148
2022-2026	13,037,000	1,577,036	14,614,036
	<u>\$ 33,702,000</u>	<u>\$ 13,161,734</u>	<u>\$ 46,863,735</u>

Wyoming Community Development Authority

The following table represents the changes in long-term liabilities of the WCDA during the year ended June 30, 2011:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Business-Type Activities Housing Revenue Bonds	\$ 1,399,847,326	\$ 70,092,240	\$ 214,790,240	\$ 1,255,149,326	\$ 174,243,781

A. Capital Leases

The State has entered into various leases and lease purchase agreements for equipment that have been accounted for as capital leases in accordance with generally accepted accounting principles. Lease contracts are required by law to contain a fiscal funding clause indicating continuation of the lease is subject to funding by the Legislature.

Future minimum lease payments under capital leases, for the State's governmental and business-type activities and the University as of June 30, 2011, are as follows:

Year Ending June 30th	Governmental Activities	Business-Type Activities	University of Wyoming
2012	\$ 118,327	\$ 129,844	\$ 151,131
2013	62,779	86,562	151,131
2014	24,407	0	151,131
2015	8,136	0	151,131
2016	0	0	22,664
Total Minimum Payments	213,649	216,406	627,188
Less Interest	24,135	13,452	65,092
Present Value of Lease Payments	<u>\$ 189,514</u>	<u>\$ 202,954</u>	<u>\$ 562,096</u>

The gross cost of assets acquired under capital leases, asset class Equipment is \$655,022 for governmental activities with accumulated depreciation of \$432,798, \$415,615 for business-type activities with accumulated depreciation of \$237,494, and \$1,763,921 for the University of Wyoming with accumulated depreciation of \$1,728,833 in the asset class Equipment.

Capital Leases—Wyoming Business Council

The gross amount of assets recorded under capital leases as of June 30, 2010 was \$92,273 with accumulated depreciation of \$29,795. Future minimum lease payments for capital leases are as follows:

Year Ending June 30	Amount
2012	\$ 24,437
2013	24,437
2014	24,437
2015	<u>12,219</u>
Total Minimum Payments	85,530
Less: interest	<u>(14,601)</u>
Present value of lease payments	<u>\$ 70,929</u>

B. Bonded debt**State of Wyoming**

No new bonds were issued during Fiscal year 2011. The governmental funds bonded debt reported below represents the remaining principal payable on capital facilities revenue bonds. Funds for the repayment of the principal and interest on these bonds are restricted to the federal mineral royalties distributed to the school foundation program. The following table presents the State of Wyoming capital facilities revenue bonds outstanding as of June 30, 2011:

	Series	Amount Issued	Interest Range %	Balance
			On Outstanding Balance	June 30, 2011
Government-Wide Statements				
Capital Facilities Refunding Bonds	1992	\$ 28,750,000	3.0-6.25	\$ 12,465,000
Capital Facilities Refunding Bonds	1993	8,777,522	4.1-6.2	880,454
Capital Facilities Refunding Bonds	2002	10,405,000	2.75-5.0	2,380,000
Capital Facilities Refunding Bonds	2005	<u>23,440,000</u>	2.5-5.0	<u>20,200,000</u>
Total		<u>\$ 71,372,522</u>		<u>\$ 35,925,454</u>

Future minimum payments for revenue bonds recorded in the government-wide statements of June 30, 2011 are as follows:

Year Ending June 30th	Government-Wide Statements		
	Principal	Interest	Total
2012	\$ 2,645,454	\$ 3,665,127	\$ 6,310,581
2013	1,860,000	1,685,050	3,545,050
2014	2,150,000	1,590,031	3,740,031
2015	2,260,000	1,479,588	3,739,588
2016	2,375,000	1,357,256	3,732,256
2017-2021	12,760,000	4,655,750	17,415,750
2022-2025	<u>11,875,000</u>	<u>1,253,875</u>	<u>13,128,875</u>
	<u>\$ 35,925,454</u>	<u>\$ 15,686,677</u>	<u>\$ 51,612,131</u>

University of Wyoming

Revenue bonds payable represent the remaining principal payments on bonds used for construction of facilities. Revenues from the operations of residence halls, apartments, cafeterias, dining halls, other food service facilities, bookstore and telecommunications; income from other sales and services; income from the University Permanent Land Fund and mineral royalties from the University Government Royalty Fund are pledged for the Facilities, the Facilities Improvement Revenue Bonds Series 2001, the Facilities Refunding Revenue Bonds Series 2003, and the Facilities Improvement Revenue Bond Series 2004, and the Facilities Improvement Revenue Bond Series 2005.

The proceeds of the 2010 Facilities Improvement and Refunding Revenue Bonds were used to advance refund a portion of the outstanding 2001 Facilities Improvement Revenue Bonds and fund construction of a visual arts facility and renovation of a resident hall. The Series 2010 C and B 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 at 35% and 45 % of the interest due on that date.

The refunding resulted in a gain of \$105,985 and an estimated reduction in cash flow to service the debt of \$540,000. The economic gain on the refunding is \$465,000.

Revenue bonds payable consist of the following at June 30, 2011:

	Series	Amount Issued	Interest Range %	Balance June 30, 2011
Government-Wide Statements				
Facilities Improvement Revenue Bonds	2010A	\$ 6,585,000	2.50-5.125%	\$ 6,445,000
Facilities Improvement Revenue Bonds	2010B	19,730,000	4.10-5.83%	19,730,000
Facilities Improvement Revenue Bonds	2010C	18,000,000	5.80%	18,000,000
Facilities Improvement Revenue Bonds	2005	16,000,000	4.25-5.00%	12,545,000
Facilities Improvement Revenue Bonds	2004	11,100,000	4.375-5.00%	8,825,000
Revenue Refunding Bonds Series 2009	2009	7,755,000	3.00-4.00%	6,410,000
Total		<u>\$ 79,170,000</u>		<u>71,955,000</u>
Original issue discount/premium				1,374,648
Total				<u>\$ 73,329,648</u>

Future minimum payments for the University's revenue bonds recorded as of June 30, 2011 are as follows:

Year Ending June 30th	University of Wyoming	
	Principal	Interest
2012	\$ 2,595,000	\$ 2,780,735
2013	2,695,000	2,680,623
2014	2,790,000	2,583,198
2015	2,890,000	2,483,429
2016	3,000,000	2,374,704
2017-2021	16,940,000	9,813,522
2022-2026	21,115,000	5,886,930
2027-2030	19,930,000	1,623,796
	<u>\$ 71,955,000</u>	<u>\$ 30,226,937</u>
Original issue discount premium	1,374,648	
	<u>\$ 73,329,648</u>	

University Wyoming Foundation

The Foundation issued revenue bonds in the aggregate principal amount of \$3,700,000, pursuant to an Indenture of Trust, dated November 2007, by and between the Foundation and Wells Fargo Bank, N.A. The aggregate amount includes \$1,155,000 of serial bonds and \$2,545,000 of term bonds. The proceeds were used by the Foundation to help finance the cost of constructing and equipping the Conference Center located at 22nd Street and Grand Avenue in Laramie, Wyoming. The bonds bear interest from the date of issue to maturity or earlier redemption with interest payable semi-annually on May 1 and November 1 of each year. The Foundation has made all required debt payments.

The debt service requirements for the Bonds are as follows:

Year	Principal Due November 1	Interest	Interest Rate	Annual Debt Service
2011	\$ 80,000	\$ 207,316	5.30%	\$ 287,316
2012	85,000	203,076	5.40%	288,076
2013	90,000	198,486	5.45%	288,486
2014	95,000	193,581	5.55%	288,581
2015	100,000	188,309	5.60%	288,309
2016-2020	605,000	847,755	5.65-5.95%	1,452,755
2021-2025	800,000	647,945	5.95-6.15%	1,447,945
2026-2027	1,610,000	186,345	6.15%	1,796,345
	<u>\$ 3,465,000</u>	<u>\$ 2,672,813</u>		<u>\$ 6,137,813</u>

The bonds maturing on or after November 1, 2018 are redeemable by the Foundation on any date after November 1, 2017, in whole or in part, at a redemption price equal to 100% of the principal amount of the bonds being redeemed and accrued interest to the redemption date.

The bonds maturing on November 1, 2022 and November 1, 2027 are subject to mandatory sinking fund redemptions at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date.

Since the Foundation no longer has an interest in the Conference Center, they were required by the Bond Counsel to transfer funds in the amount of \$3.7 million to certain "permitted investments" to satisfy future obligations on the bonds.

Wyoming Community Development Authority

Bonds are generally payable in scheduled annual and semiannual installments and are subject to mandatory sinking fund requirements in scheduled amounts. Redemption is optional after various dates at prices ranging from 100% (par) to 102% of par. Capital Appreciation Bonds (CABs) are reported at accreted value.

The bonds of the 2010 Indenture are general obligations of the Authority, payable from any assets of the Authority, not specifically restricted to other uses. The bonds of the 1978, 1992, 1994, and 2009 Indentures are special obligations of the Authority, payable solely from the income and receipts of these indentures. All of the bonds are secured by mortgage loans and other assets of the respective indentures. Interest on outstanding bonds is generally payable either monthly or semi-annually. Certain of the variable rate debt reprices weekly or monthly based on market interest rates.

The following table presents WCDA bonds outstanding at June 30, 2011:

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
Single Family Mortgage Bonds 1978 Indenture Fund					
1998 Series B, 2031 to 2033 interest at 5.30%, original amount issued \$15,000,000	\$ 13,000,000	\$ -	\$ 8,290,000	\$ 4,710,000	\$ -
2001 Series A, 2025 to 2035 variable interest, interest at 0.05%, original amount issued \$9,545,000	9,545,000	-	-	9,545,000	-
2002 Series A, 2022 to 2032 variable interest, interest at 0.05%, original amount issued \$37,000,000	37,000,000	-	-	37,000,000	-
2003 Series A/B, 2022 to 2033, interest at 0.05% to 4.55%, original amount issued \$53,745,000	53,745,000	-	-	53,745,000	-
Principal amounts of bonds outstanding 1978 Trust Indenture	113,290,000	-	8,290,000	105,000,000	-
Less: deferred loss on prior series refunded by 1998 Series A and 2003 Series A/B	(728,898)	-	(57,495)	(671,403)	-
Principal amounts of bonds outstanding 1978 Indenture Fund, net	112,561,102	-	8,232,505	104,328,597	-
Housing Revenue Bonds 1994 Indenture Fund					
1995 Series 6 (including CABs), 2015, interest rate at 6.25%, original amount issued \$15,097,280 at discount of \$473,253	716,550	-	(45,486)	762,036	-
1996 Series 7, 2021 to 2030, interest at 5.25% original amount issued \$60,000,000	17,050,000	-	1,115,000	15,935,000	-
1997 Series 5, 2017 to 2030, interest at 5.15% to 5.3%, original amount issued \$100,000,000	17,905,000	-	4,985,000	12,920,000	-

(Continued)

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
1997 Series 6 and 7, redeemed, original amount issued \$50,000,000	\$ 485,000	\$ -	\$ 485,000	\$ -	\$ -
1998 Series 1 and 2, redeemed, original amount issued \$40,000,000	10,760,000	-	10,760,000	-	-
1998 Series 3, 2017 to 2030, interest at 5.30% to 5.35%, original amount issued \$30,000,000	12,145,000	-	1,245,000	10,900,000	-
1999 Series 1, 2017 to 2030, interest at 5.25% to 5.32%, original amount issued \$30,000,000	12,955,000	-	1,600,000	11,355,000	-
1999 Series 4, redeemed, original amount issued \$40,000,000	2,155,000	-	2,155,000	-	-
1999 Series 7 and 8, redeemed, original amount issued \$25,000,000	3,250,000	-	3,250,000	-	-
1999 Series 10 and 11, redeemed, original amount issued \$25,000,000	2,385,000	-	2,385,000	-	-
2000 Series 1 and 2, redeemed, original amount issued \$35,000,000	3,655,000	-	3,655,000	-	-
2000 Series 4 and 5, redeemed, original amount issued \$50,000,000 at premium of \$189,437	12,094,125	-	12,094,125	-	-
2000 Series 6 and 7, redeemed, original amount issued \$30,000,000	8,235,000	-	8,235,000	-	-
2001 Series 1, 2023 to to 2027, interest at 5.35%, original amount issued \$30,000,000 at premium of \$179,692	9,246,202	-	1,467,698	7,778,504	-

(Continued)

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
2001 Series 5, 6 and 7, 2011 to 2031, interest at 0.09% to 5.30%; original amount issued \$33,500,000	\$ 20,755,000	\$ -	\$ 2,835,000	\$ 17,920,000	\$ 700,000
2002 Series 1 and 2, 2024 to 2026, interest at 5.50%, original amount issued \$42,475,000	6,170,000	-	1,855,000	4,315,000	-
2002 Series 4 and 5, 2011 to 2027, interest at 4.50% to 5.30%, original amount issued \$42,110,000	22,170,000	-	845,000	21,325,000	880,000
2002 Series 6, 7 and 8, 2011 to 2033, interest at 0.09% to 5.20% original amount issued \$27,000,000	17,795,000	-	1,325,000	16,470,000	570,000
2003 Series 1, 2012 to 2032, interest at 3.50% to 4.60% original amount issued \$26,065,000	20,710,000	-	2,200,000	18,510,000	485,000
2003 Series 2, 3, and 4, 2012 to 2032, interest at 0.09% to 5.25% original amount issued \$26,230,000	23,120,000	-	780,000	22,340,000	595,000
2003 Series 5 and 6, 2012 to 2034, interest at 3.80% to 5.00% original amount issued \$25,990,000	23,015,000	-	560,000	22,455,000	440,000
2004 Series 1, 2, and 3, 2011 to 2034, interest at 0.09% to 4.60% original amount issued \$35,000,000	28,585,000	-	1,360,000	27,225,000	790,000

(Continued)

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
2004 Series 4, 5, and 6, 2012 to 2035, interest at 0.09% to 5.25% original amount issued \$40,000,000	\$ 33,420,000	\$ -	\$ 1,190,000	\$ 32,230,000	\$ 565,000
2004 Series 7, 8, and 9, 2011 to 2034, interest at 0.09% to 5.00% original amount issued \$40,000,000	33,215,000	-	970,000	32,245,000	825,000
2004 Series 10 and 11, 2012 to 2035, interest at 0.09% to 4.90% original amount issued \$30,000,000	27,170,000	-	620,000	26,550,000	650,000
2005 Series 1 and 2, 2011 to 2035, interest at 0.09% to 4.95% original amount issued \$40,000,000	36,695,000	-	805,000	35,890,000	830,000
2005 Series 3 and 4, 2011 to 2035, interest at 0.09% to 4.70% original amount issued \$40,000,000	37,070,000	-	735,000	36,335,000	770,000
2005 Series 5, 6 and 7, 2011 to 2036, interest at 0.09% to 4.85% original amount issued \$40,000,000	36,850,000	-	890,000	35,960,000	725,000
2006 Series 1 and 2, 2011 to 2035, interest at 0.09% to 4.90% original amount issued \$40,000,000	37,800,000	-	640,000	37,160,000	680,000
2006 Series 4 and 5, 2011 to 2036, interest at 0.09% to 5.05% original amount issued \$50,000,000	47,365,000	-	820,000	46,545,000	865,000
2006 Series 6 and 7, 2011 to 2037, interest at 0.09% to 5.50% original amount issued \$50,000,000 at premium of \$347,819	48,130,165	-	787,067	47,343,098	810,000

(Continued)

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
2006 Series 8 and 9, 2011 to 2037, interest at 0.09% to 4.70% original amount issued \$50,000,000	\$ 47,705,000	\$ -	\$ 775,000	\$ 46,930,000	\$ 825,000
2007 Series 1 and 2, 2011 to 2037, interest at 0.09% to 4.80%; original amount issued \$30,000,000	28,665,000	-	475,000	28,190,000	515,000
2007 Series 3 and 4, 2011 to 2037, interest at 0.09% to 4.75% original amount issued \$70,000,000	64,935,000	-	1,125,000	63,810,000	1,190,000
2007 Series 5 and 6, 2011 to 2038, interest at 0.09% to 4.90% original amount issued \$70,000,000	67,310,000	-	1,100,000	66,210,000	1,155,000
2007 Series 7, 8 and 9, 2011 to 2038, interest at 0.09% to 5.359% original amount issued \$60,000,000	55,645,000	-	1,825,000	53,820,000	880,000
2007 Series 10, 11 and 12, 2011 to 2038, interest at 0.09% to 5.30% original amount issued \$60,000,000	58,650,000	-	3,990,000	54,660,000	835,000
2008 Series 1 and 2, 2011 to 2038, interest at 0.09% to 5.45% original amount issued \$50,000,000	41,910,000	-	13,220,000	28,690,000	690,000
2008 Series 3, 2011 to 2023, interest at 3.20% to 5.25% original amount issued \$60,000,000 premium of \$35,066	58,966,469	-	44,014,032	14,952,437	810,000
2010 Series 1 and 2, 2011 to 2030, interest at 1.75% to 4.375% original amount issued \$34,710,000	34,710,000	-	2,740,000	31,970,000	3,940,000
					(Continued)

	Balance at June 30, 2010	Issued	Retired	Balance at June 30, 2011	Amount Due Within 1 Year
Principal amounts of bonds outstanding 1994 Indenture Fund	\$ 1,071,568,511	\$ -	\$ 141,867,436	\$ 929,701,075	\$ 22,020,000
Single Family Mortgage Warehousing Bonds 2010 Indenture Fund					
Single Family Mortgage Warehousing Bonds Series 2010 A-1, draw down bonds not to exceed \$100,000,000 variable interest at 1 month LIBOR plus 65 basis points	22,000,000	-	22,000,000	-	-
Wyoming Homeownership Bonds 1992 Indenture Fund					
Homeownership Revenue Bonds Series I, due 2024, interest at 6.7%, original amount issued \$24,964,754	617,713	-	191,967	425,746	18,781
Homeownership Mortgage Revenue Bonds 2009 Indenture Fund					
Homeownership Mortgage Revenue Bonds Series 2009 A, preconversion bonds, variable interest rate, original amount issued, \$193,100,000	193,100,000	-	42,000,000	151,100,000	151,100,000
Homeownership Mortgage Revenue Bonds Series 2010 A and 2009 A-1, 2011 to 2041, interest at 0.65% to 4.25%, original amount issued \$70,000,000 at premium of \$92,240	-	70,092,240	498,332	69,593,908	1,105,000
Principal amounts of bonds outstanding 2009 Fund Indenture	193,100,000	70,092,240	42,498,332	220,693,908	152,205,000
Total bonds payable	\$ 1,399,847,326	\$ 70,092,240	\$ 214,790,240	\$ 1,255,149,326	\$ 174,243,781

Scheduled bond principal and sinking fund requirements in each indenture for the five fiscal years subsequent to June 30, 2011, which includes in each of the respective years the bonds to be remarketed or expected to be refunded, are as follows:

	Single Family Mortgage Bonds 1978 Indenture Fund	Housing Revenue Bonds 1994 Indenture Fund	Wyoming Homeownership Bonds 1992 Indenture Fund	Homeownership Mortgage Revenue Bonds 2009 Indenture Fund
2012	\$ 0	\$ 22,020,000	\$ 18,781	\$ 152,205,000
2013	0	25,140,000	20,264	1,160,000
2014	0	23,945,000	21,865	1,220,000
2015	0	25,955,000	23,591	1,275,000
2016	0	27,170,000	25,454	1,340,000

Annual debt service requirements for the five fiscal years subsequent to June 30, 2011, and for each five year segment thereafter, including the bonds to be remarketed or expected to be refunded, are as follows:

	Principal	Interest	Total Debt Service
2012	\$ 174,243,781	\$ 40,950,815	\$ 215,194,596
2013	26,320,264	40,107,746	66,428,010
2014	25,186,865	39,112,526	64,299,391
2015	27,253,591	38,132,462	65,386,053
2016	28,535,454	37,010,576	65,546,030
5 years ending 2021	154,050,792	165,802,690	319,853,482
5 years ending 2026	235,849,999	125,280,533	361,130,532
5 years ending 2031	276,335,000	74,314,894	350,649,894
5 years ending 2036	247,430,000	26,190,147	273,620,147
5 years ending 2041	60,355,000	2,729,380	63,084,380
5 years ending 2046	100,000	1,562	101,562
	<u>\$ 1,255,660,746</u>	<u>\$ 589,633,331</u>	<u>\$ 1,845,294,077</u>

The balances above do not include net premiums, discounts, or losses on refundings in the amount of (\$511,420) that are reported as components of bonds payable.

Hedging Derivative Instrument Payments and Hedged Debt

Using rates as of June 30, 2011 and giving effect to scheduled reductions in the notional amount of the hedging derivative instruments, debt service requirements of the Authority's outstanding variable-rate debt in 2005 Series 2, 2005 Series 4, 2005 Series 7, 2006 Series 2, 2006 Series 5, 2006 Series 7, 2006 Series 9, 2007 Series 2, 2007 Series 4, 2007 Series 6, 2007 Series 8, 2007 Series 11, and 2008 Series 2 and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net receipts or payments on the hedging derivative instruments will vary.

	Variable Rate Bonds		Interest Rate	Total
	Principal	Interest	Sw aps (net)	
2012	\$ 0	\$ 126,414	\$ 4,209,532	\$ 4,335,946
2013	0	120,095	4,142,075	4,262,170
2014	0	119,406	3,946,914	4,066,320
2015	0	119,407	2,700,262	2,819,669
2016	115,000	119,892	730,839	965,731
5 years ending 2021	8,310,000	586,336	247,606	9,143,942
5 years ending 2026	16,785,000	528,798	1,329	17,315,127
5 years ending 2031	22,475,000	442,127	0	22,917,127
5 years ending 2036	65,525,000	283,017	0	65,808,017
5 years ending 2041	19,790,000	23,022	0	19,813,022
	<u>\$ 133,000,000</u>	<u>\$ 2,468,514</u>	<u>\$ 15,978,557</u>	<u>\$ 151,447,071</u>

Defeased Bonds

On June 30, 2010, the Authority issued \$31,610,000 in Housing Revenue Bonds in 2010 Series 1 with an average interest rate of 3.10 percent to partially refund \$31,610,000 of outstanding 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds with an average interest rate of 5.33 percent. Net proceeds of \$31,610,000 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the partially refunded 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds. As a result, the refunded 1997 Series 5, 1997 Series 6 and 7, 1998 Series 3, 1999 Series 1, and 1999 Series 4 bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet. The defeased bonds were called and cancelled by August 1, 2010.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$187,813. This difference was expensed in the accompanying financial statements. The Authority completed the refunding to reduce its total debt service payments over the next 9 years by \$2.67 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$5,100,000.

The balances above do not include premiums, discounts, or losses on refunding in the amount of \$585,387 that are reported as components of bonds payable.

Conduit Debt

From time to time, the Authority has issued Multi-Family Housing Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of low-income multi-family housing deemed to be in the public interest. The bonds are secured by the revenues from the property financed. Neither the Authority, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2011, there were two such series of Multi-Family Housing Revenue bonds outstanding, with an aggregate principal amount payable of \$7,141,688.

Reserve Requirements

The Authority is required under the 1978 and 1994 Indentures to place a portion of bond proceeds in bond, mortgage and special reserve accounts. As of June 30, 2011 the Authority had \$90,123,535 in these reserve accounts. This amount exceeds the required reserve of \$73,406,020. Those reserve requirements and the amounts on reserve are presented here:

	1978	1994	2009
	Indenture	Indenture	Indenture
Bond reserve requirement	\$ 18,025,915	\$ 27,752,311	\$ 2,085,150
Mortgage reserve requirement	1,050,000	16,330,911	1,226,733
Restricted special reserve requirement	0	6,935,000	0
Total required reserves	\$ 19,075,915	\$ 51,018,222	\$ 3,311,883
Total cash and investments held for reserves	\$ 20,520,906	\$ 66,097,271	\$ 3,505,358

C. Net OPEB Obligation

State of Wyoming

GASB 45 requires the State to have an actuarial valuation of the post-retirement benefit plan (other than pensions). The net result of which is to identify the actuarial accrued liability, the annual required contribution and the net OPEB obligation. The retiree benefits offered by the State included in this actuarial valuation are the self-insured plans, including prescription drugs, 3 options for early retirees and 2 options for Medicare retirees. Currently, the retiree benefits are subsidized by the State based on age and years of service.

Plan Description. The State participates in a single-employer defined benefit postemployment healthcare plan, the Retirees Health Insurance Plan. The Legislature has the authority for establishing and amending the plan. This plan does not issue a separate report.

A retiree is eligible for coverage under the group insurance plan at premium rates established by the State, provided:

Application to continue coverage is made to the State within thirty-one (31) days after termination of the retiree's employment; and

The retiree has had medical coverage in effect under the group insurance plan for at least one (1) year immediately prior to the date of retirement and is eligible to receive a retirement benefit under the Wyoming Retirement System; and either:

Has attained the age of fifty (50) on the date of retirement and has at least four (4) years of service credit under the Wyoming Retirement System as an employee of one (1) of the employing entities participating in the plan; or

Has at least twenty (20) years of service credit under the Wyoming Retirement System as an employee of one (1) of the employing entities participating in the plan.

Required Monthly Contributions. Contributions are required for both retiree and dependent coverage. The State of Wyoming is currently providing a subsidy to offset the retiree's contributions for the medical insurance program. The current contribution amounts are provided here:

Pre-Medicare
 \$11.50 per month per year of service,
 up to a maximum of 30 years

Medicare Eligible
 \$5.75 per month per year of service,
 up to a maximum of 30 years

For the plan year ending June 30, 2011 there were 13,857 fully eligible active participants. The retiree's benefit description provides eligible retirees receive health care through one of three medical plans. All plans are available to those under age 65 while the Health Savings Plan is not available to those 65 and older. The actuarial valuation identified a dental benefit which is available, but does not believe there is an OPEB liability associated with this benefit since the benefit is full-contributory and there is no implicit subsidy.

GASB 45 allows the use of one of the following actuarial cost methods for the valuation: Unit Credit, Entry Age Normal, Attained Age, Aggregate, Frozen Entry Age, or Frozen Attained Age. These methods can be amortized on either a level dollar or a level percentage of earnings basis. This actuarial valuation assumes the use of the Unit Credit method with amortization on a level percentage basis, because it is believed the Unit Credit method provides the most logical correlation between accruing and expensing of retiree benefits.

Funding Policy. The State finances this program on a "pay-as-you-go" basis. The Legislature has the authority for establishing and amending the funding policy. For fiscal year 2011 the State's post-retirement plan is considered an unfunded plan. While the legislature has established a fund to account for retiree health insurance contributions, to pay explicit subsidies, for purposes of this latest actuarial evaluation the plan is considered unfunded and these dollars are not treated as an asset for this analysis. The fund had a cash balance of \$10.8 million as of June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation. The State's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the State's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the State's net OPEB obligation:

	FY 2010	FY 2011
Net OPEB Obligation beginning of year	\$ 18,329,596	\$ 36,301,113
Annual Required Contribution (ARC)	19,121,334	20,222,476
Interest on net OPEB obligation	1,174,910	1,815,056
Adjustment to annual required contribution	4,267,513	(1,392,032)
Annual OPEB Cost	24,563,757	20,645,500
Less:		
Employer Contributions	6,592,240	8,061,849
Increase in Net OPEB Obligation	17,971,517	12,583,651
Net OPEB Obligation at June 30	\$ 36,301,113	\$ 48,884,764
Percentage of OPEB cost contributed	27%	39%

The Net OPEB Obligation (NOO) is the cumulative difference between the ARC and the employer's contributions to the plan. For the fiscal year ending June 30, 2011 the NOO is projected to be \$48,884,764, and assumes the State continues on a pay-as-you-go basis (Unfunded).

The Annual Required Contribution (ARC) includes an amount to amortize the calculated unfunded actuarial liability. As of June 30, 2011 the ARC included \$20,222,476 representing the amount of amortization of the actuarial accrued liability over 30 years the maximum period allowed by GASB 45.

The actuarial valuation date was as of July 1, 2009 and updated through roll forward projections as of July 1, 2010. The *Schedule of Funded Status and Funding Progress* is presented here for the current and initial valuation date.

Actuarial Valuation Year Ended June 30	Actuarial Valuation of Plan Assets	Actuarial Accrued Liabilities (AAL)	Unfunded AAL (Funding Excess)	Funded Ratio	Covered Payroll	Funding Excess as a Percentage of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	C	((B-A)/C)
2008	0	\$ 174,161,000	\$ 174,161,000	0.00%	\$ 650,776,167	26.76%
2010	0	\$ 238,802,102	\$ 238,802,102	0.00%	\$ 818,639,889	29.17%

The Actuarial Accrued Liability (AAL) for this post retirement benefit plan as of July 1, 2010 is \$238,802,102. This represents the present value of all future expected postretirement medical payments and administrative costs which are attributable to past service.

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.

Actuarial 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:

Actuarial valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay; Open Group
Remaining amortization period	30 years
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Investment rate of return	5.0%
Healthcare Cost Trend Rate (HCCTR)	9.50% for 2010; decreasing approximately 0.5% each year thereafter until reaching 6.0% in year 2017 and after
Assumed rates of increase applied to	
retiree premiums	Same as HCCTR
Projected salary increases	4.0% per annum

University of Wyoming

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 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 3,022 active employees and 564 retirees participating in the plan as of July 2010, 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 a 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.

The table below shows the components of the University's annual OPEB cost for the fiscal years 2011 and 2010, the amount actually contributed to the plan, and changes in the University's net OPEB obligation:

	FY 2011	FY 2010
Annual Required Contribution (ARC)	\$ 2,889,200	\$ 2,027,000
Interest on net OPEB obligation	105,400	117,000
Adjustment to annual required contribution	(103,900)	97,000
Annual OPEB Cost	2,890,700	2,241,000
Less:		
Employer Contributions	541,100	735,000
Increase in Net OPEB Obligation	2,349,600	1,506,000
Net OPEB Obligation beginning of year	3,012,000	1,506,000
Net OPEB Obligation, end of year	\$ 5,361,600	\$ 3,012,000

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011 and 2010 was as follows:

	FY 2011	FY 2010
Annual OPEB Cost	\$ 2,890,700	\$ 2,241,000
Percentage of annual OPEB cost contributed	18.70%	32.80%
Net OPEB obligation	5,361,600	3,012,000

Funded status and funding progress: As of July 1, 2010, the actuarial valuation date, the actuarial accrued liability for benefits was \$22,742,900, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2011 was \$178,598,848, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.7%. As of July 1, 2008, the actuarial valuation date, the actuarial accrued liability for benefits was \$15,130,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for the year ended June 30, 2009 was \$168,254,382, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9%.

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, 2010
Discount rate – 3.50% annual
Census data – as of July 2010

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 with an assumption that payroll increases by 3.5% per year.
Health care cost trend rate – the following annual trend rates are applied on a select and ultimate basis:

Benefit	Select	Ultimate
Medical	10.0%	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 age and years of service.

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

Termination – The rate of withdrawal for reasons other than death and retirement depend upon years of service in the first five years of employment and age thereafter. These rates are dependent on an employee’s age, year of service, and gender.

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

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

Salary increase assumption – 3.5% per annum.

NOTE 9 Lease Revenue

Lease revenue

The State possesses significant amounts of land of which the majority was received from the federal government when the Wyoming Territory was incorporated as a state. Such land is leased to third parties under leases accounted for as operating leases.

Future minimum rents receivable under these lease agreements as of June 30, 2011 are as follows:

Year Ending June 30th	Governmental Funds
2011	\$ 6,627,083
2012	5,964,375
2013	5,301,666
2014	4,638,958
2015-2020	13,916,875
	<u>\$ 36,448,957</u>
# of Grazing Leases	5,006
# of Special Use Leases	353
Total Acres Under Lease	3,631,949

NOTE 10 Pensions

State employees are eligible to participate in five different pension plans, depending on their current employment position. These plans are administered by the Wyoming Retirement System (WRS).

The Wyoming Retirement System was established in 1943 as a teachers' retirement program and amended in 1949 to incorporate State employees. Over 500 counties, municipalities, school districts and other units of government participate in the Wyoming Retirement System.

The Wyoming Retirement System administers eight defined benefit pension plans and one defined contribution plan. The defined benefit plans are all multiple employer – cost sharing plans with the exception of the Wyoming Judicial Pension Plan which is a single employer plan with 40 participants who are state employees.

1. Public Employees Pension Plan
2. Paid Firemen's Pension Plan A
3. Paid Firemen's Pension Plan B
4. State Patrol, Game & Fish Warden & Criminal Investigator Pension Plan
5. Wyoming Judicial Pension Plan
6. Law Enforcement Retirement Plan
7. Volunteer Firemen's Pension Plan
8. Volunteer Emergency Medical Technician Pension Plan
9. Wyoming Deferred Compensation (457) Plan

The authority for establishing and amending the benefits and contribution rates rests with the Legislature of the State of Wyoming. The obligation to collect and remit the contribution rests with the member agencies of each plan. Administrative costs are deducted from the plan assets of each plan. The responsibility for the administration and operation of the first six retirement systems and Wyoming Deferred Compensation (457) Program is vested in the Wyoming Retirement Board. The board is composed of eleven members, ten appointed by the Governor and the eleventh being the State Treasurer.

The Volunteer Firemen's Pension Plan is controlled by a separate board and administered by the director of the Wyoming Retirement System. The board consists of six members who shall be appointed by the Governor for staggered terms of three years. Each member is a volunteer fireman with a minimum of five years as a member of a volunteer fire department in the State of Wyoming.

The State reports all the plans administered by the Wyoming Retirement System as Pension Trust Funds. The Pension Trust Funds are presented on the accrual basis of accounting with investments valued at fair value determined, primarily, by the latest bid price or the closing exchange price at the balance sheet date.

WRS issues a stand-alone financial report. It can be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Road, 5th Floor West, Cheyenne, WY, 82002, or by calling 307-777-7691. The WRS fiscal year-end statements are as of December 31, which the State uses for its June 30th report.

Plan Descriptions

Public Employees Pension Plan:

The Public Employees Pension Plan is a defined benefit, contributory retirement plan covering substantially all employees of the State and of the Public School Systems of Wyoming. The Plan also covers employees of those political subdivisions, which have elected to participate in the Plan, as well as the Airguard Firefighters.

During the 2010 Legislative Session, legislation was passed to increase the required contribution rates for the Public Employees Pension Plan by 2.87%. The contribution percentage increase will be split between the employee and the employer, 1.43% and 1.44%, respectively. The Plan statutorily requires 14.12% of the participant's salary to be contributed to the Plan. Contributions consist of 7.12% of the participant's salary as employer contributions and 5.57% as employee contributions. The Airguard Firefighters Pension Plan statutorily requires 23.77% of the participant's salary to be contributed to the Plan. Contributions consist of 7.12% of the participant's salary as employer contributions and 16.65% as employee contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon

termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion.

For both the Public Employee and Airguard Plans, the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 but will result in a reduction of benefits based on the length of time remaining to normal retirement age.

The Public Employees and Airguard Plans provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two optional forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. State statutes provide for future annual percentage increase in benefit amounts beginning July 1, after two full years of retirement by the lesser of 3% or the cost of living adjustment determined to be actuarially sound not to exceed 3% per year. The cost of living adjustment provided to retirees is determined by the Board.

Employees terminating prior to normal retirement age can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for retirement benefits at age 50.

The Airguard Firefighters Pension Plan is also included within this plan due to its limited size. As of January 1, 2011, this plan will be reported separately for both financial and actuarial liability calculations.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$5.5 billion, an increase of \$524.2 million from 2009. Additions to the Plan net assets held in trust for benefits include employer and member contributions and investment income/losses. For the calendar year 2010, member and employer contributions totaled \$200.6 million, an increase of \$20.6 million or 11.5% from 2009. Contributions increased due to the small increase in active members and the contribution rate increase, from 35,593 members in 2009 to 35,828 in 2010, along with an increase in average salary from \$47,729 to \$48,243. The Plan recognized a net investment gain of \$636 million for the year 2010 compared with a net investment gain of \$901 million a year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$300.9 million, an increase of \$21.4 million or 7.7% a year earlier. The increase in benefits is due to the number of members retiring was greater than the number of those who became deceased. For 2010, the costs of administering the Plan's benefits totaled \$3.6 million, compared to \$3.1 million a year earlier.

Refunds are the result of employees leaving public service and requesting the money they contributed plus interest. Refunds to members terminating service totaled \$13.6 million, an increase from \$13.0 million a year ago.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan decreased from 87.5% at January 1, 2010 to 84.6% on January 1, 2011 due in part to assumptions used which were changed during the experience analysis and the decrease in the market value of investments. The active member payroll increased 1.8% last year, compared with a 7.1% increase the prior year. The amount by which the Plan's actuarial liabilities exceeded actuarial assets was \$1.1 billion at January 1, 2011, compared to the amount by which the Plan's actuarial liabilities exceed actuarial assets of \$823 million on January 1, 2010.

State Patrol, Game and Fish Warden and Criminal Investigator Pension Plan:

The Wyoming State Patrol, Game and Fish Warden and Criminal Investigator Pension Plan provides retirement benefits to covered sworn officers of the Wyoming State Highway Patrol, law enforcement officers employed by the Wyoming State Game and Fish Department and sworn peace officers of the Division of Criminal Investigation. Member and employer contributions and earnings on investments fund benefits of the Plan.

The Plan statutorily requires participants to contribute 11.02% of their salary to the Plan and the State is required to contribute 11.33% of each participant's salary for a total contribution of 22.35%.

The Plan allows for normal retirement at age 50. The Plan provides retirement, disability and death benefits according to predetermined formulas. Terminating employees are entitled to a refund of employee contributions plus accumulated interest. The Plan also statutorily provides for an annual percentage increase in the benefit amounts beginning on July 1, after two full years of retirement, by the lesser of 2.25% or the cost of living as determined by the Board. State statutes provide for future annual percent increases in the benefit amount to be the greater of the cost of living as determined by the Board or the percentage determined actuarially sound by the System's actuary, up to 2.25% each year.

The maximum service pension is 75% of the highest average salary. The minimum years of service requirement for a monthly benefit are six years.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$101.1 million, an increase of \$10.1 million from 2009. Additions to the Plan's net assets held in trust for benefits include employer and member contributions and investment income. For the calendar year 2010, member and employer contributions totaled \$5.1 million, an increase from 2009 of \$111,914 or 2.2%. Contributions increased due to an increase in the average salary per member from \$73,104 to \$73,741. The Plan recognized a net investment gain of \$11.7 million for the year 2010 compared with net investment gain of \$16.5 million a year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$6.5 million, an increase from \$6.1 million or 6.7% a year earlier. For 2010, the costs of administering the Plan's benefits totaled \$48,843 compared to \$43,053 a year ago. Refunds to members terminating service and requesting a refund totaled \$316,269, a decrease from \$346,973 a year ago.

An actuarial valuation of the Plan's assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan decreased from 87.4% at January 1, 2010 to 84.1% at January 1, 2011. The amount by which the Plan's actuarial liabilities exceeded actuarial assets was \$20.2 million at January 1, 2011, compared to the amount by which the Plan's actuarial liabilities exceeded actuarial assets of \$15.3 million at January 1, 2010.

Volunteer Firemen's Pension Plan:

The Volunteer Firemen's Pension Plan provides retirement benefits to volunteer firemen who elect to participate in the Plan. Benefits of the Plan are funded by member contributions (\$12.50 per month), the fire insurance tax collected, and earnings on investments.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$60.6 million, an increase of \$5.7 million from 2009. Additions to the Plan's net assets held in trust for benefits include employee contributions, 50% of the gross annual tax collected on fire insurance premiums and investment income. For the calendar year 2010, member contributions totaled \$359,534, a decrease from 2009 of \$26,077 or 6.8%. The Plan recognized a net investment gain of \$7.0 million for the year 2010 compared with net investment gain of \$9.9 million a year earlier. This is due to the equity market.

The tax collected on fire insurance premiums totaled \$1,598,736 in 2010 compared to \$1,494,517 received in 2009.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$3.0 million, an increase from \$2.8 million or 7.2% a year earlier. The increase in benefits is due to the fact that there were more retirees being paid than in 2009. For 2010, the costs of administering the Plan's benefits totaled \$121,887 compared to \$106,079 a year earlier. Refunds to members terminating service and requesting a refund totaled \$100,905, a decrease from \$199,456 a year ago.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan decreased to 104.6% at January 1, 2011 from 108.9% at January 1, 2010. The amount by which the Plan actuarial assets exceeded actuarial liabilities was \$2.8 million at January 1, 2011, compared to the amount by which the Plan actuarial liabilities exceeded actuarial assets of \$5.2 million at January 1, 2010.

Paid Firemen's Pension Plan A:

The Paid Firemen's Pension Plan A is a defined benefit, contributory retirement plan covering paid firemen who were employed prior to July 1, 1981 and who elect to participate.

The Plan statutorily required participants to contribute 8% of their salary to a maximum not to exceed the salary of a Firemen First Class. Employers were required to contribute 21% of the salary. Effective April 1, 1997, required contributions have been suspended as the Plan has been determined to be actuarially overfunded. In 2008, actuaries determined the funding level to be at less than 100%. This Plan is being reviewed to determine the appropriate measures to take to ensure this plan is adequately funded, as it is a closed Plan.

The Plan statutorily provides retirement, disability, and death benefits according to predetermined formulas. The Plan also statutorily provides for an annual percentage increase in the benefit amounts beginning in the year following (12) months of payments by the lesser of 3% or the cost of living as determined to be actuarially sound not to exceed 3% per year. The cost of living adjustment provided to retirees is determined by the Board. In the event the current actuarial valuation indicates the market value of the assets is greater than one hundred fifteen percent (115%) of the actuarial liabilities, the Board may increase the benefits by an amount determined affordable by the actuary, but not greater than five percent (5) of the benefit. Participants may withdraw from the Plan at any time and receive refunds or participant contributions without interest.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$154.8 million, an increase of \$4.6 million from 2009. Additions to the Plan's net assets held in trust for benefits include only investment income. This Plan is a closed plan and the Board suspended contributions in April 1997. The Plan recognized a net investment gain of \$18.2 million for the year 2010 compared with a net investment gain of \$28 million a year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits and administrative expenses. For 2010, benefits totaled \$13.6 million, an increase from \$13.3 million or 2.6% a year earlier. The benefits continue to increase due to a 3% COLA in the current year. For 2010, the costs of administering the Plan's benefits totaled \$64,054 compared to \$60,827 a year ago. There were no refunds to members. As of July 1, 2001, all members of the Plan were eligible for a service retirement.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan was 85.6% compared to 91.2% at January 1, 2010. The amount by which the Plan's actuarial liabilities exceeded actuarial assets was \$28.2 million compared with actuarial liabilities exceeding actuarial assets of \$17.3 million one year ago.

Paid Firemen's Pension Plan B:

The Paid Firemen's Pension Plan B is a defined benefit, contributory retirement plan covering paid firemen who were employed on or after July 1, 1981 and who elect to participate.

The Plan statutorily requires participants to contribute 6% of their salary to the Plan and the employer is required to contribute 12% of each participant's salary.

The Plan provides retirement, disability and death benefits according to predetermined formulas. The Plan also statutorily provides for a percentage increase in the benefit amounts beginning July 1 after one full year of retirement, by the lesser of 3% or the cost of living as determined to be actuarially sound not to exceed 3% per year. The cost of living adjustment provided to retirees is determined by the Board. Participants may withdraw from the Plan at any time and receive refunds of participant contributions without interest.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$78.6 million, an increase of \$11.8 million from 2009. Additions to the Plan's net assets held in trust for benefits include employer and member contributions and investment income. For the calendar year 2010, member and employer contributions totaled \$4.5 million, an increase from 2009 of \$148,369 or 3.4%. The Plan recognized a net investment gain of \$8.9 million for the year 2010 compared with a net investment gain of \$11.9 million a year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$1,642,615, an increase from \$1,226,260 or 34% a year earlier. For 2010, the costs of administering the Plan's benefits totaled \$32,796 compared to \$27,732 a year ago. Refunds to members during 2010 totaled \$38,241 compared to \$37,898 a year earlier.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan decreased from 116.2% at January 1, 2010 to 115.7% at January 1, 2011. The amount by which the Plan actuarial assets exceeded actuarial liabilities was \$11.1 million at January 1, 2011, compared to the Plan actuarial liabilities exceeding actuarial assets of \$10.6 million at January 1, 2010.

Wyoming Judicial Pension Plan:

The Wyoming Judicial Pension Plan is a defined benefit, contributory plan covering any Justice of the Supreme Court, District Judge or County Court Judge appointed to any of these offices on or after July 1, 1998, and with no prior service as a Justice of the Supreme Court or District Judge at the time of the appointment. The Plan also covers any Justice or Judge who elects to participate.

The Plan statutorily requires participants to contribute 9.22% of their salary to the Plan and the employer is required to contribute 14.50% of each participant's salary.

The Plan statutorily provides retirement and death benefits according to predetermined amounts primarily determined by age and years of service of the participant. State Statute provides for future annual percentage increase in the benefit amounts beginning July 1, after one full year of retirement, by the lesser of 3% or the cost of living determined to be actuarially sound by not to exceed 3% per year. The cost of living adjustment provided to retirees is determined by the Board. (Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.)

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$15.3 million, an increase of \$2.2 million from 2009. Additions to the Plan's net assets held in trust for benefits include employer and member contributions and investment income. For the calendar year 2010, member and employer contributions totaled \$1,085,190, an increase from 2009 by \$33,093 or 3.2%. The plan recognized a net investment gain of \$1.7 million for the year ending 2010 compared to a net investment gain of \$2.3 million a year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$624,150, an increase from \$573,483 or 8.8%. For 2010, the cost of administering the Plan's assets totaled \$5,762 compared to \$4,821 a year ago. There were no refunds to members in 2010.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the actuarial value of Plan assets and the actuarial accrued liability were \$15,907,000 and \$14,656,651, respectively. The funded status of the plan increased from 108.2% at January 1, 2010 to 108.5% at January 1, 2011. The amount by which the Plan's actuarial assets exceeded actuarial liabilities was \$1.3 million at January 1, 2011, compared to \$1.1 million in actuarial liabilities over actuarial assets at January 1, 2010. The covered payroll for the Plan for 2010 was \$4.9 million. The ratio of the funding excess to covered payroll is 25.7%.

Law Enforcement Pension Plan:

The Wyoming Law Enforcement Pension Plan is a defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer, probation and parole agent, or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board.

The Plan statutorily requires participants to contribute 8.6% of their salary to the Plan and the employer is required to contribute 8.6% of each participant's salary.

The Plan statutorily provides retirement, disability and death benefits according to predetermined amounts primarily determined by salary, age and years of service of the participant. The Plan also statutorily provides for a percentage increase in the benefit amounts beginning July 1, after two full years of retirement by 2% each year. State Statutes provide for future annual percent increases in the benefit amount to be the greater of the cost of living as determined by the Board or the percentage determined actuarially sound by the System's actuary, up to 2% each year. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

The Plan's net assets held in trust for benefits at December 31, 2010 totaled \$391.0 million, an increase of \$52 million from 2009. Additions to the Plan's net assets held in trust for benefits include employer and member contributions and investment income. For the calendar year 2010, member and employer contributions totaled \$25.6 million, an increase from 2009 of \$2.4 million or 10.4%. The Plan recognized a net investment gain of \$44.7 million for the year 2010 compared to an investment gain of 60.6 million in 2009. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included mainly retirement and beneficiary benefits, administrative expenses and refunds to members terminating service. For 2010, benefits totaled \$15.8 million, an increase from \$14.2 million or 11.1%. For 2010, the costs of administering the Plan's benefits totaled \$219,040 compared to \$184,662 during 2009. There were \$2.8 million refunds in 2010 compared to \$2.5 million during 2009.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the funded status of the Plan was 99.9% compared to 102.2% a year earlier. The amount by which the Plan actuarial liabilities exceeded actuarial assets was \$0.6 million compared to the plan actuarial assets exceeding actuarial liabilities of \$8.3 million a year earlier.

Volunteer Emergency Medical Technician Pension Plan:

The Volunteer Emergency Medical Technician Pension Plan was created during the 2008 legislative session. The Plan provides retirement benefits to volunteer EMTs who elect to participate in the Plan. Benefits of the Plan are funded by member contributions (\$12.50 per month) and earnings on investments.

The Plan's net assets held in trust for benefit at December 31, 2010 was \$482,955 an increase of \$292,428 from 2009. Additions to the Plan's net assets held in trust for benefits include employee contributions and investment income. For the calendar year 2010, member contributions totaled \$23,963; a decrease from 2009 of \$5,499 or 18.7%. The Plan recognized a net investment gain of \$65,348 for the year 2010 compared to \$27,640 for the year earlier. This is due to the equity market.

Deductions from the Plan's net assets held in trust for benefits included only administrative expenses. For 2010, the costs of administering the Plan's benefits totaled \$6,458 compared to \$8,418 a year earlier. There were no benefits paid or refunds to members terminating service for 2010.

An actuarial valuation of the Plan's asset and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2011, the amount by which the Plan actuarial assets exceeded actuarial liabilities was \$66,297 compared to the Plan's actuarial liabilities exceeding actuarial assets of \$34,372 a year earlier. The funded status at January 1, 2011 for the plan was 117.8% compared to 83.6% a year ago.

Wyoming Deferred Compensation 457 Plan:

The Wyoming Deferred Compensation 457 Plan administered by the Wyoming Retirement System is an IRS section 457 Deferred Compensation Plan. This Plan is available as a supplemental plan to the basic retirement benefits of the Retirement System for employees of public employers who have adopted the 457 Plan. Contributions may be made into the Plan (subject to Plan and Internal Revenue Code limitations) by employees of participating employers sponsoring the Plan. Employer contributions may be made into the Plan at rates determined by the employers. There are 14,740 participants in the 457 Plan who are contributing through 242 employers.

Upon qualifying for distributions, benefits are paid out in lump sums, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The 457 Plan's account balances are fully vested to the participants at the time of deposit.

Investments in the 457 Plan are individually directed by Plan participants who direct the investment of their funds among Board approved investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options daily. Investments of the Plan are reported at fair value.

In addition to accepting employee deferrals, this Plan also accepts employer contributions on behalf of their employees, provided such contribution when added to the employees' contribution deferred does not exceed the maximum deferral permitted by the Plan. The State contributes \$20 a month per employee participating in the 457 Plan no matter the amount of the employee's contribution. The State contributed \$1,533,820 on behalf of its employees during the year ended December 31, 2010.

The Plans net assets held in trust for Plan participants at December 31, 2010 amounted to \$368.3 million compared to \$320.1 million a year earlier. Additions to the Plan net assets held in trust for Plan participants include contributions and investment income or loss. The Plan experienced a net increase in market value of \$31.3 million for the year 2010 compared to a net increase of \$40.5 million for 2009. Overall for the Plan, the estimated investment rate of return for 2010 was 9.1%. For the year 2010, contributions received totaled \$35.9 million compared to \$33.1 million for 2009. Deductions from the Plan net assets are mainly distributions to participants, and also administrative expenses. A participant may request a distribution upon severance of employment, retirement, or an unforeseeable emergency as defined by the IRS Code. For 2010, distributions totaled \$18.4 million compared to \$12.4 million in distributions paid out in 2009.

The cost of the Plan is paid for primarily with administrative fees. Administrative Revenue received totaled approximately \$1.6 million in 2010, which includes participant fees and rebates from investment managers, compared to \$1.3 million in 2009. In years when there is a surplus of participant fees, it is held in trust by WRS for future Plan expenses in periods of down markets. WRS receives a minimal amount of rebates from investment companies, which are also used to fund the costs of plan administration.

In addition to administrative fees, participants also pay fund operating expenses to the fund managers depending on the funds selected. These expenses are deducted daily before share prices are valued. The Plan's record keeper maintains an individual account for each participant to which deferrals and other changes in value are credited.

Administrative expense includes contracted services with the Plan record keeper, investment consultants, as well as other management functions performed by internal employees. The cost of administering the Plan during 2010 totaled \$1,479,744 including \$740,757 in fees paid for contracted services for record keeping and consulting compared to \$1,186,630 in 2009, which included \$578,166 in fees paid for contracted services.

The State's contributions as employer are as follows:

Employer Contributions				
	Public Employees Pension Plan	WY State Hwy Patrol, G&F Warden, and Criminal Investigator Retirement Plan	Wyoming Judicial Retirement Plan	Wyoming Law Enforcement Retirement Plan
Year Ended	Annual Required Contribution	Annual Required Contribution	Annual Required Contribution	Annual Required Contribution
Dec. 31				
2008	43,009,896	4,761,616	859,298	4,395,001
2009	44,874,453	5,009,928	1,052,097	4,998,749
2010	45,451,229	4,669,532	993,228	5,917,149

Contributions have been fully funded in the current and prior years. And equals the required contributions for the years then ended.

University of Wyoming

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, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

As of July 1, 2010, statutes require that 14.12% 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 12.69% of the employee's gross salary funded primarily through appropriations from the State Legislature. The employee contributes the remaining 1.43%. For the year ended June 30, 2011, the University's contribution to the WRS was \$7,292,945. Prior to July 1, 2010, the required contribution was 11.25% of which the University contributed the entire amount. The required contributions for the years ended June 30, 2009 and 2010 were \$6,417,228 and \$6,671,042, 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. As of July 1, 2010, TIAA-CREF also requires contributions of 14.12% 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 12.69% of the employee's gross salary with the employee contributing the remaining 1.43%. Contributions are funded as accrued and are immediately vested. The University's contribution for the year ended June 30, 2011 was \$14,575,561. Prior to July 1, 2010, the required contribution was 11.25% of which the University contributed the entire amount. The required contributions for the years ended June 30, 2009 and 2010 were \$12,603,101 and \$13,086,902, respectively.

Additionally, the University contributed 1% of benefited payroll to the State as a subsidy for retiree benefits. The contributions for the years ended June 30, 2009, 2010 and 2011 were \$1,024,905, \$649,967 and \$1,065,233, respectively. This amount included \$411,014 in excess contributions for the year ended June 30, 2009. These excess contributions reduced the contributions for the year ended June 30, 2010.

NOTE 11 Risk Management

Self-Insurance Funds

The State maintains two self-insurance plans: the State self-insurance program and the State employee medical, life, and dental insurance programs. Each of these plans is reported as an internal service fund. The University administers its own risk management program and reports a liability in the University funds. A brief description of each of the plans is provided below:

A. State Self Insurance Fund

Wyoming statute 1-41-103 created the State Self Insurance Fund to handle liability insurance claims brought against the State. The range of losses financed includes general liability, automobile liability, police liability, medical malpractice liability and civil rights. In addition, this plan covers peace officers liability for the political subdivisions within Wyoming. The State generally does not maintain reserves; losses are covered by a combination of appropriations from the State's general fund, Department of Transportation, Game & Fish Commission, and by assessing other State agencies a deductible of up to \$2,500 per claim when the agency is determined to be liable for the loss. The estimated liability for claims against the State including incurred but not reported claims is approximately \$6.8 million as of June 30, 2011. The claims liability estimate is based on an analysis of past, current and future estimated loss experience, a review of pending claims, an actuarial evaluation. Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The above estimate is not discounted and includes all claims adjustment expenses estimated necessary to properly settle the claim. There is no outstanding amount of claims for which annuity contracts have been purchased in the claimant's name as of June 30, 2011.

B. Group Insurance Fund

The State co-administers employee medical, life, and dental insurance with a third party administrator. The State self-insures medical costs and assumes all the risk for claims incurred by plan participants. Insurance providers solely administer the life insurance plan. The State does not retain any risk of loss under the life insurance plan, as the insurance provider of the plan assumes all the risk for claims incurred by the participants.

During the year ended June 30, 2011, the State contributed up to 85% a month for insurance premiums for each covered participant towards these plans. Participants are responsible for paying premium charges in excess of this amount. As of June 30, 2011, the medical claims liability including incurred but not reported claims is approximately \$15.7 million. A liability is recorded in the accompanying financial statements for the estimated claims liability. The claims liability estimate is based on an analysis of past, current and future estimated loss experience, a review of pending claims, an actuarial evaluation. Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. The above estimate is not discounted and includes all claims adjustment expenses estimated necessary to properly settle the claim. There is no outstanding amount of claims for which annuity contracts have been purchased in the claimant's name as of June 30, 2011. No significant reductions in insurance coverage were made in the last fiscal year.

C. University Risk Management

The University is 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 that include insurance for property and liability. Settlements have not exceeded insurance coverage in any of the past three fiscal years. The uninsured risk retention per occurrence/aggregate is \$100,000/\$200,000 for property and ranges from \$100,000 to \$1,000,000 for various liability risks. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The following is a reconciliation of the unpaid claims liability:

	State Self Insurance Fund		Group Insurance Fund		University of Wyoming	
	2010	2011	2010	2011	2010	2011
Claims Liability at Beginning of Fiscal Year	\$ 6,103,657	\$ 6,559,759	\$ 13,863,909	\$ 13,485,839	\$ 750,000	\$ 750,000
Current Year Claims & Changes in Estimates	4,148,483	5,601,996	166,609,941	192,522,827	135,060	150,177
Claim Payments	(3,692,381)	(5,321,151)	(166,988,011)	(190,353,503)	(135,060)	(150,177)
Claim Liability at End of Fiscal Year	\$ <u>6,559,759</u>	\$ <u>6,840,604</u>	\$ <u>13,485,839</u>	\$ <u>15,655,163</u>	\$ <u>750,000</u>	\$ <u>750,000</u>

The University included their unpaid claims liability under the caption of "Accounts Payable."

Insurance Enterprise and Public Entity Risk Pools

The State administers three insurance enterprises: workers' compensation insurance, the Wyoming health insurance pool, and the mine subsidence insurance which are reported in enterprise funds. None of these funds have acquisition costs, therefore, no cost is amortized for the period. Unpaid claims and claim adjustment expenses are estimated based on the ultimate cost of settling the claim, including the effects of inflation and other social and economic factors. These funds use the accrual basis of accounting. The insurance enterprises do not consider anticipated investment income in determining if a premium deficiency exists. A brief description of the insurance enterprises and the pool are provided below:

- A. Workers' Compensation Insurance Fund-** Wyoming statute 27-14-101-806 created the Wyoming Workers' Compensation Act (Act). This Act requires all employers engaged in extra hazardous employment to obtain liability coverage for the payment of benefits to employees for job related injuries and diseases through the Workers' Compensation Insurance Fund. Eligible employers complying with the provisions of the Act are generally protected from suit by employees. Employers not required by the Act to participate in this program may elect to do so at their option. As of June 30, 2011, there were 18,125 employers insured under this Act.

The fund is used to account for the State's Workers' Compensation program that provides time-loss, medical, and disability payments to qualifying individuals sustaining work-related injuries, or death benefits to dependent families if the worker were to die from such injuries. To fund these benefits, the State charges employers' monthly premiums based on rates it establishes for each employment classification, the employer's experience rating, and the total payroll for covered employees in each particular classification. The Act requires that rates be established at a level to maintain an actuarially sound insurance program. The State is working towards funding the workers' compensation liabilities by 2013 through premium rate adjustments.

An actuarial study has estimated the liabilities and the ultimate cost of settling claims that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liabilities, claims adjudication, and judgments, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are re-computed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic, legal and social factors.

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. The Department of Employment uses an undiscounted Workers' Compensation Insurance Fund balance when determining industry base rates for employer premiums. For consistency between the Department of Employment's Workers' Compensation Insurance Fund balance used for rate setting purposes and Workers' Compensation Insurance Fund balances shown in the CAFR, the Workers' Compensation Insurance Fund balance is shown at an undiscounted value. At June 30, 2011, approximately \$1,372 million of claims and adjustment expenses have been accrued. The State does not use reinsurance agreements, therefore the State retains full liability as the direct insurer.

B. Wyoming Health Insurance Fund

This fund is comprised of two programs: the Wyoming Health Insurance Pool and the Wyoming Small Employer Health Reinsurance Program.

Wyoming Health Insurance Pool (WHIP)

Wyoming statute 26-43 created the Wyoming Health Insurance Pool (Pool) for the purpose of providing health insurance for State residents. Qualifying State residents who are denied insurance by private carriers or leave coverage because of excessively high premiums or restrictive coverage may join the Pool. The Pool began providing health insurance coverage to participants on January 1, 1991. The statute creating the Pool contains a sunset provision that calls for the Pool to be terminated on June 30, 2011, unless authorization is continued. The State co-administers the Pool along with a third party insurance provider, Blue Cross Blue Shield of Wyoming; however, the Pool retains all risk of loss for claims filed by Pool participants. As of June 30, 2011, 953 residents were covered under the Pool. A copy of the Pool's financial report may be obtained by contacting Blue Cross Blue Shield of Wyoming in writing at 4000 House Avenue, Cheyenne, Wyoming 82001.

The Pool's liability exposure per participant is a maximum lifetime benefit of \$750,000 for one Plan and \$1,000,000 for an alternate Plan. Premiums are collected from Pool participants to pay Pool expenses; however, if such premiums are insufficient to meet expenditures, the State has the authority to assess all carriers who write health insurance policies in the State to cover Pool deficits.

The estimated liability for unpaid claims and loss adjustment expense is based on data developed by the Pool's third-party administrator. Since the Pool has limited historical experience of its own, industry experience is also considered in determining the estimated liability. The liability includes estimates of the costs to settle individual claims that have been reported, plus a provision for losses incurred but not yet reported. The undiscounted liability for unpaid claims and claim adjustment expenses is \$1,200,000 at June 30, 2011.

Wyoming Small Employer Health Reinsurance Program (WSEHRP)

Wyoming statute 26-19-301, et. seq. created the Wyoming Small Employer Health Insurance Availability Act (the Act). The purposes of the Act are to 1) promote the availability of accident and health insurance coverage to small employers, 2) to provide reinsurance as a mechanism to fairly share risk, and 3) to improve the efficiency and fairness of the small employer group accident and health insurance marketplace.

The WSEHRP (the Program) is created under Wyoming Statute 26-19-307. The program is funded by reinsurance premiums paid by participating carriers and assessments against all authorized insurers who pay premium taxes to the State of Wyoming. Each year the Program's net earnings are determined. If net earnings are negative (i.e. the Program has operated at a loss), the loss is recovered by assessments against all authorized insurers. An independent board determines each authorized insurer's assessment in accordance with statutory provisions. As of June 30, 2011, the Program is reinsuring 202 lives. Three whole group plans reinsure 6 lives and 121 individual plans reinsure 196 lives. A copy of the Pool's financial report may be obtained by contacting the Wyoming Department of Insurance at 106 East 6th Avenue, Cheyenne, Wyoming 82002.

The estimated liability for unpaid claims and loss adjustment expense is based on data maintained by the Program's reinsurance intermediary manager, Pool Administrators, Inc., Wethersfield, CT. The Program's claim loss reserve is made up of two amounts, one being claims payable and the other being claims incurred but not reported (IBNR). Claims payable are claims that have been submitted by carriers to the administrator for reimbursement but, as of the date of the financial statements, have not been paid. Claims incurred but not reported are estimated claims, based on the past experience of the Program, that have been incurred by the carriers participating in the Program that have not yet been submitted to the administrator for reimbursement. The basis for this estimate is a loss ratio applied to current earned premium. The Program is currently estimating incurred claims at a rate of 650% of premium. As of 12/31/2010 the claims payable balance was \$932,655 and the IBNR was estimated at \$6,818,758 for a total loss reserve balance of

\$7,804,260. As of 6/30/2011 the claims payable balance was \$582,201 and the IBNR was estimated at \$9,601,429 for a total loss reserve balance of \$10,183,630.

- C. Subsidence Insurance** - Wyoming statute 35-11-13 requires the Department of Environmental Quality (DEQ) to administer an insurance program to cover mine subsidence loss to specified structures in the State. The Wyoming Mine Subsidence Insurance Program provides insurance to any individual whose home or business exists over or near any underground mine in the State. On October 29, 1986, the DEQ received a funding grant from the Federal Department of Interior's Office of Surface Mining to assist with administrative and claim costs. A grouting program was initiated in Rock Springs in 1986. A cement type of material is used to fill those abandoned mines subject to the greatest risk of subsidence. As of June 30, 2011, there were 142 policyholders with in-force premiums. The insured value of these policies is \$14,951,658. There were no unresolved or pending claims as of June 30, 2011. This program had an actuarial valuation performed in 2009 that is used to determine that premiums charged to participants are sufficient to meet anticipated claim expense. This evaluation concluded that current premium rates are more than adequate to cover expected claims and expenses of the program.

The following table summarizes current period activity for the State insurance enterprise funds:

	Workers' Compensation Insurance Fund		Wyoming Health Insurance Fund	
	2010	2011	2010	2011
Claims Liability at Beginning of Fiscal Year	\$ 1,082,131,540	\$ 1,228,977,642	\$ 6,724,699	\$ 11,929,162
Incurred Claims & Claim Adjustment Expenses:				
Provisions for Insured Events of the Current Year	162,478,909	212,062,345	21,714,067	19,257,111
Increase in Provision for Insured Events of Prior Years	142,584,000	98,164,000	(1,307,057)	(4,323,888)
Total Incurred Claims & Claim Adjustments Expense	<u>305,062,909</u>	<u>310,226,345</u>	<u>20,407,010</u>	<u>14,933,223</u>
Claims & Claim Adjustment Expenses Attributable to Insured Events of Current Year	(39,814,333)	(46,354,199)	(10,712,422)	(12,174,384)
Claims & Claim Adjustment Expenses Attributable to Insured Events of Prior Year	<u>(118,402,474)</u>	<u>(120,424,744)</u>	<u>(4,490,125)</u>	<u>(3,304,371)</u>
Total Payments	<u>(158,216,807)</u>	<u>(166,778,943)</u>	<u>(15,202,547)</u>	<u>(15,478,755)</u>
Total Unpaid Claims & Claim Adjustment Expenses at End of Fiscal Year	\$ <u>1,228,977,642</u>	\$ <u>1,372,425,044</u>	\$ <u>11,929,162</u>	\$ <u>11,383,630</u>

NOTE 12 Governmental Fund Balances

A. Governmental Fund Balance Classifications

Implementation of GASB-54, *Fund Balance Reporting and Governmental Fund Type Definition*, brought about new classifications of fund balance for the governmental funds. The State's fund balances are now classified in a hierarchical structure with the following classifications: (1) Nonspendable—This classification represents fund balance that can never be spent (corpus) or fund balance that are not in spendable form (inventory, prepaids), (2) Restricted—this classification includes those balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, (trust agreement) or enabling legislation, (3) Committed—refers to fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the legislature and can only be removed by an action of the legislature, (4) Assigned—this fund balance classification includes amounts that have been constrained to being used for a specific purpose, but are neither restricted or committed, (5) Unassigned—fund balance is that portion of fund balance that is available for any purpose the government chooses.

B. Stabilization Fund (Rainy Day Fund)

GASB 54 states a government may set aside amounts for use in emergency situations or when revenue shortfalls or budgetary imbalances arise. Those amounts are subject to controls that dictate the circumstances under which they can be spent. Governments may have formal arrangements to maintain amounts for budget or revenue stabilization, working capital needs, contingencies or emergencies, and other titled purposes. The authority to set aside those amounts generally comes from statute, ordinance, resolution, charter, or constitution.

For purposes of reporting fund balance, stabilization is considered a specific purpose as defined in GASB 54 and should be reported as restricted or committed if they meet the above criteria. Because the State does not have a formal stabilization arrangement, the fund balance of the State's Rainy Day Fund—the Legislative Stabilization Reserve Account (LSRA) is presented in the General Fund as unassigned fund balance.

C. Minimum Fund Balance Policy

The State does not have a minimum fund balance policy. It is current policy for the general fund that at the end of each biennium, the unobligated, unspent portion of fund balance is swept to the LSRA account. Similarly, the State's Budget Reserve Account is swept to the LSRA as well, except for cash representing five percent of the total general fund revenues collected.

D. Policy on use of unrestricted fund balance

The State does not have a formal policy on the use of unrestricted fund balance and therefore adopts GASB 54 recommendation that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Below is a presentation of the fund balance classifications for the governmental funds:

	General	Foundation	Legislative	Common	Permanent	American		
	Fund	Program	Reserve	School	Mineral	Recovery and	Non-Major	
	Fund	Fund	Fund	Land	Trust	Reinvestment	Governmental	Totals
	Fund	Fund	Fund	Fund	Fund	Fund	Funds	
Fund Balance								
Nonspendable:								
Corpus	\$ 0	0	0	2,354,556,316	5,258,920,841	0	604,865,920	8,218,343,077
Loans Receivable	1,456,311	0	0	154,330	67,385,724	0	321,040,399	390,036,764
Prepays	8,615,783	0	0	0	0	0	193,825	8,809,608
Inventory	3,178,688	0	0	0	0	0	337,260	3,515,948
Restricted								
Cultural Resources	0	0	0	0	0	0	14,400,000	14,400,000
Resources	0	0	0	0	0	0	189,092,760	189,092,760
Health	0	0	0	0	0	0	155,871,881	155,871,881
Other	0	0	0	0	0	0	242,109,715	242,109,715
Education	0	138,371,193	0	0	0	0	13,408,940	151,780,133
Environment	0	0	0	0	0	0	5,652,078	5,652,078
Debt Service	0	0	0	0	0	0	3,402,381	3,402,381
Committed								
Business	0	0	0	0	0	0	32,547,485	32,547,485
Education	31,213,455	0	0	0	0	0	804,345,623	835,559,078
General Government	0	0	0	0	0	0	11,560,006	11,560,006
Employment	0	0	0	0	0	0	6,375,062	6,375,062
Local Government	0	0	0	0	0	0	26,826,852	26,826,852
Resources	2,827,725	0	0	0	0	0	464,525,703	467,353,428
Social Services	143,189	0	0	0	0	0	0	143,189
Health Services	6,244,356	0	0	0	0	0	0	6,244,356
Capital Outlay	41,887,613	0	0	0	0	0	115,088,545	156,976,158
Other	0	0	0	0	0	0	110,388,672	110,388,672
Assigned								
Business	1,541,143	0	0	0	0	0	0	1,541,143
Education	8,412,646	0	0	0	0	0	0	8,412,646
General Government	54,495,513	0	0	0	0	0	0	54,495,513
Health Services	28,821,345	0	0	0	0	0	0	28,821,345
Recreation and Res.	103,171,060	0	0	0	0	0	0	103,171,060
Law, Safety and Just	35,751,155	0	0	0	0	0	0	35,751,155
Employment	6,036,572	0	0	0	0	0	0	6,036,572
Social Services	13,869,802	0	0	0	0	0	0	13,869,802
Unassigned	1,870,738,287	0	0	0	0	0	0	1,870,738,287
Total Fund Equity	\$ 2,218,404,643	\$ 138,371,193	\$ 0	\$ 2,354,710,646	\$ 5,326,306,565	\$ 0	\$ 3,122,033,107	\$ 13,159,826,154

Note 13 Commitments and Contingencies

Federal Grants

Grant monies received and disbursed by the State are for specific purposes and are subject to audit by the grantor agency. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience and current knowledge, the State does not believe that such disallowances, if any, would have a material effect on the financial position or results of operations of the State.

School Capital Construction Commitments

As of June 30, 2011, the State has signed agreements for contracts/obligated amounts—totaling approximately \$384.6 million with school districts throughout the state that commit the State to provide funding for school district capital construction projects. As of June 30, 2011, approximately \$293.6 million was unexpended under these agreements.

Investment Commitments

The State has committed to provide funding to certain private equity and real estate investments. The State's total commitment amount is \$593 million. This includes \$560 million in capital for investment and up to \$33 million for management fees. The State had invested \$396.4 million in these investments at June 30, 2011.

Encumbrances

The State of Wyoming utilizes encumbrance accounting to identify fund obligations.

The following shows encumbrance within the restricted and committed fund balances of the governmental funds for the fiscal year ended June 30, 2011. These encumbrances have outstanding amounts of \$500,000 or greater.

General Fund	178,973,351
American Recovery & Reinvestment Act	53,712,500
Foundation Program Fund	4,784,978
NonMajor Governmental Funds	324,502,040

Wyoming Retirement System

At December 31, 2010, the System was committed to the future purchase of investments at an aggregate cost of \$217,579,204. The System leased a commercial office facility, under a non-cancelable lease agreement. Future minimum annual rental commitments are \$190,492 for each of the periods 2011-2012, 2012-2013 and 2013-2014. The lease agreement expires on June 30, 2014.

Wyoming Business Council

Loans approved by the Council's Board of Directors but undistributed as of June 30, 2011 totaled \$3,252,290. These will be funded out of the cash balance in the Economic Development Fund.

Wyoming Business Council—Transactions with the State

The Council pays for services provided by the State for certain phone service, computer processing, motor pool vehicles, State plane usage, loan exam services and central mail. Total amounts expended for these services for the year ended June 30, 2011 were \$275,821.

The Wyoming Office of Tourism pays the Council for certain support service in the areas of fiscal and contract compliance, human resources, payroll and information technology. The total amount received for these services for the year ended June 30, 2011 was \$150,000.

The Council has entered into several agreements with the University of Wyoming (UW) to fund various projects which include the Market Research Center, Research Product Center, Manufacturing-Works (formerly known as the Mid-

America Manufacturing Technical Centers), Small Business Development Centers, Small Business Innovation Research, Government Resources and Opportunities for Business (GRO-Biz), Technology Business Center and Small Business Technology Transfer programs. Total amounts expensed to UW for the year ended June 30, 2011 were \$3,162,453, of which \$435,560 is included in accounts payable as June 30, 2011. The Council is contingently liable for amounts remaining under these agreements in the amount of \$232,649 as of June 30, 2011.

The workforce housing special revenue fund was returned to the primary government in the amount of \$1,158,676.

Wyoming Business Council—Other commitments and contingencies

The Council has contracted and/or committed funds for various projects, services and other items arising in the normal course of operations. The amounts remaining to complete these commitments totaled \$51,505,652 as of June 30, 2011. These commitments will be funded by a combination of restricted net assets, State appropriations and Federal revenues.

Construction and Software Development Commitments

As of June 30, 2011, there were 151 uncompleted projects. The remaining commitment to complete these projects totaled approximately \$47,889,647. The completion costs will be financed by a combination of State appropriations and federal grants. The following table shows these construction projects summarized to an agency level.

Agency	Appropriation Amount	Expended Amount	Remaining Encumbrance	Remaining Balance to Obligate
Department of Education Software Development	\$ 1,821,635	\$ 1,821,635	\$ 0	0
Department of A&I Construction Projects	51,029,673	22,463,857	19,363,133	9,202,683
Military Department Construction Projects	20,494,180	14,797,890	556,703	5,139,587
Department of Revenue Software Development	9,960,000	7,651,536	1,723,194	585,270
Real Estate Commission Software Development	48,259	48,259	0	0
Department of Environmental Quality Software Development	7,231,655	6,532,114	699,539	2
Department of Audit Software Development	14,400	14,400	0	0
Public Service Commission Software Development	104,210	104,210	0	0
Department of Parks and Cultural Resources Construction Projects	9,638,102	5,387,002	301,899	3,949,201
Department of Employment Software Development	10,116,366	9,701,896	0	414,470
Department of Workforce Services Software Development	66,743	66,743	0	0
Department of Game and Fish Construction Projects	10,483,822	8,016,987	1,517,432	949,403
Fire Prevention & Electrical Safety Software Development	1,184,362	1,184,362	0	0
Dept of Health Construction Projects	4,597,518	3,057,661	436,713	1,103,144
Office of State Lands and Investments Software Development	4,453,134	2,505,860	1,947,274	0
Wyoming Tourism Board Software Development	70,238	70,238	0	0
Dept of Corrections Construction Projects	947,258	947,258	0	0
Supreme Court Software Development	302,151	302,151	0	0
	<u>\$ 132,563,706</u>	<u>\$ 84,674,059</u>	<u>\$ 26,545,887</u>	<u>\$ 21,343,760</u>

University of Wyoming

The University has contracted and/or appropriated funds for the planning and construction or maintenance of several facilities with an aggregate cost of approximately \$274,618,179. As of June 30, 2011, the remaining commitment to complete these projects totaled approximately \$55,980,741. These completion costs will be financed by a combination of State appropriations and private gifts and grants.

The University is a defendant in several lawsuits including various claims related to its normal operations. The University believes that final settlement of matters not covered by insurance will not materially affect its financial condition.

Department of Transportation

The Department of Transportation had outstanding commitments for highway construction and maintenance projects at September 30, 2010 of approximately \$307 million. A substantial portion of these commitments (\$233.9 million) will be funded by federal financial assistance as expenses are incurred.

Leases

The State is committed under various leases that are considered operating leases. The operating lease expenditures/expenses are recognized as incurred or paid.

Governmental funds rental expenditures under operating leases for the year ended June 30, 2011 were \$12,444,216. Future rental commitments for operating leases are as follows:

Year Ending June 30th	Governmental Fund Types	
2012	\$	11,742,214
2013		8,916,799
2014		7,378,434
2015		2,472,281
2016		1,424,690
Thereafter		24,402,705
	\$	<u>56,337,123</u>

Wyoming Business Council

The Council has entered into operating leases for office space and equipment. Expenditures or expenses on these leases are recognized as incurred. Total rent expenses for these operating leases for the year ended June 20, 2011 was \$181,877. Future rental payments for these operating leases are as follows:

Year Ending June 30th	Amount	
2012	\$	132,447
2013		11,079
2014		9,444
2015		7,765
2016		506
Total minimum payments	\$	<u>161,241</u>

Contingencies

Under the School District Bond Guarantee Program the Wyoming State Loan and Investment Board approved the guarantee of approximately \$36.3 million of bonds by the State through the year ended June 30, 2011. The State approved the following bonds as of June 30, 2011:

School Districts Approved	Issued Date	Issued Amount	Outstanding Bond Principle	Available for Future Guarantee
Big Horn County School District #3	June 1, 2001	\$ 2,310,000	\$ 215,000	
Fremont County School District #1	November 1, 2001	6,000,000	3,760,000	
Platte County School District #1	December 15, 1999	6,000,000	750,000	
Sweetwater County School District #2	June 15, 2009	6,225,000	1,685,000	
Washakie County School District #2	April 15, 2009	500,000	95,000	
Weston County School District #1	June 15, 2000	1,870,000	325,000	
		<u>\$ 22,905,000</u>	<u>\$ 6,830,000</u>	<u>\$ 293,170,000</u>

The Legislature has placed a \$300 million cap under the School District Bond Guarantee Program, of which \$293,170,000 is still available as noted above. This guarantee program only applies to refunding issues for bonds issued by school districts on or before November 1, 2001 and no longer applies to original issues after this date.

Wyoming Statute 35-11-1414, *Water Pollution from Underground Storage Tanks Corrective Action Act of 1990*, requires that the State establish a corrective action and financial responsibility account which is funded by mineral severance taxes as well as certain registration fees. In addition, this statute requires the Department of Environmental Quality to establish a prioritized list of sites contaminated by tanks and to take corrective action. As of June 30, 2011, 1,591 contaminated sites have been identified and 955 have been resolved. The State remediates contaminated sites as funding allows, and the statute limits the State's responsibility for clean-up costs to funding available in the corrective action accounts.

Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) became effective for the State for the year ended June 30, 2009, requiring governmental entities to recognize a liability for the future pollution remediation costs which meet obligating events criteria defined by GASB 49. The estimated pollution remediation obligation at June 30, 2011 is \$100,778,032.

The cost of remediating the sites discussed above has been estimated by the Department of Environmental Quality and is based on their experience in the remediation of previous sites.

The State is also a party to various legal proceedings arising in the normal course of business. The State believes that the outcome of these matters will not have a material adverse impact on the State's financial position or results of operations.

Wyoming Community Development Authority

At June 30, 2011, the Authority was committed to purchase single-family mortgages aggregating approximately \$684,000 under the 1978 Indenture, \$20,163,761 under the Warehouse Indenture, \$4,753,275 under various Federal Programs, and \$166,907 under the Housing Trust Fund.

The Authority has variable rate bonds outstanding in the 1978 Indenture of \$52,545,000 and in the 1994 Indenture of \$170,600,000. These bonds are subject to tender at par for repurchase by the Authority at the option of the bondholders; however, the Authority may remarket these bonds if they are tendered by the bondholders. As of June 30, 2011, the entire \$223,145,000 of the variable rate debt was subject to a repurchase commitment assumed by the Government Sponsored Entities (GSEs) of Fannie Mae and Freddie Mac, through a standby bond purchase agreement.

Under these agreements, the GSEs will purchase any bonds tendered by bondholders and not successfully remarketed by the settlement date, and will adjust the interest rate associated with any unremarketed bonds to a bank rate. As of June 30, 2011, no variable rate bonds were held as unremarketed bank bonds under the terms of a standby bond purchase agreement. The Authority uses a number of insurers for its mortgage receivables as noted in Note 4. The Authority requires private mortgage insurance (PMI) on some mortgages with coverage ranging from 30% to 50% of the outstanding balances. As of June 30, 2011, approximately 15% and 18% of the Authority's outstanding mortgage receivable balances were covered by PMI from Radian and Genworth, respectively.

In addition, the Authority has obtained pool insurance for its mortgage receivables. Pool insurance provides stop loss coverage of up to 5% of the covered balances with a .5% to 1% deductible. As of June 30, 2011, approximately 20% and 30% of the Authority's outstanding mortgage receivable balances were covered by pool insurance from Radian and Genworth, respectively.

Note 14 Subsequent Events

University of Wyoming

The Trustees of the University of Wyoming are discussing the issuance of Facilities Improvement and Refunding Revenue Bonds, Series 2011 pursuant to the provisions of Wyoming Statute §21-17-402 through §21-17-450, for the purpose of providing moneys: (i) to purchase, erect, alter, remodel, expand, improve, repair, furnish and equip buildings, improvements and facilities for use by the University of Wyoming, specifically a joint facility to be located at the University of Wyoming/Casper College Center located in Casper, Wyoming, (ii) to advance refund a portion of the issuer's outstanding Facilities Improvement Revenue Bonds, Series 2004, and (iii) to pay certain expenses in connection with the issuance of the Series 2011 Bonds. The Trustees are expected to approve the \$16,065,000 revenue bond issue at their regular board meeting in November, 2011.

Wyoming Business Council

The Council has entered into various agreements subsequent to June 30, 2011, primarily with local governments for economic development infrastructure projects and for energy efficiency projects during the period July 1, 2011 through June 30, 2017. These agreements are valued at up to but no more than \$18,999,399. These agreements will be funded by a combination of State appropriations and Federal revenue.

Subsequent to June 30, 2011, the Council approved the write-off of the \$19,469 of loans funded out of the economic development fund. These loans were fully reserved as of June 30, 2011.

Wyoming Community Development Authority

On June 24, 2011, the Authority instructed its trustee to call on July 13, 2011, bonds in the amount of \$34,905,000 from the 1994 Indenture.

On July 6, 2011, the Authority issued \$15,300,000 of Student Housing Revenue Bonds in conduit debt on behalf of the University of Wyoming.

On July 13, 2011, the Authority redeemed \$34,905,000 of bonds under the 1994 Indenture.

On August 23, 2011, the Authority issued \$87,000,000 of bonds under the 2009 Indenture, \$17,600,000 of these proceeds were used to refund the variable rate bonds in the 1994 Indenture on September 1, 2011.

On October 20, 2011, pursuant to the 1978 Indenture, the Authority replaced the Standby Irrevocable Temporary Credit and Liquidity Facility issued by Fannie Mae and Federal Home Loan Mortgage Corporation for a Substitute Liquidity Facility which is a Standby Bond Purchase Agreement among the Authority, the Trustee and Tender Agent, and Bank of America, N.A.

Note 15 New Pronouncements

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*

The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011, fiscal year 2013 for the State of Wyoming.

Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*

The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, fiscal year 2013 for the State of Wyoming.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011, fiscal year 2013 for the State of Wyoming.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011, fiscal year 2013 for the State of Wyoming.