

ANNUAL REPORT of the Treasurer

**of the
State of Wyoming**



**For the Period
July 1, 2003 through June 30, 2004**

Cynthia M. Lummis, State Treasurer
Sharon Garland, Deputy State Treasurer
Glenn Shaffer, Chief Investment Officer

TABLE OF CONTENTS

INTRODUCTION:	
Duties of the Office	3
Organizational Chart of State Treasurer's Office	4
FINANCIAL STATEMENTS:	
Balance Sheet	5
Statement of Cash Flows	6
Income Earnings Recognized on Investments.	7
INVESTMENTS:	
State Treasurer's Investment Summary	8
Report of the State Board of Deposits	9
Time Deposits - Wyoming Banks	10
Profits Realized from Internal Active Portfolio Management	11
Fixed Income - External Investment Managers	12
Realized Yield - External Fixed Income Managers Chart	13
Equities - External Investment Managers	14
Realized Yield - External Equity Managers Chart	15
Cash Management - External Investment Manager	16
Securities Lending Income	17
Market Performance Summary Analysis - All Investments	18
Investments by General Type	19
FUND BALANCES:	
Investment Account Balances	20
Permanent Land Funds: Corpus	21
Permanent Wyoming Mineral Trust Fund: Corpus	24
Legislatively Designated Investments	25
DISTRIBUTIONS:	
Federal Mineral Royalty Distribution	27
Distributions to Counties	28
Distributions to Cities & Towns	29
OTHER PROGRAMS:	
WYO-STAR (Municipal Investment Pool)	32
Wyoming Uniform Unclaimed Property	33
Capital Facilities Revenue Bonds	35
School District Bond Guarantee Program	36
Local Government Bond Guarantee Program	36
Wyoming College Achievement Plan	37
LEGISLATIVE AUTHORITY:	38
APPENDIX:	
Investment Income Chart	39
Investable Funds Chart	40

DUTIES OF THE OFFICE

The principal duty of the State Treasurer is to safeguard and to supervise or invest all the funds of the state, including the cash balance, the local government investment pool and the permanent funds. However, the State Treasurer has many other additional duties and currently serves on several boards and commissions as follows: 1) State Loan and Investment Board, 2) Board of Land Commissioners, 3) State Building Commission, 4) Wyoming Community Development Authority, 5) Board of Deposits, 6) State Canvassing Board, 7) Wyoming Retirement System Board of Directors, 8) On-line Government Commission and 9) Financial Advisory Council. The State Treasurer also serves as administrator of the Wyoming family college savings program.

Daily receipts from state agencies are reconciled and deposited for the agency. State warrants are redeemed from the bank each day and filed for reference. All available cash is deposited daily. A composite investment account composed of funds from the agencies, called the state agency pool, is invested daily with the interest going either to the general fund or to the fund that earned the interest. Interest on Permanent Land Funds goes either to an income fund or to the general fund. Permanent Mineral Trust Fund earnings are transferred annually to the general fund. The State Treasurer also has general responsibility for the management of the state's cash resources including developing information to forecast the cash needs of the state.

The State Treasurer has the duty of periodically sponsoring and holding training seminars for the benefit of local government treasurers to discuss proper and lawful investments according to Wyoming law.

The Wyoming Unclaimed Property Program is administered by the Treasurer. This involves holding unclaimed property for the rightful owners and making diligent efforts to locate those rightful owners.

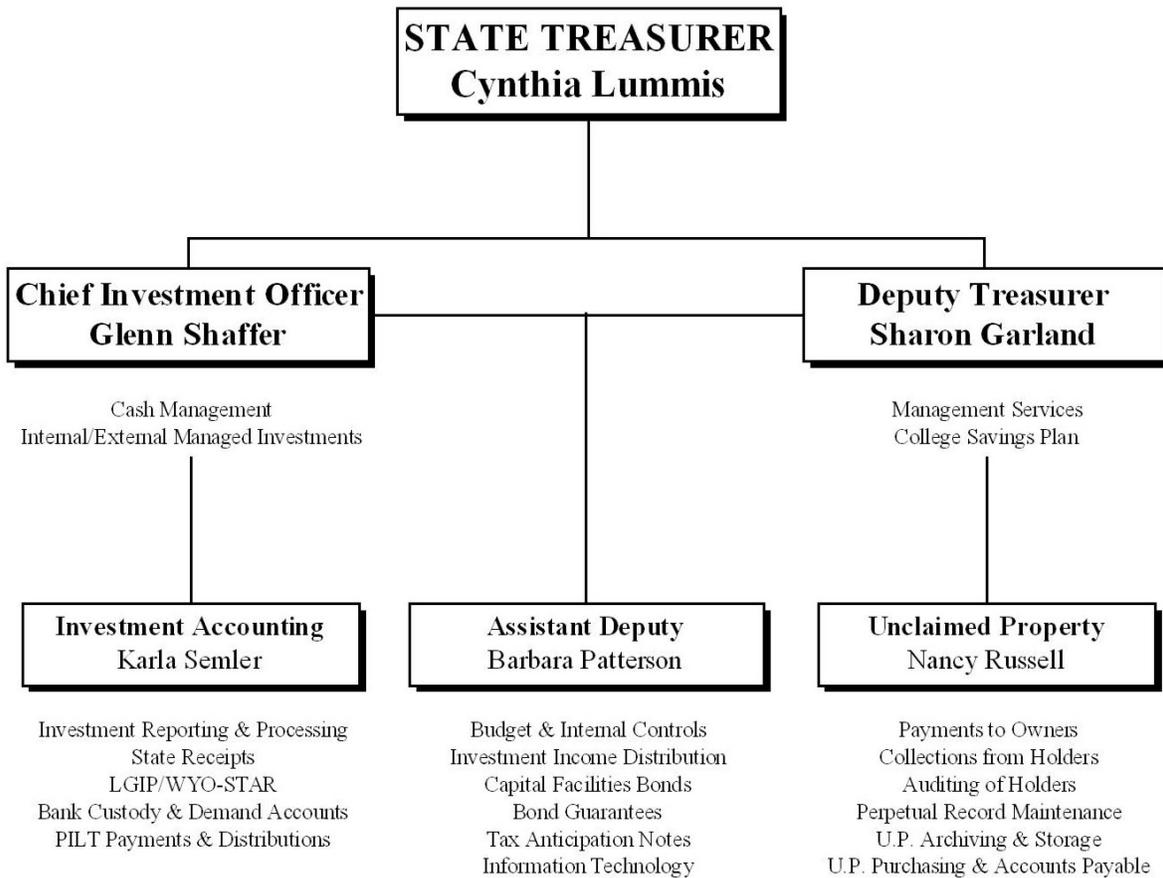
The Treasurer handles the deposit of funds in financial institutions within the state; notifies the financial institutions of quarterly rates set by the Board of Deposits, maturities, and payment of interest; and monitors collateral pledges under the provisions of the law.

The Treasurer administers the Wyoming State Treasurer's Asset Reserve (WYO-STAR) which is an investment pool for use by local government entities, school districts, counties and cities that wish to place funds with the state for short term investment.

Distributions of various state and federal monies are made as prescribed by law to cities, towns, counties, and state agencies.

The only automobile assigned to the office is S-4.

ORGANIZATIONAL CHART STATE TREASURER'S OFFICE
As of June 30, 2004



BALANCE SHEET
As Of June 30, 2004

ASSETS

Treasurer's Cash	\$11,033,304.38		
Cash with Fiscal Agent	<u>81,177,455.30</u>		\$92,210,759.68
Income Receivable	51,957,603.22		
Net Accrued Interest Receivable	<u>58,433,982.44</u>		110,391,585.66
State Investments @ Cost	5,614,912,820.81		
WYO-STAR Investments @ Cost	<u>276,183,613.27</u>		
Total Investments @ Cost		<u>5,891,096,434.08</u>	
TREASURER'S TOTAL ASSETS			<u><u>\$6,093,698,779.42</u></u>

LIABILITIES

Due to Local Government Entities (WYO-STAR income)	\$0.00
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EQUITY

State Investment Equity	\$5,656,898,434.90		
Bond Funds with Fiscal Agent	81,177,455.30		
Unapportioned Income	<u>79,439,275.95</u>		
Total State Equity		5,817,515,166.15	
WYO-STAR Participation		<u>276,183,613.27</u>	
TREASURER'S TOTAL LIABILITY & FUND EQUITY			<u><u>\$6,093,698,779.42</u></u>

STATEMENT OF CASH FLOWS

For Year Ended June 30, 2004

Cash flows from operating activities:

Receipts	1	\$3,991,191,335.75	
Less return items		<u>(3,645,491.40)</u>	
Net Cash receipts		3,987,545,844.35	
Decrease (increase) in Petty Cash		(35,395.00)	
Expenses			
Warrants redeemed	2	<u>(3,560,112,270.36)</u>	
Net Cash provided (used) by operating activities			\$427,398,178.99
Cash flow from investment operations:			
Cash Investment income received	3	222,590,590.38	
Net increase in investments & loans receivable		<u>(668,267,598.58)</u>	
Net Cash provided (used) by investment activities			<u>(445,677,008.20)</u>
Net increase (decrease) in Cash			(18,278,829.21)
Beginning Cash: July 1, 2003			<u>29,312,153.59</u>
Ending Cash: June 30, 2004			<u><u>\$11,033,324.38</u></u>

Notes:

- 1 Most income to the state is entered as a receipt by the receiving agency and is then processed through the State Treasurer's Office. The exception to this process is investment income, which is entered directly to the investment system and is apportioned later to the receiving agencies. The "receipt" total above represents only non-investment income.

Fiscal Year 2004 net cash receipts increased 10% compared to FY03.
- 2 The "warrants redeemed" total represents the amount paid by the State Treasurer to redeem warrants presented for payment during the fiscal year. Warrants redeemed cannot be equated to total expenditures as warrants may be written in one fiscal year and not presented for payment until the following fiscal year. Internal transfers between agencies, funds or accounts are not included in this total.

In Fiscal Year 2004 warrants redeemed increased 5.9% compared to FY03.
- 3 "Investment income received" represents the investment income actually received by the Treasurer during the fiscal year. Distributions do not normally exactly equal earnings because some income earned and received in one fiscal year may actually be distributed in the following fiscal year. This figure excludes non-cash items, but does include all state trading profits. Total investment income of \$245,474,739.45, less amortization and securities lending expense of \$22,884,149.07, equals cash income received.

INCOME EARNINGS RECOGNIZED ON INVESTMENTS
During Fiscal Year 2004

	REGULAR INVESTMENT INCOME	CASH POOL INTEREST 07/01 - 06/30	TOTAL INVESTMENT INCOME RECEIVED
Water Development	\$754,693.28	\$5,855,263.62	\$6,609,956.90
Worker's Compensation	14,959,221.30	8,500,351.49	\$23,459,572.79
Tobacco Settlement Trust Fund	2,340,543.02	281,405.34	\$2,621,948.36
Miners' Hospital Permanent Land Fund		967,871.64	\$967,871.64
Public Buildings @ Cap Permanent Land Fund *		8,049.28	\$8,049.28
Fish Hatchery Permanent Land Fund		8,690.57	\$8,690.57
Common School Permanent Land Fund	42,984,769.99	7,721,171.93	\$50,705,941.92
Common School II		196,378.22	\$196,378.22
D.D. & B. Permanent Land Fund *		29,331.04	\$29,331.04
Carey Act Permanent Land Fund *		9,935.24	\$9,935.24
Omnibus Permanent Land Fund *		138,887.64	\$138,887.64
State Hospital Permanent Land Fund *		30,252.05	\$30,252.05
State Training School Permanent Land Fund *		11,889.04	\$11,889.04
Penitentiary Permanent Land Fund *		56,017.22	\$56,017.22
Agriculture College Permanent Land Fund		225,967.27	\$225,967.27
University Permanent Land Fund		551,020.23	\$551,020.23
Permanent Mineral Trust Fund	83,993,755.80	18,924,007.97	\$102,917,763.77
Other Funds		56,925,266.27	\$56,925,266.27
	<u>\$145,032,983.39</u>	<u>\$100,441,756.06</u>	<u>\$245,474,739.45</u>
<u>Total Income - Treasurer's Investments</u>		<u>\$245,474,739.45</u>	

Note: Realized yield for all state investments is 4.65% for FY04. This is an approximation based on income recognized versus end-of-month investments at current amortized cost, and includes investment managers but excludes WYO-STAR.

* All or a portion of the investment income from these funds ultimately goes to the General Fund and is included in the \$28,716,913.21 General Fund Income.

STATE TREASURER'S INVESTMENT SUMMARY
As Of June 30, 2004

<u>INVESTMENT TYPE</u>	<u>COMMON SCHOOL PLF</u>	<u>WORKERS' COMPENSATION</u>	<u>MINERAL TRUST FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>	<u>STATE AGENCY POOL</u>	<u>WYO-STAR (LGIP)</u>
Discretionary Investments						
CMO/Remics	\$36,071,410.79	\$14,451,022.55	\$19,316,635.72		\$52,947,498.47	\$2,484,590.38
Commercial Mortgage Backed	1,202,526.72					
Corporate Bonds	102,837,703.16	\$105,316,437.34	193,296,356.60	4,782,734.64	113,802,918.61	
Discounted Notes						135,981,237.46
Government Bonds	310,496,610.53	183,776,387.07	905,404,407.26	\$41,974,624.34	1,446,960,483.87	51,267,431.85
Mortgage Backed	108,787.08					10,708,116.93
Municipal Bonds						
Mutual Funds	12,999,787.87		28,764,194.77			
Repurchase Agreements						75,389,000.00
STIF						1,085.28
Guaranteed Investment Contracts			26,437,565.84			
Deposits: Financial Institutions						
Bank Deposits-TDOA					9,200,000.00	
Cash/Receivables/Payables	(836.79)	2,110.68	(782.08)		(12.32)	352,151.37
Program Loans Authorized By State						
AG Loans					7,275,850.86	
Cities & Towns			10,022,184.15			
Clean Coal			7,000,000.00			
Community College Bonds	184,000.00					
Drainage Districts	29,500.00					
Farm Loans			49,002,716.36			
Irrigation Loans			9,558,083.73			
Joint Powers Loans			13,125,350.62			
Mortgage Purchase Program	2,114,307.06					
SBAA Program			1,350,653.27			
Special FLB Loans			423,088.40			
Student Loans						
Water Development Loans			25,065,168.98		279,500.00	
IDR Bonds			4,600,000.00			
Investment Managers						
Equity Managers	174,386,621.79	20,278,480.97	367,325,757.03		14,577,853.77	
Fixed Income Managers	228,894,432.58		120,293,439.45		948,916,005.63	
Cash Management						
Net Discount/Premium Not Yet Recognized	(14,657.56)	(9,486.55)	33,072.16	(736.65)	53,062.04	
	<u>\$869,310,193.23</u>	<u>\$323,814,952.06</u>	<u>\$1,781,017,892.26</u>	<u>\$46,756,622.33</u>	<u>\$2,594,013,160.93</u>	<u>\$276,183,613.27</u>

Note: As of 6/30/04, there were no investments specifically in the Water Development Pool.

REPORT OF THE STATE BOARD OF DEPOSITS

As of June 30, 2004

The State Loan & Investment Board, consisting of the five elected officials, met April 8, 2004 to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law. The Board meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter. All deposits in excess of the federally insured amount of \$100,000 are protected by a pledge of securities or mortgage loans to the State Treasurer as prescribed by statute.

The State Treasurer & the Department of Audit have determined that the parent & branches will be considered a single entity for FDIC Insurance, Time Deposit-Open Accounts (TDOA's), & other deposit programs. The parent bank will hold the depository relationship.

No Wyoming Banks were reported closed in Fiscal Year 2004.

The TDOA rate for all four quarters of fiscal year 2004 was set at 3.00%.

A 2004 amendment to W.S. 9-4-810 deleted the 3.00% floor for the rate of interest on public funds, which will allow the Board of Deposits more flexibility in setting the interest rate to be paid on Time Deposit Accounts. This amendment went into effect with the next interest rate change, which was July 1, 2004.

TDOA DEPOSITS IN WYOMING FEDERAL SAVINGS BANKS

1st Federal Savings Bank, Sheridan	\$2,000,000
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TDOA DEPOSITS IN WYOMING BANKS

First National Bank, Gillette	\$2,400,000
First National Bank, Laramie	\$1,800,000
Sundance State Bank.	\$1,100,000
First National Bank, Torrington	\$1,900,000
	\$9,200,000

TIME DEPOSIT HISTORY - WYOMING BANKS

Rates for Time Deposit-Open Account deposits are set quarterly by the State Board of Deposits. A total of \$307,318.32 in TDOA investment income was received in Fiscal Year 2004.

Year	BANKS			SAVINGS & LOANS		
	Amount	Rate		Amount	Rate	
		May	Nov		May	Nov
1976	\$37,930,000	5.25%	5.50%	\$3,970,000	5.50%	5.75%
1977	41,350,000	5.50%	6.00%	8,930,000	5.75%	6.25%
1978	46,180,000	6.50%	7.25%	15,300,000	6.75%	7.75%
1979	50,230,000	8.75%	10.00%	16,530,000	9.00%	10.25%
1980	56,050,000	12.75%	10.75%	18,530,000	13.00%	11.00%

The Board of Deposits ceased granting different interest rates effective January 1981. Banks and Federal savings banks have been allocated the same rate from that date to the present.

Year	DEPOSIT AMOUNTS		RATE			
	Banks	S&L	January	April	July	October
1981	\$59,860,000	\$19,675,000	11.50%	11.75%	12.50%	13.50%
1982	63,995,000	20,005,000	10.25%	12.50%	12.75%	9.75%
1983	67,760,000	20,500,000	9.25%	8.00%	8.25%	8.25%
1984	67,750,000	20,500,000	8.25%	8.50%	9.25%	9.25%
1985	67,950,000	20,500,000	8.50%	8.25%	7.25%	7.25%
1986	65,110,000	15,705,000	7.00%	6.75%	6.00%	5.00%
1987	59,210,000	16,075,000	5.00%	5.00%	5.75%	5.90%
1988	56,215,000	16,075,000	6.00%	5.75%	6.50%	7.50%
1989	44,241,000	16,112,000	8.00%	9.25%	8.70%	8.125%
1990	40,360,000	14,929,000	7.65%	7.60%	7.50%	7.50%
1991	39,182,000	9,516,000	7.25%	6.10%	5.70%	5.50%
1992	50,193,000	10,364,000	5.00%	4.50%	4.25%	3.75%
1993	50,437,000	9,390,000	3.25%	3.00%	3.00%	3.00%
1994	52,808,000	10,410,000	3.00%	3.125%	4.00%	4.50%
1995	64,772,000	13,333,000	5.30%	5.80%	5.80%	5.58%
1996	73,360,000	12,669,000	5.46%	5.12%	5.12%	5.23%
1997	82,625,000	12,109,000	5.16%	5.10%	5.25%	5.16%
1998	89,459,000	6,345,000	5.14%	5.22%	5.11%	5.08%
1999	87,581,000	5,850,000	4.42%	4.48%	5.14%	5.01%
2000	79,508,000	3,186,000	5.22%	5.14%	5.72%	5.94%
2001	54,750,000	3,700,000	6.49%	6.58%	4.37%	4.37%
2002	34,470,000	2,800,000	2.07%	1.62%	2.28%	3.00%
2003	9,000,000	2,000,000	2.28%	3.00%	3.25%	3.47%
2004	7,200,000	2,000,000	3.00%	3.00%	3.00%	3.00%

**PROFITS REALIZED
FROM
INTERNAL ACTIVE PORTFOLIO MANAGEMENT**

The state of Wyoming investment portfolio that is managed in-house continues to be actively managed. The entire portfolio of discretionary investments (those that are not subsidy investments mandated by the legislature) is monitored on a regular basis. Securities that have a market value in excess of book value (the adjusted price) are considered eligible for sale if the proceeds can be re-invested to the advantage of the overall portfolio. Sometimes the advantage may be in the form of increased yield, or it may be in the form of better liquidity or better quality. The bond market is constantly fluctuating, and bond trades can be made to take advantage of the market fluctuations, aberrations and trends. This has been made possible by the use of market information received minute-by-minute on the Bloomberg Financial System.

This was a year of challenges. Some trading resulted in losses while overall the trading was profitable. The following is a monthly summary of transactions made in FY2004. The dollar amounts listed do NOT include any additional income resulting from substituting different securities.

These figures do not include investment managers' trading.

<u>MONTH</u>	<u>TOTAL</u>	<u>STATE AGENCY POOL</u>	<u>COMMON SCHOOL PERMANENT LAND FUND</u>	<u>WORKERS COMP POOL</u>	<u>PERMANENT MINERAL TRUST FUND</u>	<u>TOBACCO SETTLEMENT FUND</u>	<u>EXCHANGE TRADED FUNDS</u>
July 2003	\$830,949.94	\$70,818.48	\$3,200.53	\$26,395.76	\$730,535.17	\$0.00	\$0.00
August	(\$981,664.29)	(995,909.12)	5,228.79	2,500.25	6,515.79	0.00	0.00
September	\$1,837,992.24	1,439,676.96	(11,055.26)	115,366.10	294,004.44	0.00	0.00
October	\$228,061.77	(157,786.82)	(7,431.28)	0.00	393,279.87	0.00	0.00
November	(\$1,062,253.26)	(2,218,791.30)	166,804.92	169,240.00	820,493.12	0.00	0.00
December	\$2,627,585.42	2,491,492.85	22,758.15	27,669.00	85,665.42	0.00	0.00
January 2004	\$704,291.02	343,665.31	19,830.77	153,650.76	187,144.18	0.00	0.00
February	\$856,255.34	214,034.20	76,618.71	32,770.97	532,831.46	0.00	0.00
March	\$885,713.54	163,332.60	486,296.64	0.00	236,084.30	0.00	0.00
April	(\$416,224.71)	357,566.95	(4,462.03)	13,551.82	(782,881.45)	0.00	0.00
May	(\$1,668,512.04)	0.00	(3,819.23)	0.00	(1,664,692.81)	0.00	0.00
June	(\$1,107,662.89)	0.00	(7,515.42)	0.00	(1,100,147.47)	0.00	0.00
	<u>\$2,734,532.08</u>	<u>\$1,708,100.11</u>	<u>\$746,455.29</u>	<u>\$541,144.66</u>	<u>(\$261,167.98)</u>	<u>\$0.00</u>	<u>\$0.00</u>

**FIXED INCOME
EXTERNAL INVESTMENT MANAGERS
As Of June 30, 2004**

Total Investments held	\$377,603,307.94
Cash + receivables/payables	<u>(12,875,672.26)</u>
Total Investments held	\$364,727,635.68
Income due to State Treasurer	<u>(961,909.88)</u>
Net Investments with Cash Management Manager	<u><u>\$363,765,725.80</u></u>

Income recognized (includes accruals/amortization)	<u><u>\$16,375,154.94</u></u>
Profit (loss) remitted to Treasurer for FY04	<u><u>\$830,620.33</u></u>

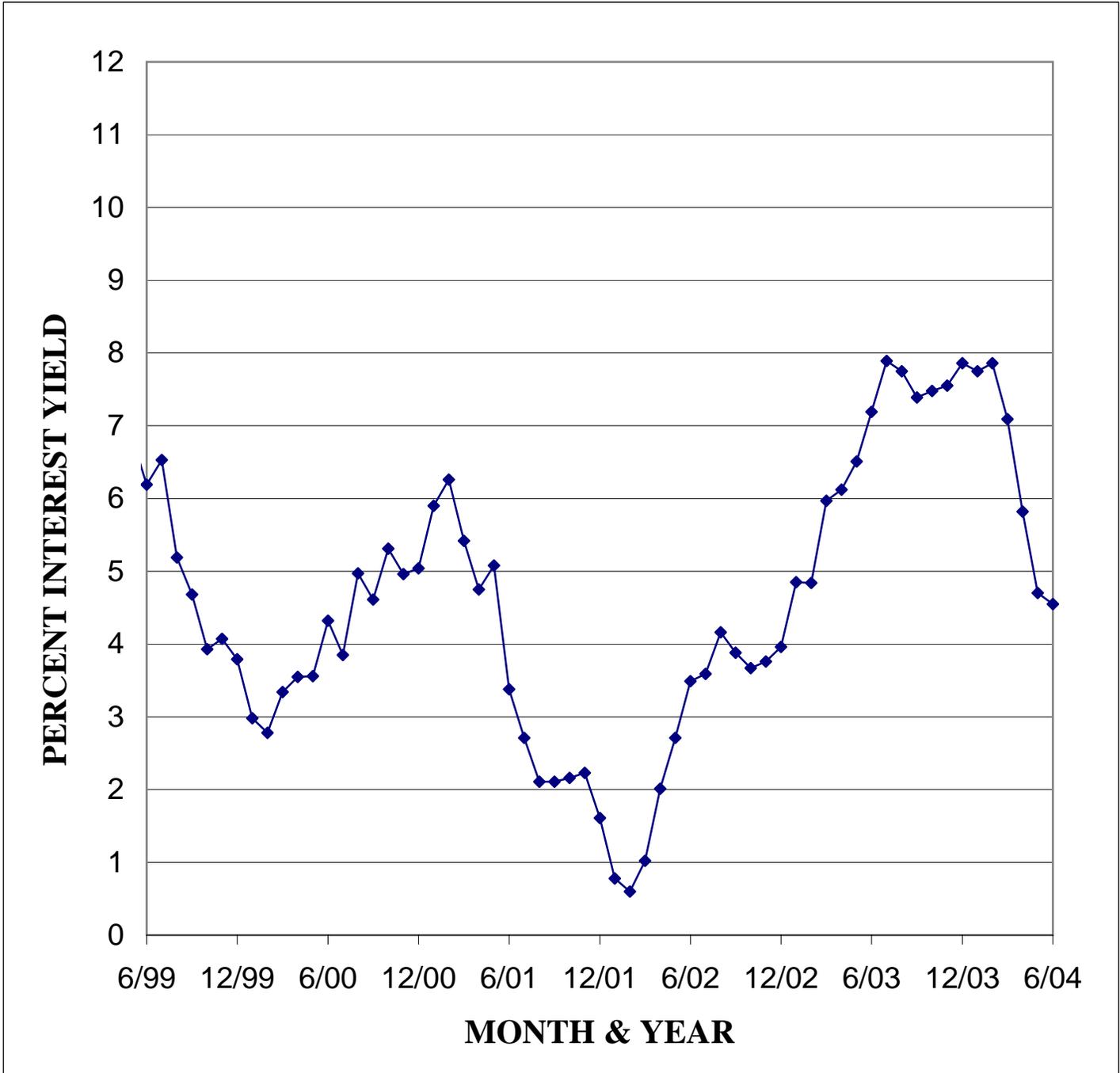
Realized yield FY04: 4.70%

The external fixed income manager return decreased significantly in FY04. This was largely due to interest rates being at long time lows and future interest rates expected to increase as the economy improves. Managers shortened duration, which lowers the short term return. As interest rates go back up and short duration securities mature, it is anticipated that the realized yield will also increase.

The return recognized through fixed income manager performance during FY04 was 4.70%, while the return recognized by the state investments as a whole was 4.65%.

Note: This report reflects the 2 fixed income managers in place as of 6/30/04 (WestAM and Western Asset Management), and 1 convertible bond manager (Nicholas Applegate) but does not reflect either JPM Fleming, which invests the state's operating funds, or the fixed income funds managed internally by the Treasurer's Office.

REALIZED YIELD EXTERNAL FIXED INCOME MANAGERS



EQUITIES
EXTERNAL INVESTMENT MANAGERS
As Of June 30, 2004

Total Investments held	\$563,864,300.08
Cash + receivables/payables	<u>(842,995.77)</u>
Total Investments held	\$563,021,304.31
Income due to State Treasurer	<u>(1,030,444.52)</u>
Net Investments with Fixed Income Managers	<u><u>\$561,990,859.79</u></u>

Income recognized by Treasurer	<u><u>\$7,305,727.47</u></u>
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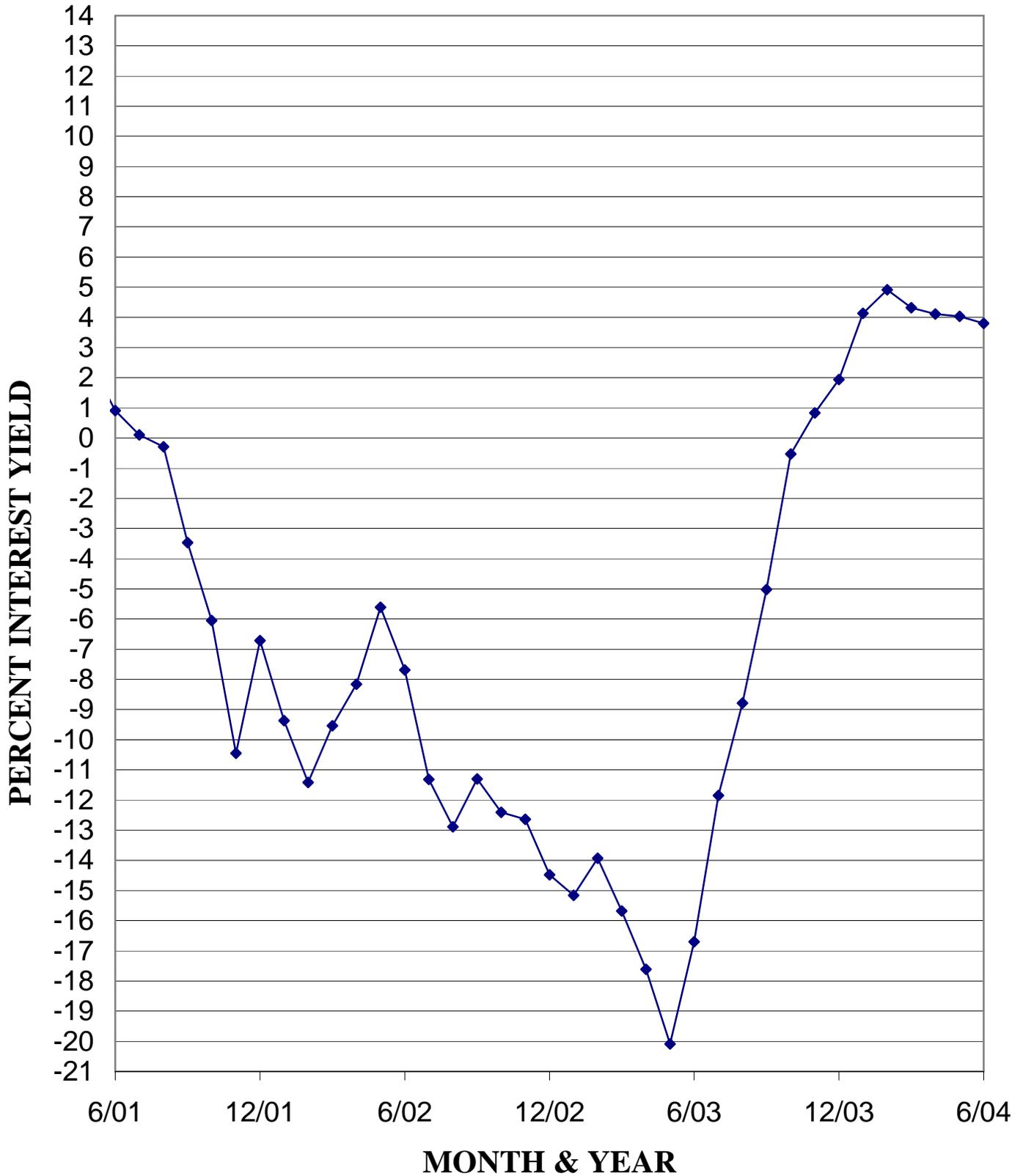
Profit (loss) remitted to Treasurer for FY04	<u><u>\$12,199,763.26</u></u>
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Realized yield FY04: 4.03%

The equity markets turned around and improved dramatically during FY04 after being down for three continuous years. The equity market was up approximately 19% during this time with small/mid cap equities outperforming large cap. Our realized yield for this asset class approached the external fixed income manager realized yield this year and is expected to be a large contributor to yield, especially in years when fixed income is struggling with rising interest rates.

Manager	Type	Specialty
Gabelli Asset Management	Domestic Equity	Small/Mid Cap Growth
John McStay Investment Counsel	Domestic Equity	Small/Mid Cap Value
State Street Global Advisors	Domestic Equity	S&P 500

REALIZED YIELD EXTERNAL EQUITY MANAGERS



**CASH MANAGEMENT
EXTERNAL INVESTMENT MANAGER
As Of June 30, 2004**

Total Investments held	\$949,849,559.90
Cash + receivables/payables	<u>33,055.44</u>
Total Investments held	\$949,882,615.34
Income due to State Treasurer	<u>(966,609.71)</u>
Net Investments with Cash Management Manager	<u><u>\$948,916,005.63</u></u>

Income recognized (includes accruals/amortization)	<u><u>\$12,734,970.54</u></u>
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Profit (loss) remitted to Treasurer for FY04	<u><u>\$256,284.26</u></u>
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Realized yield FY04: 1.21%

The State Treasurer retained an external cash manager several years ago to efficiently manage the cash portion of the investment assets. The external manager produces a return that is measured against a benchmark established by the State Loan and Investment Board with the advice of the Board's consultant. This portfolio is managed daily and fluctuates several times each day as cash activities occur. The realized return, again this year, was lower because short term rates were at 50 year lows with the fed funds rate at around 1%. While the realized return was lower during FY04, this return did meet investment expectations.

The use of an external manager allows internal management to concentrate on the greater portion of the State's investable funds and provides that diversification and transition of those assets is more professionally monitored. These funds are a part of the State Agency Pool. JPM Fleming Asset Management is the current manager of these funds.

SECURITIES LENDING INCOME

In cooperation with Key Bank and JP Morgan Chase Bank, Wyoming runs a very conservative & prudent securities lending program. Income from the overall program is allocated back to each fund from which the securities are loaned, & substantial additional income is achieved for the state of Wyoming.

	INCOME RECOGNIZED	JP Morgan Chase Bank SECURITIES LENDING EXPENSE	NET INCOME RECOGNIZED
Common School Permanent Land Fund	\$773,737.05	\$612,999.70	\$160,737.35
Permanent Mineral Trust Fund	\$1,949,571.52	1,339,837.72	609,733.80
Water Development Pool	\$0.00	0.00	0.00
Worker's Compensation Pool	\$157,421.66	132,397.37	25,024.29
Tobacco Settlement Fund	\$44,156.12	36,769.81	7,386.31
State Agency Pool	\$1,415,567.03	1,142,677.28	272,889.75
	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$4,340,453.38</u>	<u>\$3,264,681.88</u>	<u>\$1,075,771.50</u>
	INCOME RECOGNIZED	Key Bank SECURITIES LENDING EXPENSE	NET INCOME RECOGNIZED
Common School Permanent Land Fund	\$604,565.23	\$563,526.88	\$41,038.35
Permanent Mineral Trust Fund	\$1,216,471.52	1,132,169.63	84,301.89
Water Development Pool	\$0.00	0.00	0.00
Worker's Compensation Pool	\$327,964.33	304,945.90	23,018.43
Tobacco Settlement Fund	\$61,194.13	57,326.43	3,867.70
State Agency Pool	\$2,400,578.86	2,238,539.36	162,039.50
	<hr/>	<hr/>	<hr/>
TOTAL	<u>\$4,610,774.07</u>	<u>\$4,296,508.20</u>	<u>\$314,265.87</u>

Securities lending income is included in the total investment income reported for FY04.

MARKET PERFORMANCE SUMMARY ANALYSIS - ALL INVESTMENTS

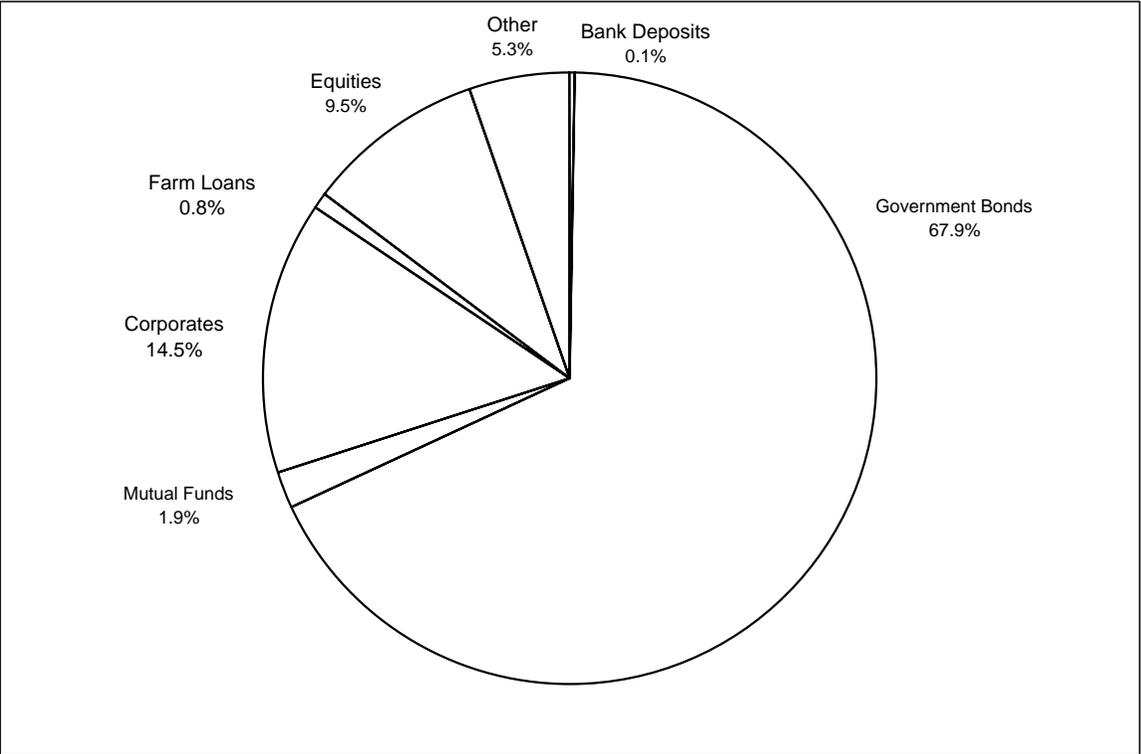
Manager/Investment Type	Market Value		Market Return		
	FY03	FY04	FY04	3 Year	5 Year
<u>Domestic Equity</u>					
John McStay	39.90	82.33	18.88	NA	NA
Gabelli	55.48	90.38	26.23	NA	NA
State Street Global Advisors	225.31	437.23	16.96	NA	NA
Total Domestic Equity	<u>\$320.69</u>	<u>\$609.94</u>			
<u>International Equity</u>					
Int'l Exchange Traded Funds	<u>0.00</u>	<u>43.04</u>	NA	NA	NA
<u>Domestic Fixed Income</u>					
WestAM	161.27	153.89	-0.07	5.52	6.71
Western Asset Management	159.27	152.78	1.27	6.61	7.17
Wyoming State Treasurer's Office	2,633.03	3,433.97			
	<u>2,953.57</u>	<u>3,740.64</u>			
<u>Convertible Bonds</u>					
Nicholas Applegate	<u>58.10</u>	<u>63.26</u>	19.96	3.31	NA
<u>Cash & Cash Equivalents</u>					
Chase & MD Sass Partners/ JP Morgan Fleming Asset Mgmt					
Operating Funds/Short-Term	1,327.32	810.37	1.07	1.73	3.42
Extended Cash	138.33	138.94	0.45	4.18	5.13
Total Cash Management	<u>\$1,465.65</u>	<u>\$949.31</u>			
<u>Private Equity</u>					
Cheyenne Equity Partners	<u>\$0.00</u>	<u>\$12.08</u>			
Total Funds	\$4,798.01	\$5,418.27	2.37	4.77	5.09

Benchmarks:

<i>Wyoming Custom Index</i>	1.94	5.35	5.80
<i>S&P 500</i>	19.10	-0.69	-2.20
<i>Russell 2500 Growth</i>	30.12	0.21	1.99
<i>Russell 2500 Value</i>	33.91	12.36	11.92
<i>MSCI EAFE</i>	32.85	4.25	0.40
<i>First Boston Convertibles</i>	14.60	5.00	5.72
<i>Lehman Aggregate</i>	0.32	6.36	6.95
<i>Lehman Govt/Credit</i>	(0.72)	6.73	7.10
<i>Lehman Govt/Credit Long</i>	(2.68)	8.35	8.17
<i>90 Day Treasury Bills</i>	0.98	1.71	3.30

Note: Returns are stated in traditional total return terms and do not specify realized income. The State of Wyoming has multiple goals: preservation of corpus and maximizing returns while meeting income targets.

INVESTMENTS BY GENERAL TYPE



Bank Deposits	0.1%	\$9,200,628.70
Government Bonds	67.9%	4,058,239,992.14
Mutual Funds	1.9%	111,603,180.21
Corporates	14.5%	865,150,719.99
Farm Loans	0.8%	49,425,804.76
Equities	9.5%	567,019,747.08
Other	<u>5.3%</u>	<u>314,567,162.32</u>
TOTAL	<u>100%</u>	<u><u>\$5,975,207,235.20</u></u>

This analysis includes Treasurer's in-house investments, WYO-STAR, funds with investment managers, and the funds held by fiscal agents. Percentages are calculated based on amortized cost. "Other" investments include Agricultural Loans, Small Business Administration Assistance Loans, Water Development Loans, etc.

INVESTMENT ACCOUNT BALANCES
As Of June 30, 2004

<u>FUND/ACCOUNT NAME</u>	<u>CASH & RECEIVABLES</u>	<u>INVESTMENTS</u>	<u>ACCOUNT BALANCE (Corpus)</u>
Miner's Hospital	\$25,167,230.36		\$25,167,230.36
Public Buildings At Capitol	440,741.69		440,741.69
Fish Hatchery	223,290.37		223,290.37
Common School	198,274,155.40 *	\$869,310,193.23 **	1,067,584,348.63
Common School II	5,000,000.00		5,000,000.00
D.D. & B. Asylum	813,836.58		813,836.58
Carey Act	201,487.41		201,487.41
Omnibus	5,134,680.19		5,134,680.19
State Hospital	974,400.21		974,400.21
State Training School	465,745.43		465,745.43
Penitentiary	1,704,138.14		1,704,138.14
Agricultural College	5,885,643.83		5,885,643.83
University	14,212,061.19		14,212,061.19
Subtotal-Permanent Land Fund	258,497,410.80	869,310,193.23	1,127,807,604.03
Mineral Trust Fund	471,374,469.38	1,781,017,892.26 **	2,252,392,361.64
Tobacco Settlement Fund	5,051,817.86	46,756,622.33	51,808,440.19
Subtotal-All Permanent Funds	734,923,698.04	2,697,084,707.82	3,432,008,405.86
Worker's Compensation	162,540,103.75	323,814,952.06 **	486,355,055.81
Water Development	152,272,842.36		152,272,842.36
TOTAL	\$1,049,736,644.15	\$3,020,899,659.88	\$4,070,636,304.03

* Does not include debt service deposit (\$57,984,859.00).

** All or a portion of these funds are now invested by Investment Managers, rather than directly invested by the State Treasurer.

“Cash and Receivables” is actually included with, and part of, the State Agency Pool investments. This investment Pool represents the cash balance of all funds and accounts for which specific investments have not been made. The State Agency Pool investments are not summarized in this report.

PERMANENT LAND FUND: CORPUS

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2003 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2004 CORPUS BALANCE</u>
<u>L01 MINERS' HOSPITAL</u>			
Beginning Balance	\$24,599,938.44		
Oil & Gas Lease Royalties		\$152,567.04	
Sodium & Trona Lease Royalties		192,327.03	
Surface Damage		998.40	
Inflation Proofing Income Diversion		221,399.45	
		<u>567,291.92</u>	
			<u>\$25,167,230.36</u>
 <u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$286,145.89		
Oil & Gas Lease Royalties		277,684.18	
Sand & Gravel Royalties		2,874.65	
Right-of-Way Easements		8,500.62	
Surface Damage		2,060.00	
Real Estate-Sales		10,901.04	
Per 2003 Session Laws Ch 131 Sec 332(v)		(150,000.00)	
Inflation Proofing Income Diversion		2,575.31	
		<u>154,595.80</u>	
			<u>\$440,741.69</u>
 <u>L03 FISH HATCHERY</u>			
Beginning Balance	\$221,060.82		
Oil & Gas Lease Royalties		240.00	
Inflation Proofing Income Diversion		1,989.55	
		<u>2,229.55</u>	
			<u>\$223,290.37</u>
 <u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$1,001,549,919.26		
Bentonite Lease Royalties		\$206,143.12	
Coal Lease Royalties		472,658.34	
Liquidated Damages		10,000.00	
Miscellaneous Mineral Lease Royalties		40,543.18	
Oil & Gas Lease Royalties		58,121,537.67	
Sand & Gravel Royalties		457,936.15	
Sodium & Trona Lease Royalties		4,633,150.95	
Right-of-Way Easements		718,164.77	
Uranium Lease Royalties		6,774.30	
Surface Damage		1,048,693.51	
Real Estate-Sales		318,827.38	
		<u>66,034,429.37</u>	
			<u>\$1,067,584,348.63</u>

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2003 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2004 CORPUS BALANCE</u>
<u>L14 COMMON SCHOOL II (1)(2)</u>			
Beginning Balance	\$5,000,000.00	0.00	
		<u>0.00</u>	<u>\$5,000,000.00</u>
<u>L05 DEAF, DUMB & BLIND</u>			
Beginning Balance	\$721,666.52		
Oil & Gas Lease Royalties		\$69,233.91	
Sand & Gravel Royalties		205.00	
Right-of-Way Easements		2,422.60	
Surface Damage		13,813.55	
Inflation Proofing Income Diversion		6,495.00	
		<u>92,170.06</u>	<u>\$813,836.58</u>
<u>L06 CAREY ACT</u>			
Beginning Balance	\$491,258.16		
Bentonite Lease Royalties		\$3,614.05	
Oil & Gas Lease Royalties		19,663.74	
Right-of-Way Easements		7,530.14	
Inflation Proofing Income Diversion		4,421.32	
Per 2003 Session Laws Ch 193 Sec 2		(325,000.00)	
		<u>(289,770.75)</u>	<u>\$201,487.41</u>
<u>L07 OMNIBUS</u>			
Beginning Balance	\$3,279,445.16		
Oil & Gas Lease Royalties		\$1,642,075.99	
Sand & Gravel Royalties		83,552.90	
Right-of-Way Easements		32,363.80	
Surface Damage		67,727.33	
Inflation Proofing Income Diversion		29,515.01	
		<u>1,855,235.03</u>	<u>\$5,134,680.19</u>
<u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	\$693,062.33		
Oil & Gas Lease Royalties		\$224,985.72	
Surface Damage		\$1,440.00	
Right-of-Way Easements		48,674.60	
Inflation Proofing Income Diversion		6,237.56	
		<u>281,337.88</u>	<u>\$974,400.21</u>
<u>L09 WYOMING STATE TRAINING SCHOOL</u>			
Beginning Balance	\$293,251.20		
Oil & Gas Lease Royalties		\$154,603.52	
Sand & Gravel Royalties		\$15,251.45	
Inflation Proofing Income Diversion		2,639.26	
		<u>172,494.23</u>	<u>\$465,745.43</u>

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2003</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2004</u> <u>CORPUS BALANCE</u>
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	\$1,350,902.15		
Oil & Gas Lease Royalties		\$279,696.35	
Right-of-Way Easements		44,308.09	
Surface Damage		14,073.43	
Real Estate-Sales		3,000.00	
Inflation Proofing Income Diversion		12,158.12	
		<u>353,235.99</u>	<u>\$1,704,138.14</u>
<u>L11 WYOMING STATE AGRICULTURE COLLEGE (1)</u>			
Beginning Balance	\$5,706,983.28		
Oil & Gas Lease Royalties		\$76,274.18	
Right-of-Way Easements		10,646.50	
Surface Damage		427.26	
Real Estate-Sales		39,949.76	
Inflation Proofing Income Diversion		51,362.85	
		<u>178,660.55</u>	<u>\$5,885,643.83</u>
<u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	\$13,991,514.95		
Oil & Gas Lease Royalties		\$87,771.00	
Right-of-Way Easements		\$2,003.61	
Surface Damage		4,848.00	
Inflation Proofing Income Diversion		125,923.63	
		<u>220,546.24</u>	<u>\$14,212,061.19</u>
NET INCREASE IN CORPUS		<u>\$69,622,455.87</u>	

(1) These funds are not available for appropriation.

(2) Common School PLFund II is listed separately from the "main" fund because the investment income from the first \$5.0 million of the Express Pipeline Easement monies is to go to the Education Trust Fund, rather than to the Common School Income Fund.

Revenue from above "sales" is the principal payment from the sale of state lands and from right-of-ways granted on state lands. "Royalties" is derived from oil and mineral leases on state lands.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS

	<u>JUNE 30, 2003</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2004</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$2,057,629,508.48		
Severance Tax			
Coal		33,056,488.49	
Stripper Oil		4,603,705.36	
Other Valuable Deposits		296,513.95	
Oil		14,036,044.77	
Gas		90,673,695.37	
Condensate-Gas		2,087,019.60	
Tertiary-Oil		9,385.62	
Per Session Laws 2004 Ch 95 Sec 303(a)		<u>50,000,000.00</u>	
TOTAL REVENUE ADDED TO CORPUS		<u><u>\$194,762,853.16</u></u>	
			<u>\$2,252,392,361.64</u>

LEGISLATIVELY DESIGNATED INVESTMENTS

As of June 30, 2004

Legislatively Designated Investments are investments of state funds for a specific public purpose, other than investments in accordance with state investment policy under W.S. 9-4-709, 9-4-711 or 9-4-831, which are authorized or directed by the legislature in law. Total LDI investments of permanent funds of the state shall not exceed \$500 million. Prior to the convening of each general session of the legislature, the State Treasurer shall, after consultation with the State Loan and Investment Board, recommend to the Select Committee on Capital Financing and Investments whether any adjustment should be made in the limitation. The Treasurer closely monitors the outstanding balances of all LDI's to ensure the statutory limitation is not exceeded. Most LDI's are from the Permanent Mineral Trust Fund.

<u>Program</u>	<u>See Notes next page</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
Farm Loans	A	\$275,000,000	\$49,002,716	\$ 225,997,284
Irrigation Loans	B	20,000,000	9,558,084	10,441,916
Joint Powers Loans	C	30,000,000	13,125,351	16,874,649
Student Loans	D	25,000,000	0	25,000,000
Small Business Assistance & FmHA Ag Loans	E	55,000,000	8,626,504	46,373,496
Hot Springs State Park	F	2,000,000	423,088	1,576,912
Clean Coal Investments	G	20,700,000	7,000,000	0
Shoshone Municipal Pipeline Treatment Plant	H	16,500,000	14,630,198	0
Sheridan Area Water Treatment Project	I	6,750,000	6,513,168	0
Sherard Water Treatment Plant (Cheyenne Water Treatment Plant)	J	28,000,000	3,921,803	0
Laramie Territorial Park Loan	K	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	L	2,000,000	22,184	1,977,816
Industrial Development Bonds	M	100,000,000	4,600,000	95,400,000
		<u>\$590,950,000</u>	<u>\$127,423,096</u>	<u>\$ 423,642,073</u>

In addition to the LDI's listed above, the following statutory commitments have been made

Student Loan Stand-By Commitment	N	175,000,000	0	175,000,000
Wyoming Community Development Authority Mortgage Bonds	O	25,000,000	2,114,307	0

Also, there are statutory loans from the general fund as follows:

Wyoming Gas Pipeline Authority	P	279,500	279,500	0
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LEGISLATIVELY DESIGNATED INVESTMENTS - cont'd

NOTES:

- (A) Farm loans under W.S. 11-34-129;
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109;
- (D) W.S. 9-4-701(f), student loans;
- (E) W.S. 9-4-701(e), guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration loans;
- (F) Hot Springs state park loans under W.S. 36-8-318;
- (G) W.S. 9-4-701(a)(iv)(C), clean coal technology;
- (H) Shoshone municipal water treatment project under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (I) Sheridan area water treatment project under 1989 Wyoming Session Laws, Chapter 230, as amended;
- (J) Cheyenne water plant project under 1998 Wyoming Sessions Laws, chapter 104, as amended.
- (K) Laramie territorial park under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (L) W.S. 9-4-701(m), deferred property taxes;
- (M) W.S. 9-4-701(q), industrial development bonds;
- (N) W.S. 21-16-714, Student Loan Stand-By Commitment. This would be an investment only if it were needed to cover a default in the Student Loan Program. There has been no such incident since the legislation was established. The current outstanding commitment is \$145.0 million.
- (O) Purchase of up to \$100 million WCDA bonds was authorized from the Common School Permanent Land Fund; however, the authorization period ended with only \$25 million actually used.
- (P) 2003 Session Laws, SF 0085, Enrolled Act No. 55, Chapter 171, Section 4 - \$279,500

FEDERAL MINERAL ROYALTY DISTRIBUTION

	UNDER 200 MILLION %	FY 03 ADJUSTMENTS	OVER 200 MILLION DIST FY03-9/15/03	DISTRIBUTIONS MADE IN FY 04	OVER 200 MILLION DIST FY04-9/15/04	TOTAL FY04 ROYALTY MONEY DISTRIBUTED
Cities & Towns	9.375%	\$0.00	\$0.00	\$18,562,500.00	\$0.00	\$18,562,500.00
University Of Wyoming	6.750%	0.00	0.00	13,365,000.00	0.00	\$13,365,000.00
Foundation Fund	44.800%	11,083.49	40,362,610.94	205,521,588.00	19,890,661.71	\$185,038,555.28
Capitol Fac Rev Bds Series 1992		0.00	0.00	645,000.00	0.00	\$645,000.00
Capitol Fac Rev Bds Series 1993		0.00	0.00	150,000.00	0.00	\$150,000.00
Capitol Fac Rev Bds Series 1994		0.00	0.00	4,165,000.00	0.00	\$4,165,000.00
Capitol Fac Rev Bds Series 2002				1,092,106.43		\$1,092,106.43
Highway Fund	30.375%	0.00	0.00	60,142,500.00	0.00	\$60,142,500.00
Highway Fund State Roads	2.250%	0.00	0.00	4,455,000.00	0.00	\$4,455,000.00
Cities, Counties & Special Districts Capital Const.	3.750%	0.00	0.00	7,425,000.00	0.00	\$7,425,000.00
School Districts - Grants	2.700%	0.00	0.00	5,346,000.00	0.00	\$5,346,000.00
1% General Fund			-	2,000,000.00		\$2,000,000.00
Budget Reserve Account		22,160.34	48,615,786.53	48,637,946.87	204,711,903.72	\$204,711,903.72
TOTAL	100.00%	\$33,243.83	\$88,978,397.47	\$371,507,641.30	\$224,602,565.43	\$507,098,565.43
Bonus Payments						
Cities, Counties & Special Districts Capital Const.		0.00	0.00	5,625,000.00	0.00	5,625,000.00
School Capital Construction		0.00	0.00	38,168,047.37	0.00	38,168,047.37
Legislative Royalty Impact		0.00	0.00	0.00	0.00	0.00
Community College Commission		0.00	0.00	1,600,000.00	0.00	1,600,000.00
Highway Funds			0.00	1,875,000.00	0.00	1,875,000.00
TOTAL			\$0.00	\$47,268,047.37	\$0.00	\$47,268,047.37
GRAND TOTAL		33,243.83	88,978,397.47	418,775,688.67	224,602,565.43	554,366,612.80

Notes: Distribution FY04 less FY03 Over 200 Million, less FY03 adjustments plus FY04 "over 200 million" = Total FY04 royalty money distributed.
The "over 200 million FY 04" distribution was completed 9/04.

Mineral Royalties are distributed quarterly to Cities & Towns & quarterly to State Agencies & monthly to the Foundation Fund.

Distributions are based on estimated income determined by the Consensus Revenue Estimating Group (CREG). In September of each year, adjustments are made to reflect actual receipts.

DISTRIBUTIONS TO COUNTIES

COUNTIES	RAILROAD	VETERANS'	US FOREST	TAYLOR	SEVERANCE TAX	LIVESTOCK	INDIAN	TOTAL
	CAR TAX	EXEMPTION	RESERVE	GRAZING ACT	DISTRIBUTION	PREDATORY	EXEMPTION	
	W.S.39-13-103	W.S.39-13-103	W.S. 9-4-501	W.S. 9-4-401	W.S. 39-14-211	ANIMAL	W.S. 31-3-101	
						CONTROL FEES		
						W.S. 11-6-210		
Albany	\$187,822.00	\$44,733.65	\$174,740.69	\$28,517.94	\$346,293.14	\$29,064.79	0.0	\$811,172.21
Big Horn	59,805.00	18,401.07	94,035.50	8,906.33	176,731.96	21,148.53	0.0	379,028.39
Campbell	176,053.00	28,027.16	0.00	52,124.64	361,747.32	36,422.15	0.0	654,374.27
Carbon	165,485.00	18,013.40	291,510.06	32,162.12	143,020.68	36,589.18	0.0	686,780.44
Converse	230,093.00	17,489.08	34,720.79	19,136.25	143,604.06	32,528.36	0.0	477,571.54
Crook	19,215.00	18,745.65	435,485.66	12,438.81	158,721.26	38,861.60	0.0	683,467.98
Fremont	37,949.00	66,443.48	119,146.04	27,044.89	362,294.77	21,035.03	\$153,341.44	787,254.65
Goshen	165,485.00	32,988.23	0.00	4,092.79	215,115.45	18,412.74	0.00	436,094.21
Hot Springs	24,018.00	19,339.43	6,200.13	8,227.00	133,476.38	8,224.73	766.25	200,251.92
Johnson	0.00	26,988.39	87,525.35	43,577.74	158,700.04	41,896.73	0.00	358,688.25
Laramie	285,095.00	216,857.71	0.00	9,440.33	858,772.47	10,613.16	0.00	1,380,778.67
Lincoln	101,116.00	19,347.41	155,106.87	9,230.97	170,373.22	37,522.32	0.00	492,696.79
Natrona	66,770.00	91,075.47	2,583.39	107,928.75	680,125.99	23,091.24	0.00	971,574.84
Niobrara	90,788.00	4,634.45	0.00	18,160.59	240,930.19	30,715.34	0.00	385,228.57
Park	37,468.00	48,769.04	203,571.35	18,236.96	289,454.81	20,475.73	0.00	617,975.89
Platte	91,989.00	27,164.76	516.67	10,882.93	164,718.29	21,750.69	0.00	317,022.34
Sheridan	85,024.00	74,126.97	105,402.42	4,385.01	314,638.96	28,825.88	0.00	612,403.24
Sublette	0.00	10,680.36	190,964.38	12,476.83	74,857.00	20,758.41	0.00	309,736.98
Sweetwater	322,323.00	44,422.59	21,493.82	52,817.29	326,677.15	12,261.29	0.00	779,995.14
Teton	0.00	11,927.44	282,416.50	220.80	268,934.33	0.00	0.00	563,499.07
Uinta	142,668.00	20,412.21	16,430.37	9,904.71	202,489.75	35,838.11	0.00	427,743.15
Washakie	21,856.00	13,992.82	9,610.21	9,187.46	169,798.09	33,600.41	0.00	258,044.99
Weston	90,788.00	18,101.33	19,323.77	17,968.88	169,993.15	21,396.65	0.00	337,571.78
GRAND TOTAL	\$2,401,810.00	\$892,682.10	\$2,250,783.97	\$517,070.02	\$6,131,468.46	\$581,033.07	\$154,107.69	\$12,928,955.31

DISTRIBUTIONS TO CITIES & TOWNS

<u>CITY/TOWN</u>	<u>POPULATION</u>	<u>SEVERANCE TAX W.S. 39-14-801</u>	<u>FEDERAL MINERAL ROYALTY W.S. 9-4-601</u>	<u>TOTAL</u>
Afton	1,818	\$79,259.08	\$171,878.49	\$251,137.57
Albin	120	5,231.61	18,052.15	\$23,283.76
Alpine	550	23,978.28	62,460.48	\$86,438.76
Baggs	348	15,171.70	28,220.34	\$43,392.04
Bairoil	97	4,228.88	16,429.88	\$20,658.76
Bar Nunn	936	40,806.65	53,348.16	\$94,154.81
Basin	1,238	53,972.91	92,608.76	\$146,581.67
Bear River	441	19,226.22	41,732.02	\$60,958.24
Big Piney	408	17,787.50	53,257.02	\$71,044.52
Buffalo	3,900	170,027.73	251,076.32	\$421,104.05
Burlington	250	10,899.20	27,672.18	\$38,571.38
Burns	285	12,425.10	26,373.90	\$38,799.00
Byron	557	24,283.46	49,917.64	\$74,201.10
Casper	49,644	2,164,322.28	2,048,927.18	\$4,213,249.46
Cheyenne	53,011	2,311,112.89	2,688,594.78	\$4,999,707.67
Chugwater	244	10,637.64	26,506.36	\$37,144.00
Clearmont	115	5,013.65	17,473.98	\$22,487.63
Cody	8,835	385,178.22	510,407.18	\$895,585.40
Cokeville	506	22,060.02	58,663.64	\$80,723.66
Cowley	560	24,414.23	50,105.72	\$74,519.95
Dayton	678	29,558.67	47,272.64	\$76,831.31
Deaver	177	7,716.65	23,095.92	\$30,812.57
Diamondville	716	31,215.35	76,784.90	\$108,000.25
Dixon	79	3,444.16	15,001.16	\$18,445.32
Douglas	5,288	230,540.17	332,721.76	\$563,261.93
Dubois	964	42,027.37	83,220.92	\$125,248.29
East Thermopolis	274	11,945.54	23,554.88	\$35,500.42
Edgerton	169	7,367.88	18,923.98	\$26,291.86
Elk Mountain	192	8,370.60	19,293.96	\$27,664.56
Encampment	443	19,313.42	31,829.30	\$51,142.72
Evanston	11,507	501,669.03	712,518.00	\$1,214,187.03
Evansville	2,255	98,310.92	107,387.92	\$208,733.79
Fort Laramie	243	10,594.04	25,383.86	\$35,977.90
Frannie	209	9,111.74	24,909.96	\$34,021.70
Gillette	20,238	882,313.15	1,383,261.42	\$2,265,574.57
Glendo	229	9,983.69	25,614.58	\$35,598.27
Glenrock	2,231	97,264.58	149,046.36	\$246,310.94
Granger	146	6,365.14	18,667.70	\$25,032.84
Green River	11,808	514,791.67	554,261.74	\$1,069,053.41
Greybull	1,815	79,128.29	128,780.14	\$207,908.43
Guernsey	1,147	50,005.59	83,191.78	\$133,197.37
Hanna	873	38,060.05	48,164.74	\$86,224.79

<u>CITY/TOWN</u>	<u>POPULATION</u>	SEVERANCE TAX W.S. 39-14-801	FEDERAL MINERAL ROYALTY W.S. 9-4-601	TOTAL
Hartville	76	3,313.36	16,518.36	\$19,831.72
Hudson	407	17,743.93	43,802.78	\$61,546.71
Hulett	408	17,787.50	50,661.32	\$68,448.82
Jackson	8,647	376,982.00	451,691.60	\$828,673.60
Kaycee	249	10,855.61	27,072.58	\$37,928.19
Kemmerer	2,651	115,575.26	243,759.52	\$359,334.78
Kirby	57	2,485.01	14,403.74	\$16,888.75
La Barge	431	18,790.24	52,191.76	\$70,982.00
La Grange	332	14,474.16	33,285.84	\$47,760.00
Lander	6,867	299,379.61	500,967.42	\$800,347.03
Laramie	27,204	1,186,008.83	744,458.88	\$1,930,467.71
Lingle	510	22,234.38	43,089.68	\$65,324.06
Lost Springs	1	43.59	12,060.08	\$12,103.67
Lovell	2,361	102,932.18	163,008.22	\$265,940.40
Lusk	1,447	63,084.66	91,990.52	\$155,075.18
Lyman	1,938	84,490.69	132,475.42	\$216,966.11
Manderson	104	4,534.08	18,519.64	\$23,053.72
Manville	101	4,403.29	17,373.90	\$21,777.19
Marbleton	720	31,389.75	82,512.38	\$113,902.13
Medicine Bow	274	11,945.54	22,409.10	\$34,354.64
Meeteetse	351	15,302.49	34,681.72	\$49,984.21
Midwest	408	17,787.50	31,715.88	\$49,503.38
Mills	2,591	112,959.44	121,153.92	\$234,113.36
Moorcroft	807	35,182.66	85,535.96	\$120,718.62
Mountain View	1,153	50,267.18	84,891.22	\$135,158.40
Newcastle	3,249	141,646.19	192,699.66	\$334,345.85
Opal	102	4,446.88	20,801.76	\$25,248.64
Pavillion	165	7,193.48	23,676.80	\$30,870.28
Pine Bluffs	1,153	50,267.18	73,151.24	\$123,418.42
Pine Haven	222	9,678.51	31,403.94	\$41,082.45
Pinedale	1,412	61,558.75	147,399.26	\$208,958.01
Powell	5,373	234,245.89	316,281.58	\$550,527.47
Ranchester	701	30,561.40	48,367.44	\$78,928.84
Rawlins	9,006	392,633.27	357,132.36	\$749,765.63
Riverside	59	2,572.21	14,241.38	\$16,813.59
Riverton	9,310	405,886.73	673,854.90	\$1,079,741.63
Rock River	235	10,245.25	18,301.38	\$28,546.63
Rock Springs	18,708	815,609.96	869,379.10	\$1,684,989.06
Rolling Hills	449	19,574.99	41,977.50	\$61,552.49
Saratoga	1,726	75,248.16	80,569.66	\$155,817.82
Sheridan	15,804	689,004.70	767,266.74	\$1,456,271.44
Shoshoni	635	27,684.00	59,938.00	\$87,622.00
Sinclair	423	18,441.47	31,069.50	\$49,510.97
Superior	244	10,637.64	23,143.28	\$33,780.92
Sundance	1,161	50,615.95	116,477.40	\$167,093.35

<u>CITY/TOWN</u>	<u>POPULATION</u>	<u>SEVERANCE TAX W.S. 39-14-801</u>	<u>FEDERAL MINERAL ROYALTY W.S. 9-4-601</u>	<u>TOTAL</u>
Ten Sleep	304	13,253.46	28,548.50	\$41,801.96
Thayne	341	14,866.54	44,425.50	\$59,292.04
Thermopolis	3,172	138,289.23	148,766.54	\$287,055.77
Torrington	5,776	251,815.44	333,129.40	\$584,944.84
Upton	872	38,016.44	62,692.86	\$100,709.30
Van Tassell	18	784.74	12,957.72	\$13,742.46
Wamsutter	261	11,378.77	23,919.66	\$35,298.43
Wheatland	3,548	154,681.65	225,936.72	\$380,618.37
Worland	5,250	228,883.49	300,788.14	\$529,671.63
Wright	1,347	58,724.97	106,068.68	\$164,793.65
Yoder	169	7,367.88	21,308.16	\$28,676.04
GRAND TOTALS	336,834	\$14,684,903.11	\$18,562,500.00	\$33,250,438.06

Distribution Dates:

Severance Tax: Quarterly

Federal Mineral Royalty: Quarterly

WYO-STAR

WYOMING STATE TREASURER'S ASSET RESERVE

In 1987 the Wyoming State Legislature authorized any county, municipality, school district or any other local government entity to participate in the WYO-STAR program (W.S. 9-1-416).

The Wyoming State Treasurer established an investment pool or common fund in which all monies are commingled for investment purposes. Each participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each political entity. All investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831).

J. P. Morgan Fleming Asset Management continues to manage the WYO-STAR portfolio. Safety of principal is always the foremost objective of the investment manager. Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

During FY97 WYO-STAR rules were amended to allow income to be distributed to participants on a monthly basis. Also, ACH (automated clearing house) has replaced wire transfer in returning participants' funds. Timeliness and cost savings prompted this change.

General information about the WYO-STAR program, daily rate information and forms have been made available through the Treasurer's website. Work is being done to allow participants to access their accounts via the internet. This service should be made available before year end.

WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the consultant R.V. Kuhns & Associates, Inc. hired by the State Loan and Investment Board. This board is made up of the five elected officials, the Governor, Secretary of State, Auditor, Treasurer and Superintendent of Public Instruction.

WYO-STAR yields realized in FY04 are as follows:

07/03	- 0.695%	01/04	0.886%
08/03	1.030%	02/04	1.357%
09/03	1.932%	03/04	1.814%
10/03	1.307%	04/04	1.143%
11/03	1.148%	05/04	1.105%
12/03	1.479%	06/04	1.266%

The annualized yield for FY04 was 1.144%.

As of June 30, 2004, there were 140 active participants. (Some participants have multiple accounts). WYO-STAR pool balance on June 30, 2004, was \$276,183,613.27. Participants earned \$3,131,021.87 in FY04.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

During Fiscal Year 2004, funds totaling more than \$3.78 million were received and deposited into the trust fund to be held in perpetuity for the owners. More than \$1.98 million was returned to the rightful owners or heirs. The remaining seed money to establish the division was paid in full to the General Fund at the end of FY00. The Unclaimed Property Division is totally self-supporting.

The Unclaimed Property Division is responsible for receiving unclaimed funds from any entity that cannot locate the owner. Approximately 5,400 packets were mailed to such entities requesting the return of Wyoming residents' funds. Upon receipt of these funds, the division attempts to locate the owners and reunite the rightful owner/heir with their property by advertising the names in one or more papers of general circulation once a year. The division is also in contact with other states to bring Wyoming residents' unclaimed funds back to Wyoming.

The division is also charged with: (1) assisting and educating unclaimed property holders of compliance; (2) informing vendors of requirements; and (3) informing claimants of their rights and responsibilities. In FY04, numerous claimants were instructed on how to claim their funds. An alphabetical list of owners is mailed each month to Wyoming county clerks.

The unclaimed funds listing is available for public inspection after the funds have been held for two years. This two-year period allows for the advertising of the funds and for the owner to come forth. If the owner fails to come forth within the two-year period, the names are then made public. Third-party tracers (heirfinders) are then given access to records to allow them to attempt to locate the owners. Heirfinders charge the owners a percentage of the funds as their fee.

The Unclaimed Property Division maintains the records for more than 113,593 owners and more than \$31.3 million. The division has returned approximately \$13.89 million to owners or heirs. A large part of this return was due to the annual advertisement which generated more than 1,400 telephone calls in a ten-day period.

In FY04 several major goals and accomplishments were achieved:

1. Newspaper advertisement - resulting in approximately 1,500 claims.
2. Unclaimed property information was disseminated to all state legislators.
3. Followup project to remind owners who have not finalized the claim process.
4. Efforts to locate previously paid owners with "new" money.
5. The owner list on the Internet continued to generate numerous claims.
6. Initiated electronic reporting phase for holder reporting.
7. Receipt amounts increased 27% over FY03.
8. Claims payment amount increased 20% over FY03.

Unclaimed property owner information and lists were requested by 24 heirfinders located in 18 states and 2 foreign countries. Written inquiries from persons seeking their possible unclaimed funds totaled 6,043 and were received from 39 states and several foreign countries. Internet inquiries on the Wyoming Unclaimed Property Website totaled 237,088. In addition, numerous telephone inquiries are received daily.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

<u>FISCAL YEAR</u>	<u>BEGINNING BALANCE</u>	<u>RECEIVED</u>	<u>DISBURSED</u>	TRANSFERRED TO COMMON SCHOOL PERMANENT LAND FUND *	<u>ENDING BALANCE</u>
FY 82	\$340,921.02	\$272,408.86	\$98,857.76	\$56,279.50	\$458,192.62
FY 83	458,192.62	40,309.15	25,350.65	37,194.58	435,956.54
FY 84	435,956.54	61,963.60	93,589.29	16,937.42	387,393.43
FY 85	387,393.43	47,472.14	101,321.02	49,968.22	283,576.33
FY 86	283,576.33	269,438.08	28,044.24	83,399.72	441,570.45
FY 87	441,570.45	160,250.59	34,181.84	64,240.20	503,399.00
FY 88	503,399.00	158,444.52	45,714.55	39,438.64	576,690.33
FY 89	576,690.33	181,276.90	76,462.16	38,075.60	643,429.47
FY 90	643,429.47	252,858.09	96,746.71	27,116.14	772,424.71
FY 91	772,424.71	191,102.86	130,627.04	218,847.68	614,052.85
FY 92	614,052.85	428,432.95	101,327.17	76,218.30	864,940.33
FY 93	864,940.33	298,531.97	160,017.21	102,307.91	901,147.18
FY 94	901,147.18	4,051,549.91	160,105.04	124,876.64	4,667,715.41
FY 95	4,667,715.41	1,639,708.30	760,996.09	0.00	5,546,427.62
FY 96	5,546,427.62	2,219,667.05	1,303,951.21	0.00	6,462,143.46
FY 97	6,462,143.46	1,902,193.42	1,486,211.28	0.00	6,878,125.60
FY 98	6,878,125.60	2,060,174.91	902,332.35	0.00	8,035,968.16
FY 99	8,035,968.16	3,648,277.24	1,513,694.11	0.00	10,170,551.29
FY 00	10,170,551.29	1,975,557.85	1,274,918.31	0.00	10,871,190.83
FY01	10,871,190.83	2,763,717.84	1,050,831.89	0.00	12,584,076.78
FY02	12,584,076.78	3,489,779.83	1,917,521.28	0.00	14,156,335.33
FY03	14,156,335.33	3,116,677.58	1,657,258.29	0.00	15,615,754.62
FY04	15,615,754.62	3,784,421.94	1,982,406.14	0.00	17,417,770.42

NOTES:

*Up to March 11, 1993, unclaimed funds remitted to the state were held for a five-year period. If the funds were not claimed within that time, they escheated to the Common School Permanent Land Fund.

On March 11, 1993, Governor Sullivan signed the Wyoming Uniform Unclaimed Property Act into law. Under the new law, unclaimed property is no longer transferred to the Permanent School Land Fund. This law provides for unclaimed funds to be held in perpetuity for the rightful owners or their heirs.

CAPITAL FACILITIES REVENUE BONDS

Wyoming Statute 9-4-605 authorized up to \$105 million in revenue bonds for capital construction purposes. Funds for the principal & interest on these bonds is restricted to the federal mineral royalties distributed to the school foundation program or to the highway construction funds.

SERIES	AMOUNT ISSUED	INTEREST RANGE %	BONDS OUTSTANDING JULY 1, 2003	PRINCIPAL PAYMENTS FY04	YEAR OF MATURITY	BALANCE JUNE 30, 2004
1992	\$28,750,000	3.0-6.25	\$12,465,000	\$0	(2021)	\$12,465,000
1993	8,777,522	4.1-6.2	8,577,522	445,000	(2022)	8,132,522
1994	27,395,897	4.1-6.3	24,980,897	370,000	(2024)	24,610,897
2002	10,405,000	2.75-5.0	10,275,000	885,000	(2012)	9,390,000
Total Outstanding Revenue Bonds						<u><u>\$54,598,419</u></u>

Future minimum payments for revenue bonds are as follows:

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST
2005	2,500,530	3,797,702
2006	2,420,367	3,873,371
2007	2,625,940	3,998,912
2008	2,580,300	4,011,062
2009	2,563,854	4,018,462
2010-2014	11,722,427	15,802,422
2015-2019	12,705,000	7,203,920
2020-2024	17,480,000	3,308,697

Prior Year Defeasance of Debt:

In prior years, the state of Wyoming defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets & liability for the defeased bonds are not included in this financial statement. As of June 30, 2004, only \$4.5 million of the defeased 1991 issue remained outstanding.

New Issues:

In fiscal year 2003, the State Loan & Investment Board issued the Series 2002 Refunding Bonds for the purpose of refunding a portion (\$10,150,000) of the Series 1992 Refunding Bonds, specifically those maturing on October 1, 2003 through and including October 1, 2012. Those bonds not refunded are non-callable bonds due 2013 through and including 2020 (\$13,190,000).

SCHOOL DISTRICT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1001 authorizes the State Loan & Investment Board to guarantee school district general obligation bonds issued under W.S. 21-13-701 through 21-13-721. However, the 2002 Legislature closed the state guarantee for future issues, except for the refunding of bonds issued on or before November 1, 2001.

The State Treasurer is authorized to pledge up to \$300 million from the Common School Permanent Land Fund to guarantee the school district bonds. If a district fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Common School Permanent Land Fund. Repayment to the Common School Permanent Land Fund will be made from the district's next payments from the School Capital Construction Account and the School Foundation Fund.

As of June 30, 2004, the State Loan & Investment Board had approved guaranteeing school district bond issues with original amounts totaling \$156,119,000. Of these, 6 issues have now been called or paid off completely and \$80.3 million is still outstanding.

LOCAL GOVERNMENT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1002 authorizes the State Loan & Investment Board to guarantee local government general obligation bonds issued under W.S. 15-7-101 through 15-7-114 or 18-4-301. The program is intended to benefit local governments by guaranteeing payment of bonded indebtedness of creditworthy cities, towns and counties by reducing the interest rate at which the bonds may be issued.

The State Treasurer is authorized to pledge up to \$100 million from the Permanent Mineral Trust Fund to guarantee the local government bonds. If a government fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Permanent Mineral Trust Fund to make the required payments. Repayment to the Permanent Mineral Trust Fund will be made from the government's next payments of federal mineral royalties and severance tax.

As of June 30, 2004, the State Loan & Investment Board had not approved any local government bond issues for the guarantee program.

WYOMING COLLEGE ACHIEVEMENT PLAN

State Statute 21-16-809 through 21-16-809 authorizes the Wyoming Family College Savings Program with the Treasurer as sole trustee and program administrator. The State of Wyoming plan is known as the “College Achievement Plan” which was established under these statutes in March 2000. The Program was designed to comply with the requirements for treatment as a “qualified tuition program” under Section 529 of the Internal Revenue Code to assist Wyoming citizens in financing higher education costs for their families. Assets are held in trust for account owners and designated beneficiaries.

The program is available for participation by any U.S. resident, and accounts can be set up for the contributor, their spouses, children, grandchildren, nieces, nephews, friends, etc. to be used at any accredited college or vocational institution in the country, public or private, that is eligible to participate in student financial aid programs. Accounts can be established with a minimum initial investment of \$250 by Wyoming residents (\$1,000 by non-residents). Additional contributions of at least \$50 can be made to accounts monthly or at any other interval. If the need arises, account beneficiaries can be changed to another family member.

Contributions are invested in one of several investment options, selected by the participant, each holding a different mix of stocks, bonds and/or money market mutual funds managed by Mercury Funds and MFS Investment Management. Contributions grow federal income tax free.

Mercury Asset Management, a subsidiary of Merrill Lynch, serves as Program Manager by providing certain administrative, record keeping, investment advisory services and marketing services for the Program

Participation in the College Achievement Plan declined during FY04 due to the extremely competitive nature of these college savings plans. Many states are offering state income tax reduction incentives for participants who enroll in or transfer funds to their program which increases participation and thus lowers fees. Since Wyoming does not have a state income tax, this type of incentive is not available to Wyoming’s participants.

The Treasurer’s Office will be evaluating its current program during the upcoming fiscal year. Fee negotiations and other options to provide participants with a better program will be investigated.

Overview, explanations, forms and additional information about the program are available on the Internet at www.collegeachievementplan.com which is linked to the State of Wyoming web page.

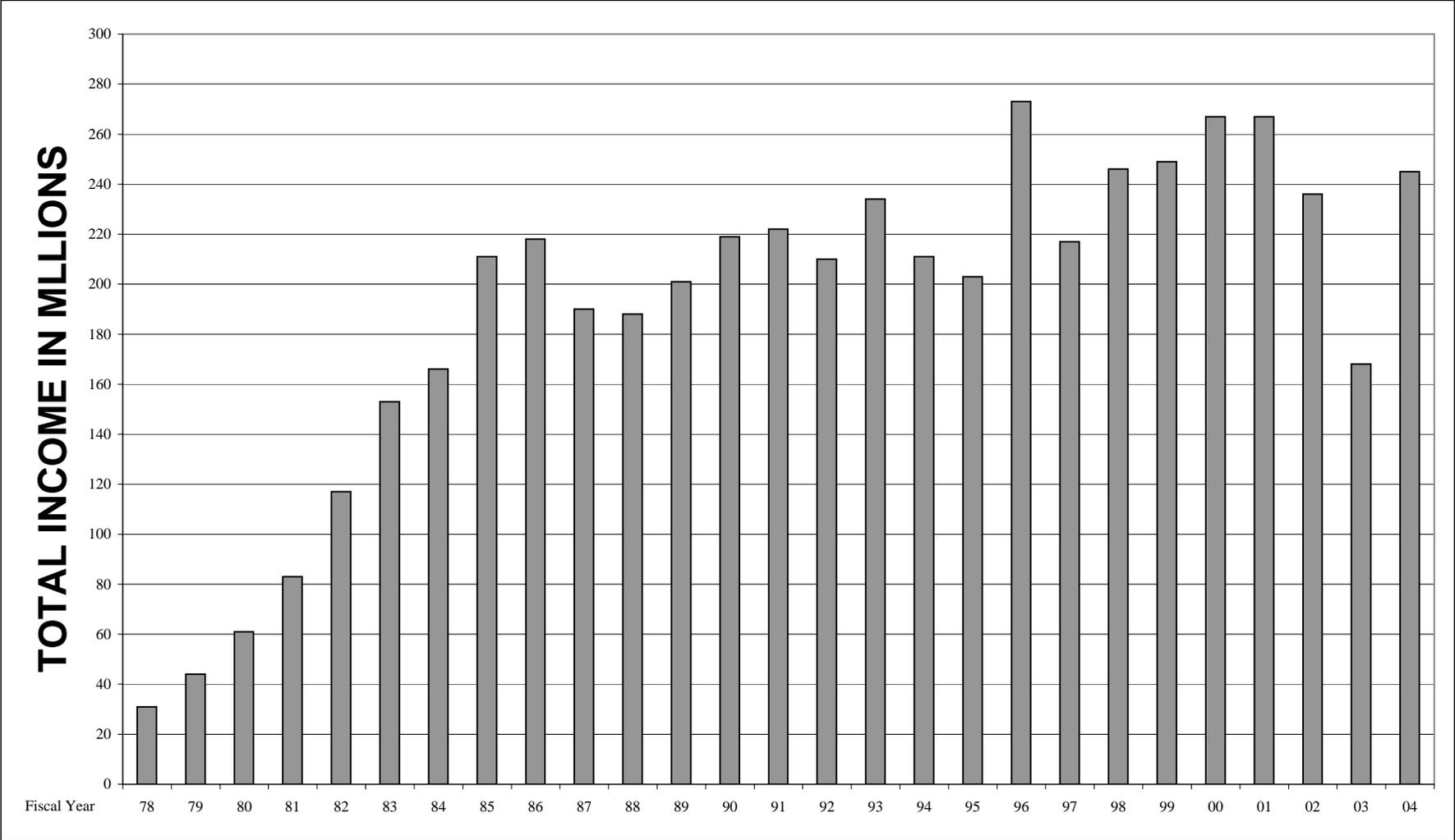
7/1/03 Beginning Balance	<u>Contributions</u>	Investment Income	Change In Market Value	Distributions and Fees	6/30/04 Ending Balance
\$16,293,698	\$5,050,052	\$273,641	\$2,325,037	\$(5,917,210)	\$18,025,218

Wyoming participants (218) have \$1,426,436 in these accounts and the remainder “belongs” to the accounts set up by the 1,514 out-of-state participants.

LEGISLATIVE AUTHORITY

W.S. 9-1-401 through 9-1-417	Duties Generally
W.S. 9-4-206	Petty Cash Funds
W.S. 9-4-401 through 9-4-406	Distribution of Taylor Grazing Funds
W.S. 9-4-501 through 9-4-504	Distribution of Forest Reserve Funds
W.S. 9-4-601 through 9-4-604	Distribution of Federal Mineral Royalties
W.S. 9-4-605	Bond Issues - Capital Facilities
W.S. 9-4-701 through 9-4-713	Investment of State Funds
& 9-4-831 through 9-4-834	
W.S. 9-4-801 through 9-4-829	Deposits in Wyoming Banks & S&L
W.S. 9-4-1001 through 9-4-1002	Guarantee for Local Gov't & School District Bonds
W.S. 9-4-1101 through 9-4-1105	Tax & Revenue Anticipation Notes
W.S. 9-4-1203	Investment of Tobacco Settlement Fund
W.S. 11-6-210:	Distribution of Livestock Predatory Animal Control Fees
W.S. 11-34-129	LDI Investment in Farm Loans
W.S. 11-34-301	LDI Investment in Small Water Development Project Loans
W.S. 16-1-109	LDI Investment in Joint Powers Board Loans
W.S. 21-15-108	School Capital Construction Bonds
W.S. 21-16-102	Investment in Insured, Guaranteed or Higher Education Loans
W.S. 21-16-809 thru 21-16-818	Family College Savings Program
W.S. 21-16-902 through 21-16-904	UW Endowment Challenge Program
W.S. 21-16-1001 through 21-16-1003	UW Athletics Challenge Program
W.S. 21-16-1101 through 21-16-1104	Community Colleges Endowment Challenge Program
W.S. 21-22-101 through 21-22-109	Investment of Wyoming Education Trust Fund (closed)
W.S. 27-3-202	Investment of Worker's Compensation Funds
W.S. 31-3-101(b)(xiv)	Distribution of Indian Motor Vehicle Exemption Reimbursement
W.S. 34-24-101 through 34-24-140	Unclaimed Property
W.S. 36-8-318 through 36-8-320	LDI Investment in Hot Springs State Park Loans
W.S. 37-5-203, 206	LDI Investment in Natural Gas Pipeline Authority Bonds
W.S. 37-5-301	LDI Investment in Wyo Infrastructure Authority Bonds & Loans
W.S. 39-13-103	Distribution of Railroad Car Tax
W.S. 39-13-107	Deferred Tax Loans to Counties
W.S. 39-13-102 through 39-13-105	Distribution of Veteran Exemption Reimbursements
W.S. 39-17-101	Gas Tax Refund to Municipalities
W.S. 39-14-203 through 39-14-211	Distribution of Severance Tax
S. 41-2-210	LDI Investment in Cheyenne Stage II Water Project
1987-ch117	LDI Investment in Shoshone Municipal Water Treatment Project Loan
1989-ch131, 285	LDI Investment in Sheridan Area Water Treatment Facility Loan
1989-ch, 230	LDI Investment in Laramie Territorial Park Loan
1998-ch 104	LDI Investment in Sherarrd Water Treatment Project Loan

INVESTMENT INCOME



INVESTABLE FUNDS

