

The seal of the State of Wyoming is a circular emblem with a rope-like border. Inside the border, the words "SEAL OF THE STATE OF WYOMING" are written in a circular path. The central scene depicts a woman in a white dress holding a scale, with a banner above her that reads "EQUAL RIGHTS". To her left, a man in a cowboy hat stands next to a sign that says "LIVESTOCK". To her right, another man stands next to a sign that says "MINES". At the bottom of the seal, the years "1890" and "1867" are visible on either side of a central shield.

**WYOMING STATE TREASURER'S
INVESTMENT REPORT**

Fiscal Year 2007

(July 1, 2006 - June 30, 2007)

and

First Half of FY 08

(July 1 - December 31, 2007)

February 2008

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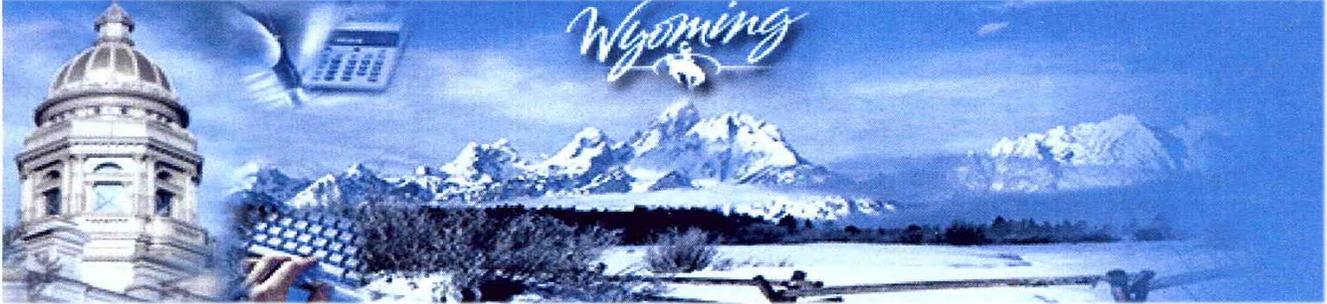
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WYOMING STATE TREASURER'S ANNUAL REPORT ON STATE INVESTMENTS FY07 and FY08 through December 31, 2007



The state treasurer is statutorily mandated to present an annual report to include permanent fund investments, income from those investments, gains and losses for each fund and the extent to which state investment policies have been implemented and performance goals achieved. I am happy to report that the investment policies of the State Loan and Investment Board and Wyoming Legislature have been implemented and performance goals achieved and/or exceeded.

Good investing strategy is part science and part carrying out of fiduciary duties. The asset allocation model first adopted by the state loan and investment board in 1999, and annually updated and funded, is primarily investment science representing modern portfolio investment theory. The periodic day to day monitoring and oversight of Wyoming's investments and managers, trustee due diligence, on behalf of the citizens of the state, is the carrying out of fiduciary duty on behalf of the citizens of Wyoming, which can not be delegated. The Office of State Treasurer follows the adage of Winston Churchill: "However beautiful the strategy, one should occasionally look at the results."

Fiscal year 2007 represents the culmination of an eight year process to diversify the state's investment portfolio into a full array of equity and fixed income assets designed to decrease the overall risk of the portfolio and produce an average return over a period of years greater than a portfolio primarily consisting of fixed income investments. FY07 has also demonstrated some trends of how the portfolio will operate in the future and probable consequences which will affect future timing of revenue flows into the state treasury.

The primary trends appear to be:

1. As presented to the Select Committee on Capital Financing and Investments, revenue from a mature state investment portfolio falls into three main classes: Interest; Dividends; Capital Gains. The portion of state revenue attributable to interest and dividends should remain reasonably predictable within a reasonable range for the purposes of the Consensus Revenue Estimating Group.

2. Currently, when the value of an equity investment class varies by more than three percent (3%) over the target value set by the State Loan and Investment Board, a portion of the investment is sold to rebalance back to target. The converse occurs when the variance is more than three percent (3%) under target. Thus, depending on periodic market performances, different equity investment classes of the portfolio may produce less capital gain return in some years and substantial capital gain return in other years. How these sorts of unpredictable revenue flows are treated is an important issue which should be addressed by the legislature in the very near future.

Examples of this are two instances of rebalancing which occurred during FY 08. Rebalancing was required for large cap investments, July, 2007, which resulted in a capital gain of \$100 million. Rebalancing was also required for international equity investments in January, 2008, which resulted in a capital gain of \$31.3 million. When rebalancing occurs, gains primarily for the Permanent Mineral Trust Fund (PMTF) and Common School Permanent Land Fund (CSPLF) via general fund appropriations go through the legislative spending reserve process.

3. As authorized and monitored by the State Loan and Investment Board, other recent types of equity investments, primarily Absolute Return and Private Equity investments, will also result in unpredictable streams of revenue, primarily capital gains. Currently the state of Wyoming has approximately \$330 million invested in these two investment classes. The nature of these investments normally is few returns over the first five to six years after which, if successful, will result in much higher investment returns over the next several years.

4. Clearly over the past several years, due primarily to increased mineral values, production and severance taxes, the corpus of permanent funds has grown substantially. The probable trend of periodic, but unpredictable, increased capital gains from the equity portfolio and the current legislative spending policy, if unchanged, will operate to further grow the corpus of permanent funds. But is it necessary to “inflation proof” the corpus of these permanent funds over and above what is accomplished by investing in equity markets which reflect the changing value of the dollar and effects of inflation? Or is it the best option to reserve state revenues not necessary to fund a current state budget, by automatically placing same into permanent fund corpus, from which it cannot be appropriated, as additional protection against future downturns in state revenues?

Given the probable future operation and predictability, or lack thereof, of some state investment income, another way to provide for future state revenue needs and emergencies is to place a portion of investments of new mineral tax and royalty income dedicated for the corpus of at least the PMTF and CSPLF into investments which do not pay annual interest and which mature at set periods. Examples are Guaranteed Investment Contracts, Zero Coupon Bonds or appropriately structured Legislative Designated Investments.

As an example, assume that some amount, say \$100 million, of each year’s mineral taxes and royalty income constituting additions to the corpus of the PMTF and CSPLF were to be invested in investments not paying annual interest but which mature in five or some period of years. After five years of making these types of investment, they would begin to mature in a serial

fashion. The first year, assuming five percent interest per year compounded, \$100 million of basis for each fund would be available for other investments and the state would receive approximately \$56 million in interest one half of which would enter into the revenue stream of the general fund and one half to the school foundation program (Foundation Program).

These same investments could also be accomplished with current general fund appropriations building up in the spending reserve accounts rather than automatically placing a portion of same into the corpus as might be determined by the members of future legislatures. The size of these investment purchases could be varied each year depending on the state revenue stream and legislative budget priorities. In this manner, additional investment income would be available for future legislatures in a planned manner. If not needed at maturity, the investments could be rolled over for additional years.

The state treasurer does not need additional statutory authority to invest in these types of investments. Given current market conditions, several categories of these types of investments tend to carry a larger return, in part due to compounding, than other fixed income securities. The consequences for the state treasury will be less interest income now but with more predictability and certainty for subsequent legislatures.

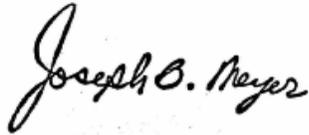
The state treasury funds a variety of operations. Since 1975, following the completion of consolidating funds to more closely match up the timing of revenue flows with, and strengthen constitutional powers relating to, legislative appropriations, the amount of revenues earmarked by the legislature has substantially increased. This has greatly increased the complexity of determining, projecting, paying out and investing state revenues.

One consequence of the increased earmarking, liquidity to periodically being able to pay out legislative appropriations, as required, appeared in 1986. The legislature responded in 1987 by allowing interfund borrowing up to \$60 million from the general fund to pay obligations pending receipt of revenues either earmarked or reimbursable for the authorized expenditure. In the same year, the legislature addressed the same problem in distributions from the Foundation Program, distributions to school districts being required before earmarked revenues were received, by also allowing interfund borrowing from the common school permanent land fund account to make those payments with interest at six percent (6%) from the Foundation Account with interest paid to the common school land income account for distribution to school districts the next fiscal year.

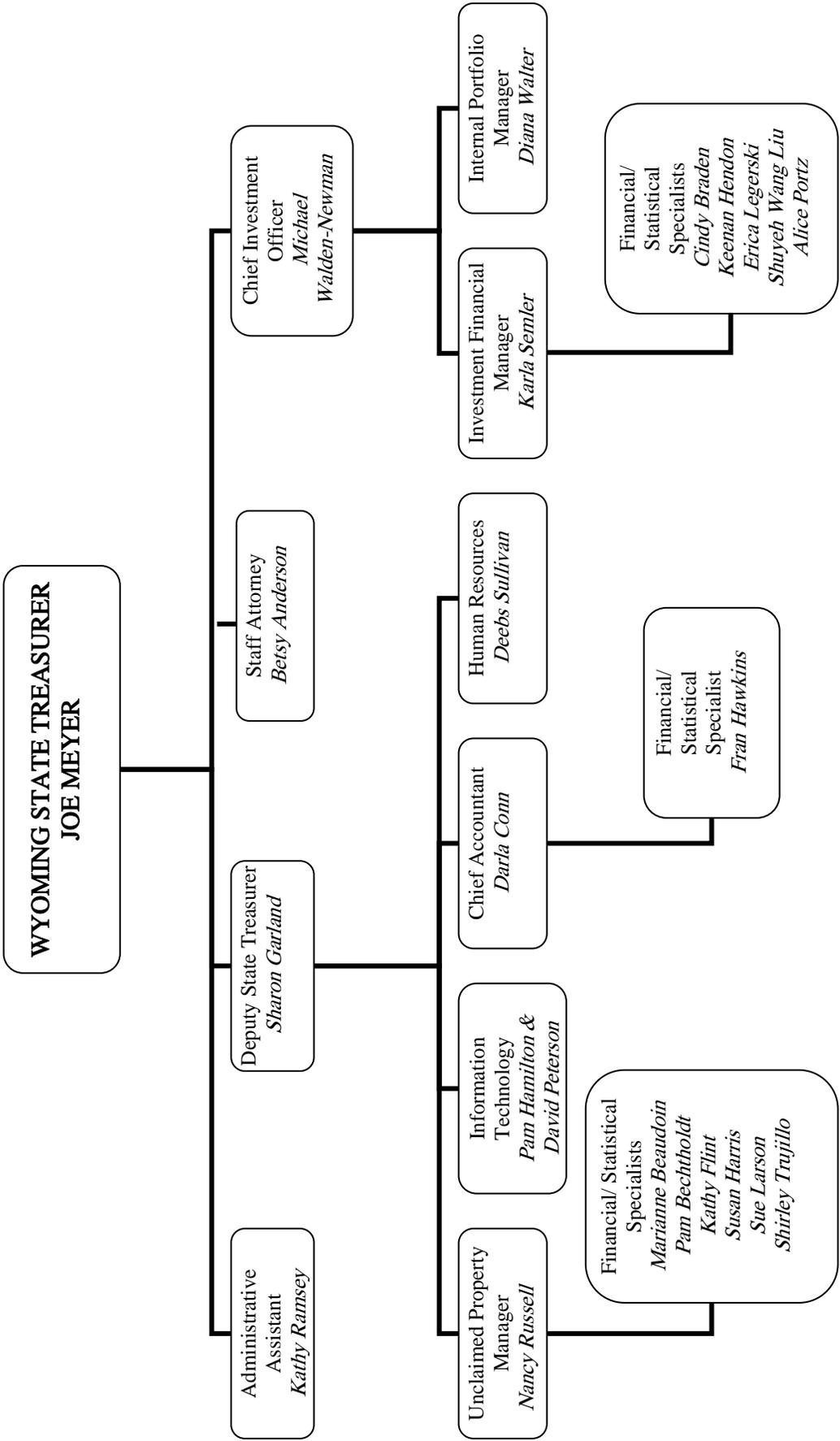
For several years the state has issued tax and revenue anticipation notes authorized by the legislature to fund temporary cash flow shortfalls in the Foundation Program. Due to legal probabilities that issuance of these tax free notes are no longer feasible, FY 08 Foundation Program payments are being made by short term interfund borrowing from the corpus of the Common School Permanent Land Fund Account as authorized by the legislature.

This annual report, and continuing in future annual reports, contains investment results from the previous fiscal year and a financial snapshot of the first six months of the current fiscal year with the intent of providing the most current investment information available for the Legislative and Executive Branches for use during legislative sessions.

As a means of providing more transparency on the financial operations of the state treasury, additional information, such as an overview of Wyoming investment strategies, the state investment policy, quarterly investment performance reports, and up to date portfolio status, is available on our website (<http://treasurer.state.wy.us>). The information contained in this annual report on state investments and daily tracking of state revenues and expenditures have been compiled and accomplished by the very skilled and hard working persons of the Office of State Treasurer. I am in their debt.

A handwritten signature in black ink that reads "Joseph B. Meyer". The signature is written in a cursive style with a large initial "J".

Joe Meyer
Wyoming State Treasurer



WYOMING STATE INVESTMENT PORTFOLIO

The State Treasurer is responsible for managing all non-pension funds of the state. Total state funds have grown substantially over the last several years due primarily to the increased revenue generated from the state's mineral industry. This places greater demand on investment of these state funds. The State's portfolio is in a diversified asset allocation based on modern portfolio theory to the extent allowed under law. Diversification is designed to protect the corpus of the funds and achieve maximum returns within acceptable risk. Partnerships with external equity, fixed income and cash managers help the Treasurer's Office achieve these goals.

FY 2007 and FY2008 through 12/31/07 INVESTMENT ACTIVITIES and HIGHLIGHTS

Portfolio Status:

- The Treasurer's investment portfolio totaled \$9.4 billion (cost basis) on June 30, 2007 and totaled \$9.6 billion on December 31, 2007:

	<u>FY07</u>		<u>FY08 through 12/31/07</u>	
	Cost	Market	Cost	Market
- Permanent Mineral Trust Fund	\$ 3.342	\$ 3.728	\$ 3.633	\$ 3.959
- Permanent Land Fund	\$ 0.073	\$ 0.081	\$ 0.075	\$ 0.082
- University Permanent Land Fund	\$ 0.015	\$ 0.017	\$ 0.015	\$ 0.017
- Common School Permanent Land Fund	\$ 1.462	\$ 1.678	\$ 1.486	\$ 1.626
- Hathaway Scholarship Fund	\$ *	\$ *	\$ 0.345	\$ 0.360
- Higher Ed Endowment Fund	\$ *	\$ *	\$ 0.092	\$ 0.096
- Workers Compensation Fund	\$ 0.852	\$ 0.857	\$ 0.932	\$ 0.964
- Tobacco Settlement Fund	\$ 0.056	\$ 0.055	\$ 0.056	\$ 0.057
- State Agency Pool	<u>\$ 3.599</u>	<u>\$ 3.579</u>	<u>\$ 2.999</u>	<u>\$ 3.044</u>
TOTAL PORTFOLIO	\$ 9.399	\$ 9.995	\$ 9.633	\$ 10.205

* The Hathaway Scholarship Fund and Higher Education Endowment Fund constitutionally became permanent funds of the state in 2006, and the Treasurer's office began investing these funds as permanent funds in separate pools on July 1, 2007 (FY08). During FY07, these funds were invested within the State Agency Pool.

- The Treasurer's investment portfolio grew from \$8.2 billion (cost basis) on June 30, 2006, to \$9.4 billion on June 30, 2007 and grew an additional \$233 million between July 1, 2007 and December 31, 2007 to \$9.633 billion.
- The total portfolio grew from a market value of \$8.3 billion on June 30, 2006, to \$9.995 billion in market value on June 30, 2007 and to \$10.2 billion on December 31, 2007.

Asset Allocation:

- Asset allocation is the mechanism used to distribute assets among various classes of investment vehicles (e.g. equities—large cap; small-mid cap; international, real estate, private equity, etc.; fixed income—bonds and cash). A fully diversified portfolio reduces the overall risk in terms of the variability of returns for a given level of expected returns. The State Treasurer has an approved target asset allocation for each of the funds listed above as outlined in the State's Master Investment Policy and Sub-Policies. The State Investment Policy is reviewed on an annual basis by the State Loan and Investment Board.

- Permanent funds began fiscal year 2007 with a 45 percent equity allocation and reached their FY 07 targeted 52 percent equity allocation by fiscal year end.
- The Permanent Mineral Trust Fund and Permanent Land Funds remain at an asset allocation of approximately 50 percent equities and 50 percent fixed income and cash. The FY08 target allocation is 52 percent equities and 48 percent fixed income and cash.
- The Treasurer's Office sent over \$1 billion to external equity and fixed income managers during FY 2007 and had sent an additional \$2.5 billion to external investment managers as of December 31, 2007 (\$1.7 billion to external fixed income managers and \$800 million to equity managers).
- Total external fixed income manager funding was \$2.313 billion (cost basis) on June 30, 2007 with a market value of \$2.315 billion. Total external fixed income manager funding as of December 31, 2007 was \$3.183 billion (cost basis) with a market value of \$3.250 billion.
- External equity manager funding was \$2.476 billion (cost basis) on June 30, 2007 (\$3.113 market value) and reached \$2.684 billion (cost basis) on December 31, 2007 with a market value of \$3.142 billion.
- External fixed income managers initially funded in May 2006 grew to represent almost 20 percent of the total portfolio by March 2007.
- The Treasurer's Office continued monthly allocations to external equity and fixed income managers during FY07 and the first half of FY08 to achieve target asset allocation goals (internal directives on file in office).
- The Workers Compensation Fund began diversification into equities during FY 07. Monthly allocations continued through June 2007 to meet a 5 percent equity allocation as agreed with the director of the Department of Employment per legislation passed in 2005, and detailed in the Master Investment Policy. The Department increased the equity allocation request for the Workers Compensation to 25 percent beginning July 1, 2007. The Treasurer will achieve that target allocation by June 30, 2009 through monthly allocations.

- Two new permanent funds were added to the portfolio: the Hathaway Student Scholarship Endowment Fund and the Excellence in Higher Education Endowment Fund. Both will mirror the other permanent funds in their asset allocation over a two-year allocation period.

Rebalancing:

- Rebalancing is the action of bringing a portfolio of investments that has deviated away from one's target asset allocation back into line and is key to effective risk management. Under-weighted securities can be purchased with new money coming into the state; alternatively, over-weighted securities can be sold to purchase back in line to the target asset allocation. Rebalancing the investment portfolio can result in the production of capital gains.

- The Treasurer's Office began rebalancing the portfolio on July 1, 2007. The allocation to large cap US equity reached over 20 percent of the permanent funds' portfolios, but the long-term target allocation is 16 percent. The Treasurer pared back the S&P large cap index allocation managed by State Street by \$400 million -- \$300 million of which was principal and \$100 million capital gains. The Treasurer and State Street had repeated discussions in June, 2007 and early July, 2007 resulting in a smooth, cost effective transaction.
- In January 2008, the international equity allocation of the Permanent Wyoming Mineral Trust Fund and the Permanent Land Funds exceeded 17 percent compared to a long-term target allocation of 14 percent. The Treasurer's Office has reduced the international exposure in the funds to bring the allocation into line with that long-term target in keeping with the portfolio Rebalancing Portfolio.

Therefore, on January 10, 2008, the Treasurer's Office directed the sales of international equities from Capital Guardian Trust of \$105,000,000, Fisher Investments of \$110,000,000 and EFA Exchange Traded Fund of \$5,000,000 (managed in-house). This rebalancing resulted in a capital gain of \$31.3 million.

State Treasurer Activity:

- **State's Investment Consultant** - In March 2007, a request for proposals was issued to once again seek proposals from qualifying firms to provide the State Loan and Investment Board with investment consulting services as outlined in W.S. 9-4-709 through W.S. 9-4-711. On May 17, 2007, the State Loan and Investment Board once again selected the firm of RVKuhns and Associates, Inc. to continue to serve as the investment consultant to the Board.

- State Treasurer Meyer met with RVKuhns staff in Portland in November 2006 to review the State's investment program.

- The State Treasurer's Office and RVKuhns jointly developed and distributed a "primer" and other information on the State's investment program, its history and direction, for SLIB members, legislators and the public as part of an increased education program.
- RVKuhns staff traveled to Cheyenne to attend State Loan and Investment Board meetings to review performance and discuss policy with Board members and Treasurer's staff.

- State Loan and Investment Board

- The Treasurer's Office increased regular communication with the State Loan and Investment Board members and staff, including performance reports, asset allocation plans, and special reports.
- The Board approved updates to the Investment Policy:
 - June 2007 to clarify the section pertaining to derivatives
 - December 2007 a more comprehensive update to account for policies governing two new permanent funds, and new absolute return managers.

- Select Committee on Capital Financing and Investments

- The State Treasurer initiated meetings of the Select Committee on Capital Financing and Investments. The Committee met twice during Treasurer Meyer's term as State Treasurer to hear presentations on the state investment program.
- The Treasurer's Office prepared a comprehensive investment program review, including historical data and suggestions for updates to state investment statutes.

- External Manager Visits to Cheyenne

- The Treasurer met in Cheyenne with all of the state's external financial managers in twice-weekly visits scheduled from mid-January through March 30, 2007. Firms include stock and bond portfolio managers, securities lending firms and the state's custodial banks: over 20 firms in all.

- Continuing Manager Oversight

- The Treasurer's Office continued to monitor growth in other asset classes, as well. The Treasurer asked international and small/mid cap equity managers to prepare detailed trading reports listing specific holding and their market appreciation. The Treasurer then scheduled phone calls with each manager to review their portfolios to clearly understand each manager's sell discipline and philosophy regarding the capture of capital gains.
- Portfolio managers from Fisher Investments (international equity), Friess and Associates (small/mid cap US equity), PIMCO (core-plus, mortgage and global fixed

income) visited Cheyenne. Other managers are scheduled to visit Cheyenne throughout the year. Treasurer's staff will conduct due diligence visits to external managers as well.

- Conferences

- The Treasurer attended various national state treasurer conferences and various investment training conferences and spoke at several during FY07 and the first half of FY08.

State Investment Restrictions –Terrorism:

- Two bills were filed during the 2007 General Session of the Wyoming Legislature that would have restricted investments in (a) countries identified as state-sponsors of terrorism by the US State Department and (b) specifically in the Sudan.
- At the State Treasurer's suggestion, the State Loan and Investment Board and the sponsors agreed to pursue this issue through possible Investment Policy update, rather than in state statute.

Manager Updates:

- Real Estate Managers

- The only new manager funded during FY 07 was TA Realty, which drew \$3.75 million — 25 percent of their commitment.
- The Treasurer increased our allocation to UBS, a core real estate manager, to bring their allocation to \$100 million, the same allocation as the other core manager ING Clarion. The \$200 million allocation to core real estate meets the long-term target.
- TA Realty and Heitman are the portfolio's non-core real estate managers, both of which issued their first capital calls in recent months. Total allocation to the opportunistic real estate class: \$25 million divided between these two. Current allocations are:
 - TA Realty: \$10.5 million (\$15 million total commitment)
 - Heitman: \$1,045,000 million (\$10 million total commitment)

- Absolute Return Managers

- The State Loan and Investment Board (SLIB) on October 5, 2006, approved the hiring of three firms to implement absolute return strategies: AIG, Harris Alternatives and Pacific Alternative Asset Management (PAAMCO).

Contracts for Harris and PAAMCO were approved by the SLIB in the fall of 2007, and \$100 million was placed with PAAMCO during November, 2007 and \$100 million was placed with Harris in December, 2007. As this \$200 million met our allocation to this strategy, it was decided not to initiate a contract with AIG.

- Alternative Investments

- Private Equity - Due diligence continued. Michael Walden-Newman, Chief Investment Officer, is now serving on advisory board of Cheyenne Capital Fund.
- Venture Capital - On October 4, 2007, the SLIB approved the hiring and investment of \$10 million with Access Venture Partners and all \$10 million was placed with this manager in late October, 2007.

- UW Portfolio

- The Treasurer increased the allocation to the UW Student Portfolio Management Program from \$500,000 to \$1 million during FY07.

- Large Cap Overlay Strategy

- State Treasurer Meyer and RVKuhns reviewed the status of the Eaton Vance overlay strategy approved as an investment by the SLIB in 2002, and agreed this strategy no longer fit the State's investment needs. The State Loan and Investment Board agreed to terminate the relationship at the February 2007 SLIB meeting.

Time Deposit Open Account (TDOA) Program:

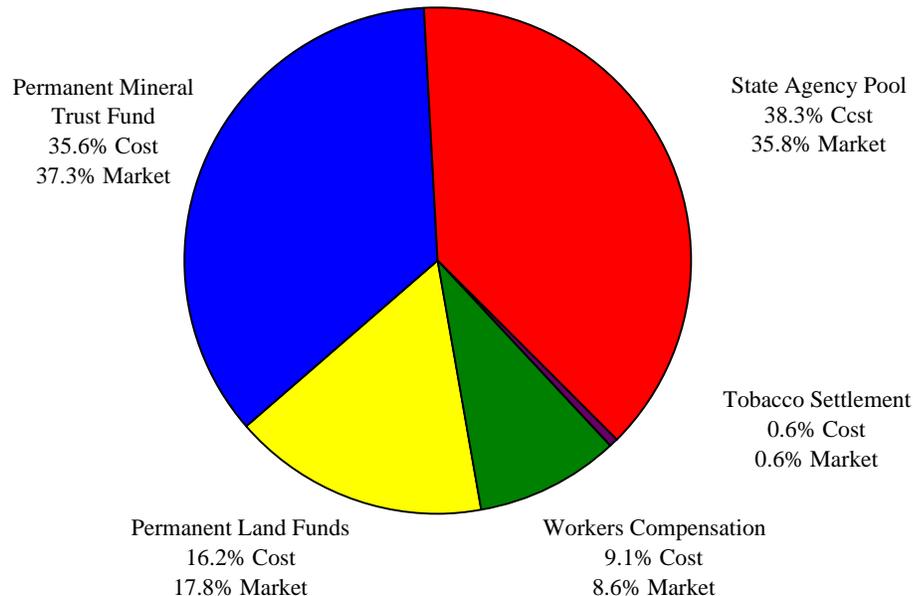
- The TDOA program is a discretionary State Treasurer program by which public funds are placed in banks approved as eligible state depositories. Banks utilizing this program must fully collateralize the deposits and pay interest to the State Treasurer at rates set quarterly by the State Loan and Investment Board. This program assists banks that lack an asset base sufficient to meet their lending needs.
- In July, 2007, the State Treasurer increased the amount available to local banks from \$100 million to 5 percent of the State Agency Pool assets — approximately \$156 million for 2007. For 2008, five percent (5%) of the State Agency Pool assets amounts to \$148 million which is less than the \$150 million minimum that the State Treasurer has set for the TDOA program. Therefore, \$150 million will be available to Wyoming banks in 2008.

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2007

The State Treasurer's Office manages \$10 billion in non-pension investable funds across five fund types. Three funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	Cost Basis	Market Value
Permanent Wyoming Mineral Trust Fund	\$3,341,617,499	\$3,728,082,077
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities; the FY 07 target was 52 percent.</i>		
Permanent Land Funds	1,550,204,569	1,776,703,604
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$1.462 billion book/cost, \$1.678 market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities; the FY 07 target was 52 percent.</i>		
Workers Compensation Fund	851,929,449	856,644,177
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities; the FY 07 target was 5 percent; the target through FY 09 is 25 percent..</i>		
Tobacco Settlement Fund	56,353,838	55,384,613
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>3,598,658,449</u>	<u>3,578,401,423</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$9,398,763,805	\$9,995,215,894

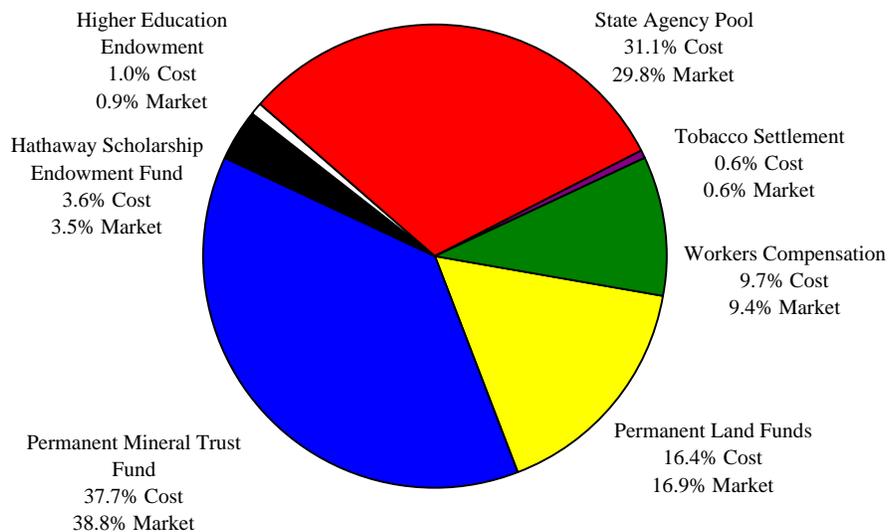


WYOMING STATE INVESTMENT PORTFOLIO

December 31, 2007

The State Treasurer's Office manages \$10 billion in non-pension investable funds across five fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	Cost Basis	Market Value
Permanent Wyoming Mineral Trust Fund	\$3,632,563,217	\$3,958,746,954
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities; the FY 08 target is 52 percent.</i>		
Permanent Land Funds	1,576,089,007	1,724,609,474
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$1.486 billion book/cost, \$1.626 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities; the FY 08 target is 52 percent.</i>		
Hathaway Scholarship Endowment Fund	344,781,667	360,327,616
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 55 percent may be invested in equities; the FY 08 target is 25 percent; the target through FY 09 is 52 percent.</i>		
Excellence in Higher Education Endowment Fund	91,677,404	95,712,734
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 55 percent may be invested in equities; the FY 08 target is 25 percent; the target through FY 09 is 52 percent.</i>		
Workers Compensation Fund	932,386,771	963,601,241
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities; the FY 07 target was 5 percent; the target through FY 09 is 25 percent..</i>		
Tobacco Settlement Fund	56,353,838	57,185,363
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>2,998,735,483</u>	<u>3,044,362,100</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$9,632,587,388	\$10,204,545,480



MARKET PERFORMANCE SUMMARY ANALYSIS - ALL INVESTMENTS

	<u>FY 07</u>		<u>Market Return</u>		
	<u>Cost Basis</u>	<u>Market Value</u>	<u>FY07</u>	<u>3 Year</u>	<u>5 Year</u>
<u>INVESTMENTS BY FUND</u>					
Permanent Wyoming Mineral Trust Fund	\$3,341.62	\$3,728.08	14.83%	9.89%	9.18%
Permanent Land Fund	72.50	81.04	14.09%	N/A	N/A
Common School Permanent Land Fund	1,462.34	1,678.30	14.87%	9.79%	9.27%
University Permanent Land Fund	15.36	17.36	13.96%	N/A	N/A
Workers Compensation Fund	851.93	856.64	6.55%	5.34%	5.59%
Tobacco Settlement Fund	56.35	55.38	6.30%	4.57%	3.37%
State Agency Pool	3,598.66	3,578.40	6.10%	5.03%	4.10%
Wyoming State Total Fund	\$9,398.76	\$9,995.22	10.85%	7.46%	6.29%
Wyoming State Custom Index			10.57%	6.39%	6.00%
<u>INVESTMENTS BY ASSET CLASS AND MANAGER</u>					
<u>US Equity</u>					
UW Portfolio Management Program (1)	\$0.64	\$0.60	8.85%	N/A	N/A
Gabelli (2)	203.25	275.96	26.24%	16.65%	17.77%
Friess Associates (3)	189.28	229.35	20.85%	N/A	N/A
State Street Global Advisors (Index) (1)	952.68	1,238.84	20.61%	11.72%	N/A
Total Domestic Equity	\$1,345.85	\$1,744.75			
<u>US Equity Indices</u>					
S&P 500 (1)			20.59%	11.68%	10.71%
Russell 2500 Value (2)			18.41%	16.10%	15.81%
Russell 2500 Growth (3)			19.03%	13.60%	14.71%
<u>International Equity</u>					
Int'l Exchange Traded Funds (4)	\$31.97	\$38.06	25.60%	20.20%	N/A
Fisher (4)	398.68	519.16	26.53%	N/A	N/A
Capital Guardian (4)	401.56	488.67	25.10%	N/A	N/A
Total International Equity	\$832.21	\$1,045.89			
<u>Int'l Equity Indices</u>					
MSCI EAFE (4)			27.54%	22.75%	18.21%
<u>Domestic Fixed Income</u>					
WestAM	\$0.00	\$0.00	N/A	N/A	N/A
WAMCO Core Plus (5)	418.29	415.29	6.40%	4.37%	4.98%
Lehman Brothers Core Plus (5)	430.43	428.48	6.38%	N/A	N/A
PIMCO Core Plus (5)	209.40	207.57	5.80%	N/A	N/A
PIMCO Mortgages (6)	284.90	282.47	6.67%	N/A	N/A
JP Morgan Mortgages (6)	332.59	329.97	5.26%	N/A	N/A
WAMCO Corporates (7)	232.48	234.06	7.21%	N/A	N/A
Delaware Corporates (7)	186.38	187.54	7.42%	N/A	N/A
PIMCO Global (8)	125.09	126.87	4.21%	N/A	N/A
Wyoming State Treasurer's Office (9)	3,202.88	3,148.68	6.22%	5.34%	5.07%
	\$5,422.44	\$5,360.93			
<u>US Fixed Income Indices</u>					
Lehman Aggregate (5)			6.12%	3.98%	4.48%
Lehman Mortgages (6)			6.39%	4.27%	4.15%
Lehman Credit (7)			6.71%	4.17%	5.51%
Lehman Global Aggregate Hedged (8)			4.83%	4.28%	4.37%
Lehman Gov't/Credit (9)			6.00%	3.84%	4.70%

Performance shown is gross of fees.

Returns are stated in traditional total return terms and do not specify realized income.

The numbers contained in the parentheses after the manager names and index names correspond, indicating the appropriate benchmark for each investment.

Interim performance for Cheyenne Capital Fund LP is highly immature and is shown as "N/M" or "Not Material".

Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

MARKET PERFORMANCE (continued)
SUMMARY ANALYSIS - ALL INVESTMENTS

<u>Manager/Investment Type</u>	<u>FY 07</u>		<u>Market Return</u>		
	<u>Cost Basis</u>	<u>Market Value</u>	<u>FY07</u>	<u>3 Year</u>	<u>5 Year</u>
<u>Convertible Bonds</u>					
Nicholas Applegate (10)	\$93.20	\$103.08	21.04%	13.81%	13.23%
<u>Convertible Bond Indices</u>					
ML All Quality Convertible (10)			15.45%	8.84%	11.16%
<u>Cash & Cash Equivalents</u>					
JP Morgan Asset Mgmt					
Operating Funds/Short-Term (11)		\$966.73	5.44%	3.98%	2.89%
Extended Cash (12)		154.65	5.61%	3.64%	3.41%
Total Cash Management	\$1,116.01	\$1,121.38			
<u>Cash & Cash Equivalents Indices</u>					
90 Day U.S. T-Bills (11)			5.21%	3.77%	2.76%
JP Morgan Blended Index (12)			5.57%	3.71%	3.34%
<u>Private Equity</u>					
Cheyenne Capital Fund, LP (13)	\$90.90	\$97.52	N/M	N/M	N/M
<u>Private Equity Indices</u>					
S&P 500 + 5% (13)			26.62%	17.26%	16.25%
<u>Real Estate</u>					
ING Clarion (14)	\$100.00	\$113.65	15.32%	N/A	N/A
UBS Real Estate (14)	100.00	107.95	19.54%	N/A	N/A
TA Realty (14)	3.75	3.75	N/A	N/A	N/A
Total Real Estate	\$203.75	\$225.35			
<u>Real Estate Indices</u>					
NCREIF Property (14)			17.24%	17.98%	14.39%
<u>Overlay Strategies</u>					
First Quadrant	\$35.84	\$37.74	0.81%	N/A	N/A
<u>LDI's and Other Wyoming Investments</u>					
	\$258.58	\$258.58	N/A	N/A	N/A

Performance shown is gross of fees.

Returns are stated in traditional total return terms and do not specify realized income.

The numbers contained in the parentheses after the manager names and index names correspond, indicating the appropriate benchmark for each investment.

Interim performance for Cheyenne Capital Fund LP is highly immature and is shown as "N/M" or "Not Material".

Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

WYOMING STATE INVESTMENT PORTFOLIO

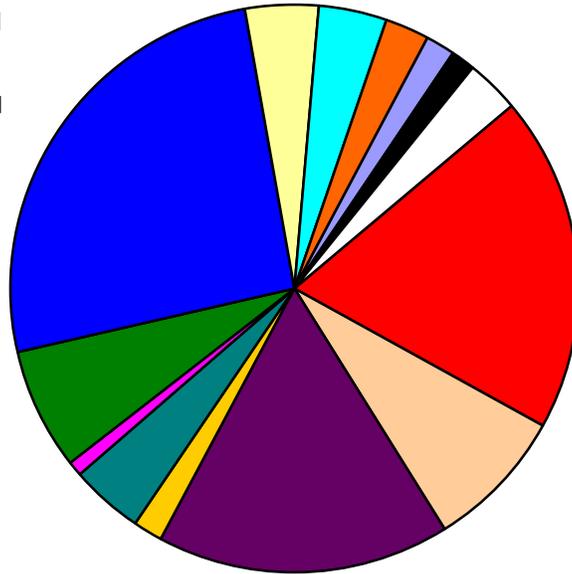
June 30, 2007

FIXED INCOME

Internal Bonds	\$3,202.9 M	34.1%		
External Core-Plus	\$1,058.1 M	11.3%		
External Mortgages	\$617.5 M	6.6%		
External Corporates	\$418.9 M	4.5%		
External Global	\$125.1 M	1.3%		
Convertibles	\$93.2 M	1.0%		
LDIs & Other	Wyo. Investments	\$258.6 M	2.8%	

TOTAL
\$5,774.2 M
61.4%

\$9.399 Billion
Cost Basis



CASH \$1,116.0 M 11.9%

EQUITIES

Large Cap US	\$953.3 M	10.1%	
Small / Mid US	\$392.5 M	4.2%	
International	\$832.2 M	8.9%	
Private Equity	\$90.9 M	1.0%	
Real Estate	\$203.7 M	2.2%	
Options	\$35.8 M	0.4%	

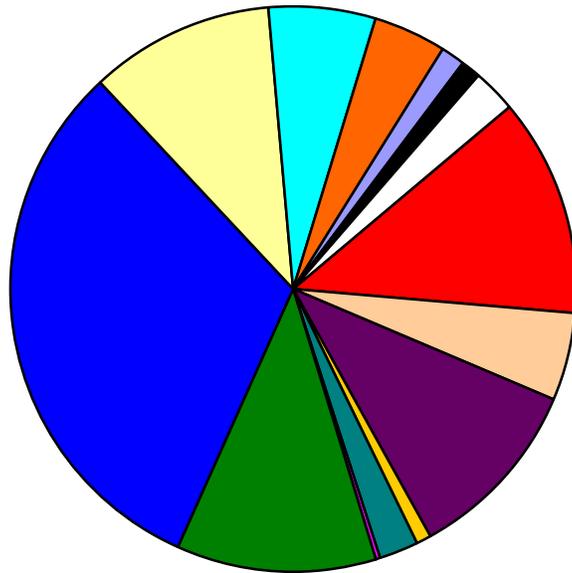
TOTAL
\$2,508.5 M
26.7%

FIXED INCOME

Internal Bonds	\$3,148.7 M	31.5%		
External Core-Plus	\$1,051.3 M	10.5%		
External Mortgages	\$612.4 M	6.1%		
External Corporates	\$421.6 M	4.2%		
External Global	\$126.9 M	1.3%		
Convertibles	\$103.1 M	1.0%		
LDIs & Other	Wyo. Investments	\$258.6 M	2.6%	

TOTAL
\$5,722.6 M
57.3%

\$9.995 Billion
Market Value



CASH \$1,121.4 M 11.2%

EQUITIES

Large Cap US	\$1,239.4 M	12.4%	
Small / Mid US	\$505.3 M	5.1%	
International	\$1,045.9 M	10.5%	
Private Equity	\$97.5 M	1.0%	
Real Estate	\$225.3 M	2.3%	
Options	\$37.7 M	0.4%	

TOTAL
\$3,151.2 M
31.5%

WYOMING STATE INVESTMENT PORTFOLIO PERMANENT WYOMING MINERAL TRUST FUND AND PERMANENT LAND FUNDS ONLY

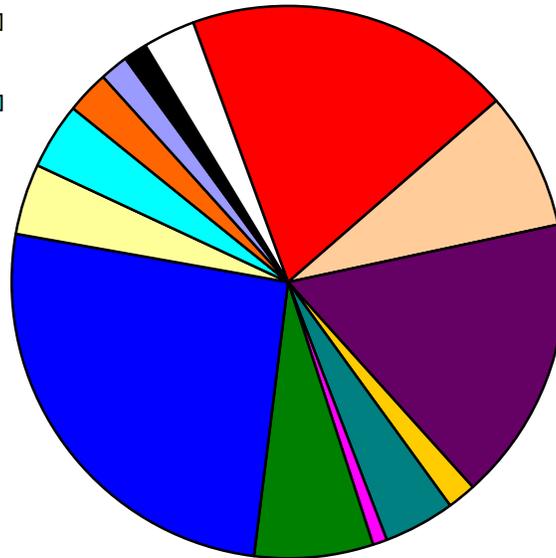
June 30, 2007

FIXED INCOME

Internal Bonds	\$1,260.0 M	25.8%	■
External Core-Plus	\$195.5 M	4.0%	■
External Mortgages	\$191.8 M	3.9%	■
External Corporates	\$131.7 M	2.7%	■
External Global	\$73.9 M	1.5%	■
Convertibles	\$65.0 M	1.3%	■
LDIs & Other Wyo. Investments	\$154.7 M	3.2%	□

TOTAL
\$2,072.6 M
42.4%

\$4.892 Billion
Cost Basis



EQUITIES

Large Cap US	\$939.3 M	19.2%	■
Small / Mid US	\$385.6 M	7.9%	■
International	\$816.6 M	16.7%	■
Private Equity	\$90.9 M	1.9%	■
Real Estate	\$199.4 M	4.1%	■
Options	\$35.6 M	0.7%	■

TOTAL
\$2,467.3 M
50.4%

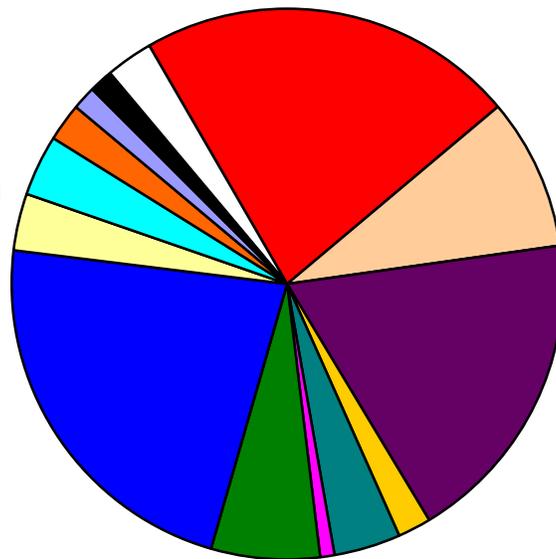
CASH \$351.9 M 7.2%

FIXED INCOME

Internal Bonds	\$1,238.1 M	22.5%	■
External Core-Plus	\$193.6 M	3.5%	■
External Mortgages	\$189.6 M	3.4%	■
External Corporates	\$132.6 M	2.4%	■
External Global	\$74.8 M	1.4%	■
Convertibles	\$71.9 M	1.3%	■
LDIs & Other Wyo. Investments	\$154.7 M	2.8%	□

TOTAL
\$2,055.3 M
37.3%

\$5.505 Billion
Market Value



EQUITIES

Large Cap US	\$1,221.5 M	22.2%	■
Small / Mid US	\$496.5 M	9.0%	■
International	\$1,026.5 M	18.6%	■
Private Equity	\$97.5 M	1.8%	■
Real Estate	\$220.2 M	4.0%	■
Options	\$37.4 M	0.7%	■

TOTAL
\$3,099.6 M
56.3%

CASH \$349.9 M 6.4%

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WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2007

EXTERNAL EQUITIES

		Cost Basis	Market Value
Large Cap Index	State Street Global Advisors	\$952,676,130	\$1,238,840,894
Small / Mid Cap	Friess Associates	189,278,503	229,354,924
	GAMCO	203,246,424	275,958,648
International	Capital Guardian Trust	401,557,167	488,671,502
	Fisher Investments	398,678,570	519,156,052
Options Overlay	First Quadrant	35,835,700	37,740,118
Private Equity	Cheyenne Capital Fund	90,895,902	97,516,281
		<i>\$257,950,000 committed</i>	
Real Estate	ING Clarion	100,000,000	113,648,171
	UBS Realty	100,000,000	107,948,402
	Heitman	<i>\$10 M committed</i>	-
	TA Realty (\$15 M committed)	3,750,000	3,750,000
Absolute Return	AIG, Harris Alternatives, PAAMCO <i>Hired October 5, 2006; approx. \$225 M committed</i>		
Total External Equities		\$2,475,918,397	\$3,112,584,992
			excludes outstanding commitments

EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH

Convertibles	Nicholas Applegate	\$93,201,196	\$103,077,319
Core-Plus	Western Asset Management	418,290,765	415,292,448
	Lehman	430,431,593	428,483,512
	PIMCO	209,403,344	207,565,622
Corporates	Western Asset	232,481,777	234,062,955
	Delaware	186,376,717	187,544,096
Mortgages	JPMorgan	332,590,499	329,971,191
	PIMCO	284,899,381	282,471,114
Global	PIMCO	125,090,219	126,872,861
Total External Fixed Income and Convertibles		\$2,312,765,491	\$2,315,341,118
Cash Manager	JPMorgan	\$1,116,010,604	1,121,376,469
Total External Cash		\$1,116,010,604	\$1,121,376,469
TOTAL EXTERNAL MANAGEMENT		\$5,904,694,491	\$6,549,302,579

INTERNALLY MANAGED FUNDS

Fixed Income	Bonds	\$3,202,884,101	\$3,148,678,237
Equity Index Fund	Exchange Traded Funds	31,965,805	38,055,512
U. S. Equities	UW Portfolio Management Program	642,932	603,090
Total Internal Portfolio		\$3,235,492,838	\$3,187,336,839
LDIs and Other Wyoming Investments		\$258,576,476	\$258,576,476
TOTAL INTERNAL MANAGEMENT		\$3,494,069,314	\$3,445,913,315
GRAND TOTAL ALL FUNDS		\$9,398,763,805	\$9,995,215,894

WYOMING STATE INVESTMENT PORTFOLIO

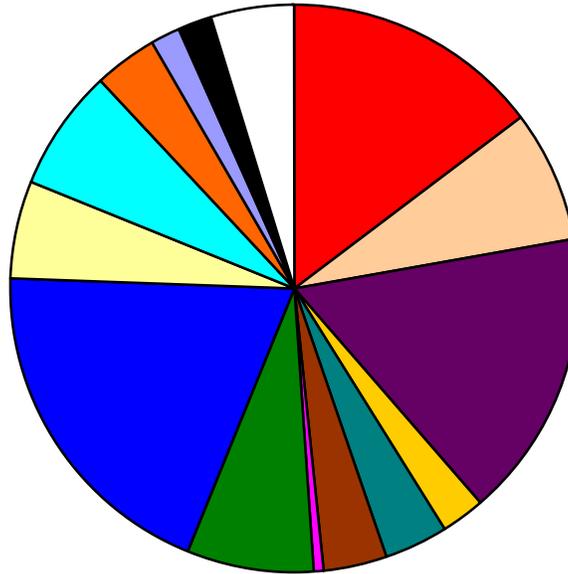
December 31, 2007

FIXED INCOME

Internal Bonds	■	\$2,675.6 M	27.8%
External Core-Plus	■	\$1,324.3 M	13.7%
External Mortgages	■	\$929.0 M	9.6%
External Corporates	■	\$497.0 M	5.2%
External Global	■	\$193.8 M	2.0%
Convertibles	■	\$238.8 M	2.5%
LDIs & Other	□		
Wyo. Investments		\$404.4 M	4.2%

TOTAL
\$6,262.9 M
65.0%

\$9.633 Billion
Cost Basis



EQUITIES

Large Cap US	■	\$819.1 M	8.5%
Small / Mid US	■	\$423.0 M	4.4%
International	■	\$902.0 M	9.4%
Private Equity	■	\$130.5 M	1.4%
Real Estate	■	\$211.0 M	2.2%
Absolute Return	■	\$200.0 M	2.1%
Options	■	\$30.9 M	0.3%

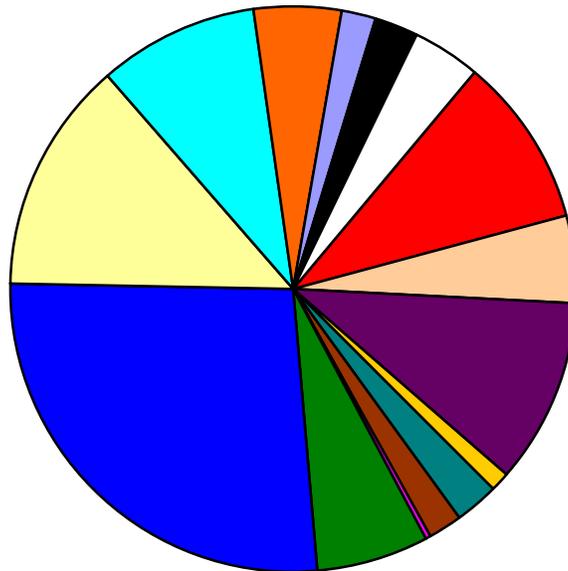
TOTAL
\$2,716.6 M
28.2%

FIXED INCOME

Internal Bonds	■	\$2,712.4 M	26.6%
External Core-Plus	■	\$1,355.4 M	13.3%
External Mortgages	■	\$935.9 M	9.2%
External Corporates	■	\$503.3 M	4.9%
External Global	■	\$201.5 M	2.0%
Convertibles	■	\$253.6 M	2.5%
LDIs & Other	□		
Wyo. Investments		\$404.4 M	4.0%

TOTAL
\$6,366.5 M
62.4%

\$10.205 Billion
Market Value



EQUITIES

Large Cap US	■	\$991.2 M	9.7%
Small / Mid US	■	\$507.7 M	5.0%
International	■	\$1,073.8 M	10.5%
Private Equity	■	\$130.9 M	1.3%
Real Estate	■	\$244.1 M	2.4%
Absolute Return	■	\$200.0 M	2.0%
Options	■	\$32.5 M	0.3%

TOTAL
\$3,180.3 M
31.2%

WYOMING STATE INVESTMENT PORTFOLIO PERMANENT WYOMING MINERAL TRUST FUND AND PERMANENT LAND FUNDS ONLY

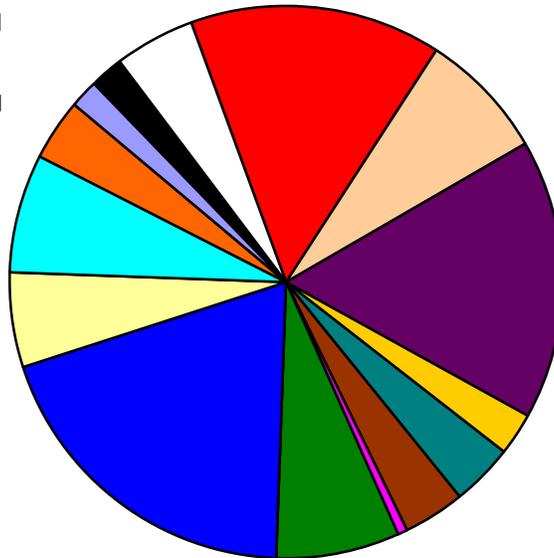
December 31, 2007

FIXED INCOME

Internal Bonds	\$1,015.7 M	19.5%	■
External Core-Plus	\$283.4 M	5.4%	■
External Mortgages	\$358.0 M	6.9%	■
External Corporates	\$189.9 M	3.6%	■
External Global	\$95.9 M	1.8%	■
Convertibles	\$94.8 M	1.8%	■
LDIs & Other Wyo. Investments	\$247.7 M	4.8%	□

TOTAL
\$2,285.5 M
43.9%

\$5.209 Billion
Cost Basis



CASH \$374.8 M 7.2%

EQUITIES

Large Cap US	\$763.5 M	14.7%	■
Small / Mid US	\$399.0 M	7.7%	■
International	\$852.0 M	16.4%	■
Private Equity	\$130.5 M	2.5%	■
Real Estate	\$189.5 M	3.6%	■
Absolute Return	\$183.2 M	3.5%	■
Options	\$30.7 M	0.6%	■

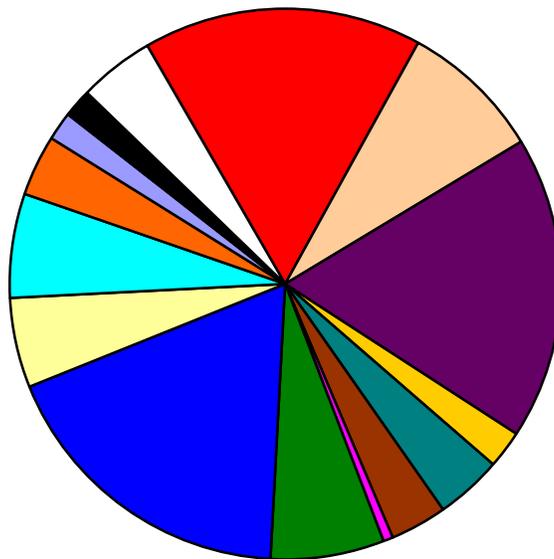
TOTAL
\$2,548.4 M
48.9%

FIXED INCOME

Internal Bonds	\$1,027.9 M	18.1%	■
External Core-Plus	\$290.9 M	5.1%	■
External Mortgages	\$360.8 M	6.3%	■
External Corporates	\$192.4 M	3.4%	■
External Global	\$99.7 M	1.8%	■
Convertibles	\$100.7 M	1.8%	■
LDIs & Other Wyo. Investments	\$247.7 M	4.4%	□

TOTAL
\$2,320.1 M
40.8%

\$5.683 Billion
Market Value



CASH \$380.5 M 6.7%

EQUITIES

Large Cap US	\$924.0 M	16.3%	■
Small / Mid US	\$479.0 M	8.4%	■
International	\$1,014.1 M	17.8%	■
Private Equity	\$130.9 M	2.3%	■
Real Estate	\$219.3 M	3.9%	■
Absolute Return	\$183.2 M	3.2%	■
Options	\$32.2 M	0.6%	■

TOTAL
\$2,982.7 M
52.5%

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WYOMING STATE INVESTMENT PORTFOLIO
December 31, 2007

EXTERNAL EQUITIES

		<u>Cost Basis</u>	<u>Market Value</u>
Large Cap Index	State Street Global Advisors	\$818,523,525	\$990,689,957
Small / Mid Cap	Friess Associates	204,502,953	232,712,808
	GAMCO	218,470,874	275,019,431
International	Capital Guardian Trust	436,796,687	507,362,845
	Fisher Investments	433,285,262	528,492,935
Options Overlay	First Quadrant	30,924,497	32,464,129
Private Equity	Access Venture Partners	1,185,000	1,185,000 <i>(\$10 M committed)</i>
	Cheyenne Capital Fund	129,340,988	129,758,684 <i>(\$279.95 M committed)</i>
Real Estate	ING Clarion	100,000,000	122,345,875
	UBS Realty	100,000,000	110,915,652
	Heitman	456,250	456,250 <i>(\$10 M committed)</i>
	TA Realty	10,500,000	10,433,771 <i>(\$15 M committed)</i>
Absolute Return	Harris Alternatives	100,000,000	100,000,000
	PAAMCO	100,000,000	100,000,000

Total External Equities **\$2,683,986,036** **\$3,141,837,336**
excludes outstanding commitments

EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH

Convertibles	Nicholas Applegate	\$238,763,275	\$253,638,502
Core-Plus	Western Asset Management	507,380,202	516,245,477
	Lehman	519,455,461	526,045,057
	PIMCO	297,502,818	313,084,265
Corporates	Western Asset	297,674,288	301,830,186
	Logan Circle	199,358,082	201,451,096
Mortgages	JPMorgan	486,889,879	485,136,582
	PIMCO	442,074,392	450,754,715
Global	PIMCO	193,759,455	201,453,783

Total External Fixed Income and Convertibles **\$3,182,857,852** **\$3,249,639,661**

Cash Manager	JPMorgan	\$653,149,758	657,730,912
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Total External Cash **\$653,149,758** **\$657,730,912**

TOTAL EXTERNAL MANAGEMENT **\$6,519,993,645** **\$7,049,207,909**

INTERNALLY MANAGED FUNDS

Fixed Income	Bonds	\$2,675,579,679	\$2,712,420,385
Equity Index Fund	Exchange Traded Funds	31,965,805	37,928,385
U. S. Equities	UW Portfolio Management Program	615,902	556,444

Total Internal Portfolio **\$2,708,161,386** **\$2,750,905,214**

LDIs and Other Wyoming Investments **\$404,432,356** **\$404,432,356**

TOTAL INTERNAL MANAGEMENT **\$3,112,593,742** **\$3,155,337,571**

GRAND TOTAL ALL FUNDS **\$9,632,587,388** **\$10,204,545,480**

LEGISLATIVELY DESIGNATED AND OTHER WYOMING INVESTMENTS

As of June 30, 2007

<u>Program</u>	<u>See Notes next page</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
Legislatively Designated Investments *				
Farm Loans	A	\$275,000,000	\$35,528,982	\$239,471,018
Irrigation Loans	B	20,000,000	7,816,595	12,183,405
Joint Powers Loans	C	30,000,000	8,064,944	21,935,056
Student Loans	D	25,000,000	0	25,000,000
Small Business Assistance & FmHA Ag Loans	E	55,000,000	1,636,898	53,363,102
Hot Springs State Park	F	2,000,000	291,433	1,708,567
Shoshone Municipal Pipeline Treatment Plant	G	16,500,000	14,098,973	0
Sheridan Area Water Treatment Project	H	6,750,000	6,309,500	0
Cheyenne Water Treatment Plant	I	28,000,000	3,660,446	0
Laramie Territorial Park Loan	J	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	K	2,000,000	22,184	1,977,816
Industrial Development Bonds	L	100,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	M	10,000,000	2,800,000	7,200,000
		<u>\$580,250,000</u>	<u>\$90,229,956</u>	<u>\$462,838,963</u>

*Legislatively Designated Investments (LDIs) 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. As stipulated in W.S. 9-4-712, total LDI investments of permanent funds are limited to \$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 LDIs to ensure the statutory limitation is not exceeded. Most LDIs are from the Permanent Mineral Trust Fund.

In addition to the LDIs listed above, the following statutory commitments have been made:

Student Loan Stand-By Commitment	N	\$125,000,000	\$0	\$125,000,000
Wyoming Community Development Authority	O	25,000,000	1,077,131	0
Mortgage Bonds		<u>\$150,000,000</u>	<u>\$1,077,131</u>	<u>\$125,000,000</u>

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

Wyoming Gas Pipeline Authority	P	\$2,935,403	\$2,935,403	\$0
Wyoming Infrastructure Authority	Q	13,484,040	5,484,040	8,000,000
		<u>\$16,419,443</u>	<u>\$8,419,443</u>	<u>\$8,000,000</u>

Discretionary Investments

Basin Electric Power Bond			\$34,500,000	
Cheyenne Stage II GIC			15,431,782	
Drainage District Bonds			29,500	
Time Deposit Open Account Banking Program			94,025,000	
Wyoming Community College Bonds			83,000	
Wyoming Real Estate - Land		\$17,458,998	9,753,504	\$7,705,494
Wyoming Tax Exempt Trust GIC			5,027,160	
		<u>\$17,458,998</u>	<u>\$158,849,946</u>	<u>\$7,705,494</u>

Total LDIs and Other Wyoming Investments

\$258,576,476

LEGISLATIVELY DESIGNATED AND OTHER WYOMING INVESTMENTS

As of December 31, 2007

<u>Program</u>	<u>See Notes next page</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
Legislatively Designated Investments *				
Farm Loans	A	\$275,000,000	\$36,392,037	\$238,607,963
Irrigation Loans	B	20,000,000	7,784,983	12,215,017
Joint Powers Loans	C	30,000,000	8,064,944	21,935,056
Student Loans	D	25,000,000	0	25,000,000
Small Business Assistance & FmHA Ag Loans	E	55,000,000	1,563,872	53,436,128
Hot Springs State Park	F	2,000,000	291,433	1,708,567
Shoshone Municipal Pipeline Treatment Plant	G	16,500,000	13,907,547	0
Sheridan Area Water Treatment Project	H	6,750,000	6,236,108	0
Cheyenne Water Treatment Plant	I	28,000,000	0	0
Laramie Territorial Park Loan	J	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	K	2,000,000	22,184	1,977,816
Industrial Development Bonds	L	100,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	M	10,000,000	3,231,612	6,768,388
		<u>\$580,250,000</u>	<u>\$87,494,720</u>	<u>\$461,648,935</u>

*Legislatively Designated Investments (LDIs) 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. As stipulated in W.S. 9-4-712, total LDI investments of permanent funds are limited to \$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 LDIs to ensure the statutory limitation is not exceeded. Most LDIs are from the Permanent Mineral Trust Fund.

In addition to the LDIs listed above, the following statutory commitments have been made:

Student Loan Stand-By Commitment	N	\$125,000,000	\$0	\$125,000,000
Wyoming Community Development Authority Mortgage Bonds	O	25,000,000	1,010,332	0
		<u>\$150,000,000</u>	<u>\$1,010,332</u>	<u>\$125,000,000</u>

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

Wyoming Gas Pipeline Authority	P	\$2,935,403	\$2,935,403	\$0
Wyoming Infrastructure Authority	Q	13,484,040	5,484,040	8,000,000
		<u>\$16,419,443</u>	<u>\$8,419,443</u>	<u>\$8,000,000</u>

Discretionary Investments

Basin Electric Power Bond			\$34,500,000	
Cheyenne Stage II GIC			13,460,659	
Drainage District Bonds			29,500	
Interfund Borrowing-School Foundation Program			97,500,000	
Time Deposit Open Account Banking Program			147,000,000	
Wyoming Community College Bonds			46,000	
Wyoming Real Estate - Land		\$18,884,874	10,394,461	\$8,490,413
Wyoming Tax Exempt Trust GIC			4,577,242	
		<u>\$18,884,874</u>	<u>\$307,507,862</u>	<u>\$8,490,413</u>

Total LDI's and Other Wyoming Investments

\$404,432,356

LEGISLATIVELY DESIGNATED AND OTHER WYOMING INVESTMENTS NOTES & STATUTORY REFERENCES

Legislatively Designated Investments (LDIs) The following are statutory references for the various LDI investments.

- (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; no new loans are to be made after December 31, 2006;
- (F) Hot Springs state park loans under W.S. 36-8-318;
- (G) Shoshone municipal water treatment project, under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (H) Sheridan area water treatment project, under 1989 Wyoming Session Laws, Chapter 230, as amended;
- (I) Cheyenne water plant project under 1998 Wyoming Sessions Laws, chapter 104, as amended;
- (J) Laramie territorial park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (K) W.S. 9-4-701(m), deferred property taxes;
- (L) W.S. 9-4-701(q), industrial development bonds;
- (M) Airport construction, development & improvement loans under W.S. 10-3-403;

Statutory commitments:

(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 million;

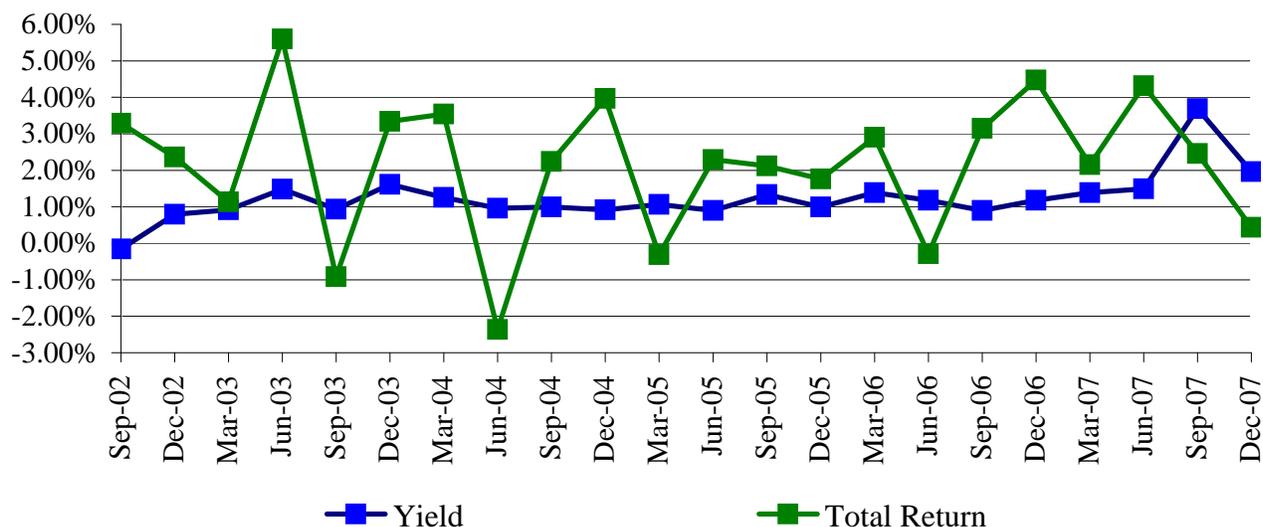
(O) Purchase of up to \$100 million WCDA bonds was authorized from the Common School Permanent Land Fund; however, the authorization period ended with only \$25 million actually used;

Statutory loans from the general fund:

(P) 2003 Session Laws, Chapter 171, Sec. 4 - \$279,500 for operating expenses; 2004 Session Laws, Chapter 95, Sec. 321 - \$1,353,550 for operating expenses; & 2004 Session Laws, Chapter 83, Sec. 3 - \$284,600 for payment of insurance costs & professional services; 2006 Session Laws, Chapter 35, Sec. 304 - \$1,267,353 for operating expenses.

(Q) 2004 Session Laws, Chapter 84, Sec. 4 - \$250,000 for operating expenses; 2005 Session Laws, Ch. 191, Sec. 191 - \$1,610,500 for operating expenses and \$5,000,000 for transmission development projects; 2006 Session Laws, Chapter 35, Sec 305 - \$1,623,540 for operating expenses and \$5,000,000 for transmission development projects.

PERMANENT WYOMING MINERAL TRUST FUND YIELD AND TOTAL RETURN COMPARED



Note: "Yield" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The chart above shows yield as more stable, while total return has varied over market cycles.

<u>Quarter Ending</u>	<u>Yield</u>		<u>Total Return</u>	
	<u>Quarter</u>	<u>Annual</u>	<u>Quarter</u>	<u>Annual</u>
September 30, 2002	-0.16%		3.29%	
December 31, 2002	0.79%		2.36%	
March 21, 2003	0.92%		1.13%	
June 30, 2003	1.48%	3.03%	5.60%	12.92%
September 30, 2003	0.93%		-0.92%	
December 31, 2003	1.61%		3.34%	
March 21, 2004	1.26%		3.54%	
June 30, 2004	0.96%	4.76%	-2.36%	3.51%
September 30, 2004	0.99%		2.24%	
December 31, 2004	0.92%		3.97%	
March 21, 2005	1.06%		-0.31%	
June 30, 2005	0.90%	3.87%	2.29%	8.40%
September 30, 2005	1.33%		2.12%	
December 31, 2005	0.99%		1.76%	
March 21, 2006	1.39%		2.90%	
June 30, 2006	1.18%	4.89%	-0.29%	6.62%
September 30, 2006	0.90%		3.15%	
December 31, 2006	1.18%		4.47%	
March 21, 2007	1.39%		2.15%	
June 30, 2007	1.49%	4.96%	4.32%	14.83%
September 30, 2007	3.69%		2.46%	
December 31, 2007	1.96%		0.44%	

INCOME EARNINGS RECOGNIZED ON INVESTMENTS
During Fiscal Year 2007
July 2006 through June 2007

	<u>INVESTMENT INCOME DIVIDENDS/INTEREST</u>	<u>REALIZED NET CAPITAL GAINS/(LOSSES)</u>	<u>TOTAL INVESTMENT INCOME RECEIVED</u>
Permanent Mineral Trust Fund	\$118,915,711.97	\$37,801,773.71	\$156,717,485.68
<u>PERMANENT LAND FUNDS</u>			
Common School Permanent Land Fund	49,745,304.76	18,740,123.64	68,485,428.40
Miner's Hospital Permanent Land Fund	1,176,898.62	415,682.81	\$1,592,581.43
Public Buildings @ Cap Permanent Land Fund *	108,137.87	38,194.50	\$146,332.37
Fish Hatchery Permanent Land Fund	8,693.06	3,070.41	\$11,763.47
D.D. & B. Permanent Land Fund *	67,878.86	23,974.94	\$91,853.80
Carey Act Permanent Land Fund *	24,667.55	8,712.63	\$33,380.18
Omnibus Permanent Land Fund *	532,544.25	188,095.63	\$720,639.88
State Hospital Permanent Land Fund *	61,487.05	21,717.34	\$83,204.39
State Training School Permanent Land Fund *	22,851.96	8,071.36	\$30,923.32
Penitentiary Permanent Land Fund *	127,805.12	45,141.01	\$172,946.13
Agriculture College Permanent Land Fund	246,347.57	87,010.42	\$333,357.99
University Permanent Land Fund	562,746.15	239,306.17	802,052.32
Worker's Compensation Fund	39,645,615.30	-1,593,338.88	38,052,276.42
Tobacco Settlement Trust Fund	2,727,582.31	76,461.05	2,804,043.36
General Fund Pool	115,610.72		115,610.72
All Other Funds in State Agency Pool	152,515,769.16	4,179,377.30	156,695,146.46
	<u>\$366,605,652.28</u>	<u>\$60,283,374.04</u>	<u>\$426,889,026.32</u>
<u>Total Income - Treasurer's Investments</u>		<u>\$426,889,026.32</u>	

Note: Realized yield for all state investments is 4.95% for FY07. This is an approximation based on income recognized versus average fund balance, 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 \$90,261,449.05 General Fund Income.

To maximize the total return of the funds invested, sales may occur that result in a short term loss. (W.S. 9-4-707 (c) (i))

INCOME EARNINGS RECOGNIZED ON INVESTMENTS
First Half Fiscal Year 2008
July 2007 through December 2007

	<u>INVESTMENT INCOME DIVIDENDS/INTEREST</u>	<u>REALIZED NET CAPITAL GAINS/(LOSSES)</u>	<u>TOTAL INVESTMENT INCOME RECEIVED</u>
Permanent Mineral Trust Fund	\$65,545,289.24	\$131,122,149.71	\$196,667,438.95
<u>PERMANENT LAND FUNDS</u>			
Common School Permanent Land Fund	28,179,521.20	55,679,831.86	83,859,353.06
Miner's Hospital Permanent Land Fund	624,909.34	1,201,891.98	1,826,801.32
Public Buildings @ Cap Permanent Land Fund *	68,221.60	131,211.03	199,432.63
Fish Hatchery Permanent Land Fund	4,431.58	8,523.28	12,954.86
D.D. & B. Permanent Land Fund *	41,455.20	79,731.04	121,186.23
Carey Act Permanent Land Fund *	16,200.21	31,157.96	47,358.17
Omnibus Permanent Land Fund *	324,329.93	623,785.75	948,115.68
State Hospital Permanent Land Fund *	40,834.12	78,536.52	119,370.64
State Training School Permanent Land Fund *	16,359.44	31,464.20	47,823.64
Penitentiary Permanent Land Fund *	73,898.75	142,129.92	216,028.67
Agriculture College Permanent Land Fund	128,579.80	247,298.32	375,878.12
University Permanent Land Fund	272,530.92	582,516.94	855,047.86
Hathaway Education Endowment Fund	7,115,732.37	501,357.59	7,617,089.96
Higher Education Endowment Fund	1,898,530.81	132,800.07	2,031,330.88
Worker's Compensation Fund	23,633,426.74	4,249,158.74	27,882,585.48
Tobacco Settlement Trust Fund	1,487,536.78	20,449.62	1,507,986.40
General Fund Pool	0.00	0.00	0.00
All Other Funds in State Agency Pool	81,389,548.76	1,947,321.47	83,336,870.23
	<u>\$210,861,336.78</u>	<u>\$196,811,316.00</u>	<u>\$407,672,652.78</u>
Total Income - Treasurer's Investments		<u>\$407,672,652.78</u>	

Note: "Realized Net Capital Gains" shown above includes \$101,981,765.63 realized in July 2007, when the Treasurer implemented asset allocation rebalancing for the first time. When the market value of the S&P 500 portfolio reached its target, the Treasurer sold securities and reallocated the principal to other asset classes.

The Treasurer rebalanced the portfolio again in January 2008 when targets were reached in the international equity portfolio. "Realized Net Capital Gains" on this transaction were \$30,775,055.74 and are not reflected above.

* All or a portion of the investment income from these funds ultimately goes to the General Fund.

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PERMANENT WYOMING MINERAL TRUST FUND

Fiscal Years 02 through First Half 08 Analyzed and Compared

(\$ Millions)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>1st Half FY 08</u>
1. Beginning Book Value	\$1,839.7	\$1,963.8	\$2,057.6	\$2,252.4	\$2,472.6	\$2,973.6	\$3,341.6
2. Beginning Market Value	1,755.6	1,864.4	2,050.8	2,218.2	2,557.8	3,070.6	3,728.1
a. Difference	(84.1)	(99.5)	(6.8)	(34.2)	85.2	97.0	386.5
b. Percent	-4.6%	-5.1%	-0.3%	-1.5%	3.4%	3.3%	11.6%
3. Income not yet transferred to General Fund							\$166.8
4. Additions to Corpus	\$124.2	\$93.8	\$194.8	\$220.2	\$501.0	\$368.0	\$124.1
a. Severance Tax Deposits	74.2	83.8	144.8	168.6	406.0	321.8	84.1
b. Additional Legislative Deposits	50.0	10.0	50.0	51.6	95.0	46.2	40.0
5. Ending Book Value	\$1,963.8	\$2,057.6	\$2,252.4	\$2,472.6	\$2,973.6	\$3,341.6	\$3,632.6
6. Ending Market Value	1,864.4	2,050.8	2,218.2	2,557.8	3,070.6	3,728.1	3,958.7
a. Difference	(99.5)	(6.8)	(34.2)	85.2	97.0	386.5	326.2
b. Percent	-5.1%	-0.3%	-1.5%	3.4%	3.3%	11.6%	9.0%
7. Total Income (gross of fees)	\$93.7	\$61.4	\$102.9	\$90.6	\$127.9	\$156.7	\$196.7
a. Interest	103.6	92.9	90.6	77.1	81.1	87.4	48.4
b. Dividend	2.9	2.6	4.9	11.1	19.8	31.8	17.2
c. Realized Capital Gain (or Loss)	(12.8)	(34.2)	7.4	2.4	26.9	37.6	131.1
8. Change in Book Value	\$124.2	\$93.8	\$194.8	\$220.2	\$501.0	\$368.0	\$290.9
Change in Market Value	108.8	186.5	167.3	339.6	512.9	657.5	230.6
9. Cash Yield	5.01%	3.06%	4.76%	3.87%	4.81%	4.96%	5.64%
10. Total Return	5.63%	12.92%	3.51%	8.40%	6.62%	14.83%	N/A on 12.31.07

3. "Income Not Yet Transferred to General Fund" is reported net of fees through November 2007 only. December 2007 data was not available for this report. Income remains in the fund and earns additional income until it is transferred to the General Fund in June 2008.

7. Total Income is gross of fees through December 2007.

Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts Fiscal Year 2007

	<u>JUNE 30, 2006</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2007</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$2,973,580,235.40		
Severance Tax			
Coal		\$73,860,134.87	
Stripper Oil		16,215,421.64	
Other Valuable Products		(52,907.41)	
Oil		35,947,730.32	
Natural Gas		186,328,419.43	
Condensate-Gas		9,528,671.70	
Tertiary-Oil		17,903.25	
Per Session Laws 2006 Ch 35 Sec 300 (b)(i)		20,000,000.00	
WS 9-4-713 Spending Policy		<u>26,191,890.06</u>	
 TOTAL REVENUE ADDED TO CORPUS		 <u><u>\$368,037,263.86</u></u>	
			 <u><u>\$3,341,617,499.26</u></u>

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts First Half Fiscal Year 2008
 July 2007 through December 2007

	<u>JUNE 30, 2007</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>December 31, 2007</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$3,341,617,499.26		
Severance Tax			
Coal		20,384,053.42	
Stripper Oil		5,554,818.72	
Other Valuable Products		-504,719.93	
Oil		9,865,960.49	
Natural Gas		45,525,076.25	
Condensate-Gas		3,303,204.95	
Tertiary-Oil		4,310.17	
Wildcat Oil		7.79	
Investment Income		166,813,006.03 *	
Per Session Laws 2007 Ch 136 Sec 300 (b)(ii)		40,000,000.00	
TOTAL REVENUE ADDED TO CORPUS		<u><u>\$290,945,717.89</u></u>	
			<u><u>\$3,632,563,217.15</u></u>

* PWMTF Investment Income remains invested within the corpus of the fund until June 2008 when it will be transferred to the General Fund.

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COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 02 through First Half 08 Analyzed and Compared

(\$ Millions)

	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>1st Half FY 08</u>
1. Beginning Book Value	\$930.5	\$961.8	\$1,006.5	\$1,073.6	\$1,162.0	\$1,319.7	\$1,467.3
2. Beginning Market Value	899.2	930.3	1,013.9	1,014.3	1,165.2	1,371.6	1,676.7
a. Difference	(31.4)	(31.4)	7.3	(59.2)	3.2	52.0	209.4
b. Percent	-3.4%	-3.3%	0.7%	-5.5%	0.3%	3.9%	14.3%
3. Additions to Corpus	\$31.2	\$44.8	\$67.0	\$88.4	\$157.6	\$147.7	\$23.8
a. Sales, Royalties, Leases, etc.	31.2	44.8	66.0	88.4	153.7	147.7	23.8
b. Additional Legislative Deposits	0.0	0.0	1.0	0.0	3.9	0.0	0.0
4. Ending Book Value	\$961.8	\$1,006.5	\$1,073.6	\$1,162.0	\$1,319.7	\$1,467.3	\$1,491.2
5. Ending Market Value	930.3	1,013.9	1,014.3	1,165.2	1,371.6	1,676.7	1,625.9
a. Difference	(31.4)	7.3	(59.2)	3.2	52.0	209.4	134.7
b. Percent	-3.3%	0.7%	-5.5%	0.3%	3.9%	14.3%	9.0%
6. Total Income (gross of fees)	\$40.6	\$37.7	\$50.7	\$52.7	\$55.9	\$68.5	\$83.9
a. Interest	49.1	46.0	43.2	38.6	37.6	36.1	20.7
b. Dividend	1.7	1.4	2.7	5.7	9.0	13.8	7.5
c. Realized Capital Gain (or Loss)	(10.2)	(9.7)	4.8	8.3	9.3	18.6	55.7
7. Change in Book Value	\$31.2	\$44.8	\$67.0	\$88.4	\$157.6	\$147.7	\$23.8
Change in Market Value	31.2	83.5	0.4	150.9	206.4	305.1	(50.8)
8. Cash Yield	4.32%	3.83%	5.01%	4.87%	4.59%	4.98%	5.88%
9. Total Return	7.19%	12.27%	4.84%	8.66%	6.02%	14.87%	N/A on 12.31.07

Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2007

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2006</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2007</u> <u>CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$30,866,212.91		
Oil & Gas Lease Royalties		\$475,620.05	
Sodium & Trona Lease Royalties		1,876,200.96	
Right-of-Way Easements		9,984.12	
Surface Damage		600.00	
Inflation Proofing Income Diversion		543,245.35	
		2,905,650.48	<u>\$33,771,863.39</u>
 <u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$2,031,881.74		
Oil & Gas Lease Royalties		\$724,877.31	
Sand & Gravel Royalties		7,277.42	
Right-of-Way Easements		15,209.47	
Surface Damage		2,060.00	
Capital Facilities Revenue Bonds		1,024,762.73	
Real Estate-Sales		6,734.56	
Prior Year Reversion		98,143.63	
Inflation Proofing Income Diversion		35,761.12	
		1,914,826.24	<u>\$3,946,707.98</u>
 <u>L03 FISH HATCHERY</u>			
Beginning Balance	\$232,316.01		
Right-of-Way Easements		\$4,325.00	
Inflation Proofing Income Diversion		4,088.76	
		8,413.76	<u>\$240,729.77</u>
 <u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$1,314,653,725.53		
Bentonite Lease Royalties		\$406,192.09	
Coal Lease Royalties		4,759,802.60	
Liquidated Damages		30,000.00	
Miscellaneous Mineral Lease Royalties		48,962.27	
Oil & Gas Lease Royalties		123,405,370.85	
Sand & Gravel Royalties		553,138.62	
Sodium & Trona Lease Royalties		8,669,906.38	
Right-of-Way Easements		1,380,231.46	
Surface Damage		1,776,396.71	
Real Estate-Sales		6,365,776.14	
WS 9-4-701(r) Land Sales		294,886.01	
		147,690,663.13	<u>\$1,462,344,388.66</u>

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2006 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2007 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	\$1,643,130.93		
Oil & Gas Lease Royalties		\$345,934.97	
Right-of-Way Easements		15,690.60	
Surface Damage		11,274.12	
Real Estate-Sales		181,168.87	
Inflation Proofing Income Diversion		28,919.10	
		<u>582,987.66</u>	<u>\$2,226,118.59</u>
<u>L06 CAREY ACT</u>			
Beginning Balance	\$555,204.73		
Bentonite Lease Royalties		\$15,670.02	
Oil & Gas Lease Royalties		241,001.20	
Real Estate-Sales		106,982.07	
Inflation Proofing Income Diversion		9,771.60	
		<u>373,424.89</u>	<u>\$928,629.62</u>
<u>L07 OMNIBUS</u>			
Beginning Balance	\$12,634,735.94		
Liquidated Damages		\$30,000.00	
Oil & Gas Lease Royalties		\$3,179,649.93	
Sand & Gravel Royalties		211,127.76	
Right-of-Way Easements		41,580.66	
Surface Damage		17,426.38	
Reimburse from State Hospital (1998 Ch 30 Sec 3/048)		500,000.00	
Real Estate-Sales		176,549.70	
Inflation Proofing Income Diversion		222,371.35	
		<u>4,378,705.78</u>	<u>\$17,013,441.72</u>
<u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	\$1,397,589.33		
Oil & Gas Lease Royalties		\$501,080.61	
Real Estate-Sales		249,660.00	
Prior Year Reversion		7,473.00	
Inflation Proofing Income Diversion		24,597.57	
		<u>782,811.18</u>	<u>\$2,180,400.51</u>
<u>L09 WYOMING STATE TRAINING SCHOOL</u>			
Beginning Balance	\$441,262.22		
Oil & Gas Lease Royalties		\$307,644.63	
Sand & Gravel Royalties		100,355.98	
Right-of-Way Easements		1,438.37	
Inflation Proofing Income Diversion		7,766.22	
		<u>417,205.20</u>	<u>\$858,467.42</u>

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2006 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2007 CORPUS BALANCE</u>
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	\$3,128,844.17		
Oil & Gas Lease Royalties		\$732,534.30	
Sand & Gravel Royalties		9,790.39	
Right-of-Way Easements		17,063.58	
Surface Damage		8,630.36	
Inflation Proofing Income Diversion		55,067.66	
		<u>823,086.29</u>	<u>\$3,951,930.46</u>
<u>L11 WYOMING STATE AGRICULTURAL COLLEGE (1)</u>			
Beginning Balance	\$6,561,219.56		
Oil & Gas Lease Royalties		\$238,905.29	
Right-of-Way Easements		21,597.84	
Real Estate-Sales		15,487.56	
Inflation Proofing Income Diversion		115,477.46	
		<u>391,468.15</u>	<u>\$6,952,687.71</u>
<u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	\$14,869,922.75		
Oil & Gas Lease Royalties		\$148,928.00	
Right-of-Way Easements		6,732.67	
Real Estate-Sales		98,131.92	
Inflation Proofing Income Diversion		239,977.29	
		<u>493,769.88</u>	<u>\$15,363,692.63</u>
	NET INCREASE IN CORPUS	<u>\$160,763,012.64</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. This fund is invested in the State Agency Pool.

Total Permanent Land Fund Corpus balances do not include June 2007 income (\$425,511.00) not yet distributed to the General Fund or appropriate 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" are derived from oil and mineral leases on state lands..

PERMANENT LAND FUND: CORPUS
Revenue Receipts First Half Fiscal Year 2008
July 2007 through December 2007

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2007</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>DECEMBER 31, 2007</u> <u>CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$33,771,863.39		
Oil & Gas Lease Royalties		\$110,854.48	
Sodium & Trona Lease Royalties		360,840.98	
Surface Damage		476.80	
		<u>472,172.26</u>	<u>\$34,244,035.65</u>
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$3,946,707.98		
Oil & Gas Lease Royalties		\$143,049.36	
Sand & Gravel Royalties		1,525.34	
Right-of-Way Easements		69,307.48	
Surface Damage		15,972.35	
Prior Year Adjustment		-1,024,762.73	
		<u>-794,908.20</u>	<u>\$3,151,799.78</u>
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$240,729.77		
Oil & Gas Lease Royalties		\$148.15	
		<u>148.15</u>	<u>\$240,877.92</u>
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$1,462,344,388.66		
Bentonite Lease Royalties		-\$4,319.19	
Miscellaneous Mineral Lease Royalties		-544.86	
Oil & Gas Lease Royalties		19,051,463.68	
Sand & Gravel Royalties		111,779.33	
Sodium & Trona Lease Royalties		1,746,538.87	
Right-of-Way Easements		514,910.87	
Uranium Lease Royalties		-95.20	
Surface Damage		664,770.36	
Real Estate-Sales		722,240.00	
Prior Year Adjustment		1,024,762.73	
		<u>23,831,506.59</u>	<u>\$1,486,175.895.25</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>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2007 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>DECEMBER 31, 2007 CORPUS BALANCE</u>
<u>L05 DEAF, DUMB & BLIND</u>			
Beginning Balance	\$2,226,118.59		
Oil & Gas Lease Royalties		\$67,208.67	
Right-of-Way Easements		6,453.44	
		<u>73,662.11</u>	<u>\$2,299,780.70</u>
<u>L06 CAREY ACT</u>			
Beginning Balance	\$928,629.62		
Bentonite Lease Royalties		\$3,297.82	
Oil & Gas Lease Royalties		-23,424.00	
		<u>-20,126.18</u>	<u>\$908,503.44</u>
<u>L07 OMNIBUS</u>			
Beginning Balance	\$17,013,441.72		
Oil & Gas Lease Royalties		\$663,349.42	
Sand & Gravel Royalties		44,152.77	
Right-of-Way Easements		7,429.56	
Surface Damage		41,288.27	
Real Estate-Sales		398,700.00	
Repayment from State Hospital (1998 Ch 30 Sec 3/048)		500,000.00	
		<u>1,654,920.02</u>	<u>\$18,668,361.74</u>
<u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	\$2,180,400.51		
Oil & Gas Lease Royalties		\$98,727.37	
Miscellaneous Private Source		450.00	
		<u>99,177.37</u>	<u>\$2,279,577.88</u>
<u>L09 WYOMING STATE TRAINING SCHOOL</u>			
Beginning Balance	\$858,467.42		
Oil & Gas Lease Royalties		\$59,438.58	
Sand & Gravel Royalties		19,389.31	
		<u>78,827.89</u>	<u>\$937,295.31</u>
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	\$3,951,930.46		
Oil & Gas Lease Royalties		\$148,767.82	
Sand & Gravel Royalties		1,982.95	
Right-of-Way Easements		12,683.90	
Surface Damage		553.60	
		<u>163,988.27</u>	<u>\$4,115,918.73</u>

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2007 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>DECEMBER 31, 2007 CORPUS BALANCE</u>
<u>L11 WYOMING STATE AGRICULTURAL COLLEGE (1)</u>			
Beginning Balance	\$6,952,687.71		
Oil & Gas Lease Royalties		\$48,503.40	
Right-of-Way Easements		15,367.11	
Surface Damage		22,725.00	
		<u>86,595.51</u>	<u>\$7,039,283.22</u>
 <u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	\$15,363,692.63		
Oil & Gas Lease Royalties		\$30,832.24	
Right-of-Way Easements		1,126.79	
		<u>31,959.03</u>	<u>\$15,395,651.66</u>
	 NET INCREASE IN CORPUS	 <u>\$25,677,922.82</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. This fund is invested in the State Agency Pool.

Total Permanent Land Fund Corpus balances do not include December 2007 income (\$632,026.00) not yet distributed to the General Fund or appropriate 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" are derived from oil and mineral leases on state lands.

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SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWTMF)

Prepared following January 2008 rebalancing of portfolio

last update 01/28/2008

W.S. 9-4-713 established annual spending policy amounts from the PWTMF (currently five percent (5%) of the average five (5) year rolling average market value) and created the PWTMF reserve account. To the extent earnings from the PWTMF exceed the five percent (5%) spending policy amount, the excess earnings flow to the PWTMF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the PWTMF.

PWTMF reserve account via a general fund appropriation. If the fiscal year end balance in the reserve account exceeds 75% of this spending policy amount, the excess will be transferred to the corpus of the PWTMF within 90 days after the end of the fiscal year.

*Projected earnings shown in yellow for FY08 (\$273,143,114) includes the January 2008 CREG investment income estimate of \$239,600,000 plus realized capital gains of \$14,532,922 captured in Dec, 2007 and \$19,010,192 realized capital gains which resulted from rebalancing the portfolio in mid-January, 2008. Please also note that all amounts shown in yellow are only projections and will change over time.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income (Earnings)	Earnings over Spending Policy Amount to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Any Reversions	75% of Spending Policy Amount	Excess Over 75% reverts to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	Actual 90,510,496	0			92,867,680	0	0
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	0
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (e)	44,500,000	10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0		56,747,488 (b)	70,714,472	0	55,098,475 (c)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (e)		74,583,915	78,350,382	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (e)		107,453,119	88,213,409	19,239,709 (d)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	273,143,114 *	136,888,222		225,101,631	102,191,169	122,910,462	102,191,169
7/1/08	3,670,210,000	2009	3,048,970,735	5.000%	152,448,537	130,600,000	0		102,191,169	114,336,403	0	102,191,169
7/1/09	4,090,780,000	2010	3,423,490,840	5.000%	171,174,542	143,900,000	0		102,191,169	128,380,907	0	102,191,169
7/1/10	4,462,380,000	2011	3,804,415,183	5.000%	190,220,759	156,500,000	0		102,191,169	142,665,569	0	102,191,169
7/1/11	4,843,380,000	2012	4,158,966,415	5.000%	207,948,321	169,500,000	0		102,191,169	155,961,241	0	102,191,169

Notes:

- (a) Total Market Value for FY07 & Prior are Actual Market Value & for FY08 & Beyond are Basis Value (Book Value/Cost).
- (b) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (c) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (d) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (e) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund

Contact: Sharon Garland
State Treasurer's Office

SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)

Prepared following January 2008 rebalancing of portfolio

last update 01/28/2008

W.S. 9-4-713 established annual spending policy amounts from the CSPLF (currently five percent (5%) of the average five (5) year rolling average market value) and created the CSPLF reserve account. To the extent earnings from the CSPLF exceed the five percent (5%) spending policy amount, the excess earnings flow to the CSPLF reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the CSPLF.

The spending policy amount for fiscal year 2008 (shown in green print) is \$62,433,632. This amount will be transferred to the CSPLF income fund. Earnings in excess of this spending policy amount will be deposited into the CSPLF reserve account via a general fund appropriation. If the fiscal year end balance in the reserve account exceeds 75% of this spending policy amount, the excess will be transferred to the corpus of the CSPLF within 90 days after the end of the fiscal year.

Projected earnings shown in yellow for FY08 (\$118,948,087) includes the Jan 2008 CREG income estimate of \$101,000,000 plus realized capital gains of \$6,253,383 captured in December, 2007 and \$11,694,704 realized capital gains resulting from rebalancing the portfolio in mid-January, 2008. Please also note that all amounts shown in yellow are only projections and will change over time.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income (Earnings)	Earnings over Spending Policy Amount to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Any Reversions	75% of Spending Policy Amount	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0	0		51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0	0		51,239,278	0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (e)	30,000,000	2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (e)	30,000,000	37,852,862 (b)	35,230,020	2,622,841 (d)	34,282,538 (c)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (e)	(13,500,000)	37,898,288	37,672,073	226,214 (d)	37,672,073
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (e)	(4,200,000)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632							
					Projected							
						118,948,087 *						
7/1/08	1,602,180,000	2009	1,366,329,479	5.000%	68,316,474	54,500,000	56,514,455		87,053,365	46,825,224	40,228,142	46,825,224
7/1/09	1,768,460,000	2010	1,517,157,746	5.000%	75,857,887	59,500,000	0		46,825,224	51,237,555	0	46,825,224
7/1/10	1,912,460,000	2011	1,666,605,987	5.000%	83,330,299	64,200,000	0		46,825,224	56,893,415	0	46,825,224
7/1/11	2,056,460,000	2012	1,803,572,479	5.000%	90,178,624	68,800,000	0		46,825,224	62,497,725	0	46,825,224

(a) Total Market Value for FY07 & Prior are Actual Market Value & for FY08 & Beyond are Basis Value (Book Value/Cost).

(b) Reflects addition of \$947,482 realized earned income on reserve account.

(c) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund.

(d) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve

(e) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund

Contact: Sharon Garland
State Treasurer's Office

SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT FUND (Higher Ed)

Prepared following January CREG meeting

last update 01/28/2008

W.S. 9-4-713 established annual spending policy amounts from the Higher Ed Fund (currently five percent (5%) of the average five (5) year average market value of the Higher Ed Fund) and created the Higher Ed reserve account. To the extent earnings from the Higher Ed Fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the balance in the reserve account reaches more than 75% of the spending policy amount, the excess in the reserve account is transferred to the corpus of the Higher Ed Fund unless the earnings from the Higher Ed Fund are less than the five percent (5%) spending policy amount, then the reserve account is used to supplement earnings to reach the five percent (5%) spending policy.

The spending policy for fiscal year 2008 is \$3,181,198. Two-thirds of this amount will be distributed to the University of Wyoming and one-third (1/3) will be distributed to the Wyoming community colleges on a quarterly basis.

*Projected earnings shown in yellow for FY08 (\$3,650,000) is the January 2008 CREG investment income estimate. Please also note that all amounts shown in yellow are only projections and will change over time.

As of	Total Market Value (\$)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income (Earnings)	Amount over 5% Excess from Income Account to Reserve Acct	Amount less than 5% Excess from Reserve Acct to be distributed	Year End Reserve Bal Before Reversion to Corpus	75% of Spending Policy	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/05	929,697	2006		5.000%	0.00	0			0		0	0
7/1/06	48,379,952	2007	48,379,952	5.000%	2,418,998	726,921	0	0	0	1,814,248	0	0
7/1/07	78,867,967	2008	63,623,960	5.000%	3,181,198							
						Projected						
7/1/08	105,000,000	2009	77,415,973	5.000%	3,870,799	3,650,000	468,802	(190,799)	468,802	2,385,898	0	468,802
7/1/09	105,000,000	2010	84,311,980	5.000%	4,215,599	3,680,000	0	(650,599)	278,003	2,903,099	0	278,003
						3,565,000	0		0	3,161,699	0	0

(a) Total Market Value for FY06 & FY07 are based on Higher Ed portion of SAP market value and for FY08 & beyond are Cost Basis Value

Spending Policy began 07/01/06 for FY07

Contact: Sharon Garland
State Treasurer's Office

INTERFUND BORROWING SCHOOL FOUNDATION PROGRAM

For several years the state has issued tax and revenue anticipation notes (TRANS), as authorized by W.S. 9-4-1101 through 9-4-1105, to fund temporary cash flow shortfalls in the School Foundation Fund in order to make school foundation program payments to Wyoming school districts as required by Wyoming Statutes. Due to the legal probabilities that issuance of these tax free notes are no longer feasible, school foundation program payments during fiscal year 2008 are being made by temporary interfund borrowing from the corpus of the Common School Permanent Land Fund (CSPLF) at 6% interest as allowed by W.S. 21-13-316.

A cash flow analysis spreadsheet is included on the following page that shows the schedule of actual revenue receipts through December 31, 2007 and anticipated revenue receipts for the remainder of FY08, the schedule of statutory school foundation payments and the incorporation of interfund borrowing from and repayment to the CSPLF for fiscal year 2008.

Interest payments from the school foundation program for this interfund borrowing are estimated to be approximately \$6 million for FY08. The amount of interest paid to the Common School Permanent Land Fund account will be reported as income to the account to be distributed among all school districts during FY 09 as provided by Wyoming Statute.

There are several reasons for the lack of liquidity to make scheduled school foundation program payments. They include timing of receipt of revenues primarily from federal mineral royalties and ad valorem taxes and the statutory schedule of payments to school districts which distributes the majority of foundation program revenues towards the front end of the school year. As illustrated on the cash flow analysis spreadsheet, revenue shortfalls to the school foundation account occur primarily in August, October and February of each year.

The State Treasurer could also use the provisions of W.S. 9-1-417, which allows utilization of loans from the general fund or budget reserve account, up to \$60 million, to assist in meeting the cash flow needs for obligations of the school foundation program which come due prior to the receipt of program revenues. Loans from the general fund must be repaid as soon as anticipated revenue is received.

Liquidity needs have been built into the state's investment asset allocation plan for the CSPLF for fiscal year 2008. To ensure liquidity needs are met, the CSPLF portfolio will hold a larger portion of its assets in cash and short-term bonds than held by the Permanent Wyoming Mineral Trust fund.

State of Wyoming
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2008
Estimated Cash Flow - January 2008

	Actual July 07	Actual Aug 07	Actual Sept 07	Actual Oct 07	Actual Nov 07	Actual Dec 07	Actual Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Year End Adj Pd (13th Pd 08)	FY08 Totals	LSO & CREG FY08 Estimates Jan 08
Beginning Balance	212,173,913	223,061,266	35,836,868	(18,167,204)	6,741,723	4,093,079	613,705	17,775,784	1,639,997	284,452	421,520	857,601	168,479,165	212,173,913	116,538,088
Revenues and Transfers															
Auto Tax 1101	307,177	139,114	4,836,512	7,692,768	1,931,205	801,562	1,871,961	193,543	59,814	264,267	72,509	70,683		18,241,116	17,500,000
Car Company Tax 1102	233,719	62,708	43,491	56,020				52,817				1,244		450,000	450,000
Property Tax 1105	3,726,397	2,010,425	339,446	3,617,753	46,318,609	66,472,359	23,487,643	3,866,602	2,847,415	3,017,557	47,531,986	54,659,018		257,895,209	257,895,209
Penalty-Delinq taxes 3302			140	3,120	8,790	560	480							13,090	
Federal Mineral Royalty 4201 (under 200mm)	7,392,000	7,392,000	7,392,000	7,392,000	6,618,258		13,236,516	6,618,258	6,618,258	6,618,258	6,618,258	6,618,258	*	82,514,064	249,600,000
FMR 4201 (over 200mm)	42,999,641		(58,821,106)				10,832,559		39,298,787			39,298,787		132,429,774	
FMR 4201-FY07 True-up over 200mm							(40,224,001)		(28,316,928)	(11,907,073)			(21,626,895)	(68,821,106)	
FMR 4201-to Hathaway/Higer Ed (H & HE)														(68,540,929)	
FMR 4201-to CSPLF (after HatH/HIEEd fully funded)														(33,533,968)	
Coal Lease Bonus 4202-from School Cap Con													91,062,512		
Comm School Income Fund (Trsfer from) 6404							84,434,363					32,565,637		117,000,000	117,000,000
Interest - WY Municipalities 4510	57,817	113,822	26,797	133,878	29,071	205,466	63,065	72,600	108,216	420,623	52,622	1,366,023		2,650,000	2,650,000
Interest - Investments 4601,4643		665,441	247,174	162,346	1,335	76,128	260,480	830,885	245,196	72,627	183,174	4,689,344	565,869	8,000,000	8,000,000
Recapture 6130				6,731,671	(123,818)							205,034,489		211,642,342	211,642,342
CSPLF Interfund Borrowing				212,500,000	(50,000,000)	(65,000,000)	(97,500,000)	180,000,000	12,000,000	14,000,000	(27,000,000)	(179,000,000)		0	
Total Revenues and Transfers	11,717,110	53,383,151	(45,935,546)	238,289,556	4,783,450	2,556,075	(3,536,934)	191,634,706	21,878,900	23,468,118	27,458,548	165,303,483	70,001,487	973,176,017	864,737,551
Expenditures															
Entitlements - School Districts 4101		(167,336,281)		(182,561,142)				(179,804,317)						(529,701,740)	(528,223,358)
ECA Entitlements 4101		(8,037,610)		(8,768,900)				(8,636,483)						(25,442,983)	(28,642,960)
Entitlement Adjustments 4101			870,715	(295,430)	8,915	14,959	42,442	(450,187)						947,337	(1,500,000)
Combined Incentive Payments 4101				(150,000)										(150,000)	(150,000)
Tax Shortfall Grants 4101		(23,000)		(5,136,679)				(86,255)	(8,847)			(106,898)		(14,459,297)	(6,500,000)
Distance Learn Incent W.S. 21-13-330 4101		(47,197,342)					19,983,469	6,183,542				26,167,011		(225,000)	(225,000)
Recapture Loan 4101				(35,094)	(3,675)	(11,500)		(16,721)	(21,004)	(2,820)	(88,705)			(296,188)	(296,188)
Vocational Education Grants 4109	(6,632)	(9,459)	(6,232)	(9,658)	(290,304)	(8,010)	(5,036)	(3,707)	(3,775)	(3,849)	(4,110)	(323,050)	(92)	(698,391)	(690,446)
Student Performance Data System 4702	(872,387)	(859,680)	(796,789)	(786,370)	(912,026)	(807,729)	(641,153)	(1,430,511)	(1,434,376)	(1,463,867)	(1,309,758)	(1,464,075)		(12,778,719)	(12,567,832)
COP Payments 4201	(28,821)	(887,944)	(51,656)	(1,604,062)	(771,097)	(3,300,358)	(1,183,163)	(587,832)	(754,368)	(682,281)	(1,883,804)	(66,040)	(634,790)	(12,436,216)	(11,059,101)
Education Reform 4601,4604,4608	(140,929)	(170,308)	(65,072)	(1,043,673)	(73,652)	(743,721)	(187,322)	(224,058)	(24,316)	(35,599)	(21,420)	(377,985)	(156)	(3,108,211)	(2,521,924)
WDE Budget 6106,6108,6114,6121,6129,6160,616	(85,414)	(53,960)	(50,992)	(61,740)	(65,446)	(44,868)	(71,990)	(483,852)	(346,577)	(301,087)	(565,250)	(253,437)	(6,689)	(2,391,302)	(2,391,302)
School Funding Equity Litigation(015)					(600,000)			(120,000)	(120,000)	(120,000)	(120,000)	(120,000)		(1,200,000)	(1,200,000)
Native American/Hawaiian Ed 6195								(540,000)						(540,000)	(660,000)
National Bd Certification Payment Reimb 4503		(40)		(32)		(115,825)		(97,319)	(97,319)	(97,319)	(97,319)	(97,319)		(602,493)	(2,781)
SF100 College&Jobs Skills Assess Test 6130	(78,377)	(193,498)	25,980	(121,306)	111,834	(65,446)	(127,240)	(680,368)	289,809	191,539	(456,517)	(195,407)	(28,255)	(1,327,251)	(1,327,251)
SF159 National Guard Youth Program (007)	(21,150)	(97,950)	(35,250)	(20,700)	(26,325)	(25,275)	(21,750)	(67,446)	(61,841)	(84,082)	(82,816)	(80,465)		(625,050)	(9,000,000)
COP Juvenile Detention 4202	(11,241)	(1,158)	(1,744,047)	(26,049)	(4,853,095)	(22,093)	(21,855)	(180,389)	(167,554)	(140,961)	(1,701,185)	(130,372)		(9,000,000)	(16,000,000)
HB139 Summer School 4112		(16,048,369)												(16,048,369)	
HB139 Instructional Facilitators 4502														(178,449)	
HB139 Education Studies 4504				(4,860)	(23,580)	(18,730)	(24,000)	(21,456)	(21,456)	(21,456)	(21,456)	(21,456)		(178,449)	
HB139 LSO Studies (500,000) & Exp (50,000)(201)	(30,346)	(19,662)	(24,728)	(26,902)	(24,640)	(31,660)	(18,023)	(17,438)	(16,691)	(18,533)	(15,058)	(15,056)		(258,738)	
HB115 WDE Dist Ed Task Force 4506	(1,957)	(3,387)	(765)	(122)	(12,401)	(11,848)		(3,366)	(3,366)	(3,366)	(3,366)	(3,366)		(47,310)	(45,104)
HB115 WDE At Risk Study 4505					(1,356)	(2,685)	(7,390)	(37,714)	(37,714)	(37,714)	(37,714)	(37,714)		(200,000)	(200,000)
HB182 Teacher Shortage Loan Repayment(057)	23,563	110	244	1,887	254	(1,077)	19	(914,959)	74,605					(815,354)	(815,354)
School Cap Con (027)								(19,549,656)	(19,549,656)	(19,549,656)	(19,549,656)	(19,549,656)		(97,962,512)	(97,962,512)
Capital Facilities Bond Debt Service (FMR)(004)			(6,189,934)	1,729,500	1,167,000	(839,583)	3,729,500						436,066		
Interfund Borrowing Interest Expense					(1,062,500)		(503,750)	0	(930,000)	(960,000)	(1,064,333)	(895,000)		(6,255,167)	(10,522,575)
Total Education Expenditures	(829,757)	(240,607,549)	(8,068,526)	(213,380,629)	(7,432,094)	(6,035,449)	20,699,013	(207,770,492)	(23,234,444)	(23,331,051)	(27,022,467)	2,318,081	(669,981)	(735,365,346)	(732,503,688)
Ending Balance	223,061,266	35,836,868	(18,167,204)	6,741,723	4,093,079	613,705	17,775,784	1,639,997	284,452	421,520	857,601	168,479,165	237,810,671	237,810,671	248,771,951
CSPLF Loan Balance	0	0	0	212,500,000	162,500,000	97,500,000	0	180,000,000	192,000,000	206,000,000	179,000,000	0	0	0	0

* FMR Diversion for Capital Facilities Bond Debt Service

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 governmental entity. All investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831).

J. P. Morgan 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. Participants can access their accounts via the internet. This service is called Internet Participant Access System (IPAS). In mid-October 2007, the IPAS system was upgraded to improve the participant's overall ease of use. This service has been received by participants as very beneficial.

In late November and early December 2007, WYOSTAR participants were notified about the investment pool's exposure to subprime mortgage investments. Participants were informed that WYOSTAR has (i) zero exposure to subprime mortgages, (ii) has zero exposure to corporate bonds, (iii) does not hold asset backed commercial paper, and (iv) all securities carry a AAA rating or an implied AAA rating.

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 FY07 and FY08 through December 31, 2007 are as follows:

<u>FY07</u>				<u>FY08</u>	
07/06	4.685%	01/07	4.811%	07/07	4.975%
08/06	4.691%	02/07	4.972%	08/07	4.949%
09/06	4.780%	03/07	4.968%	09/07	4.901%
10/06	4.712%	04/07	5.013%	10/07	4.772%
11/06	4.844%	05/07	4.975%	11/07	4.627%
12/06	4.821%	06/07	5.024%	12/07	4.390%

The annualized yield for FY07 was 4.86% and for FY08 through 12/31/07 was 4.77%.

As of June 30, 2007, there were 145 active participants and as of December 31, 2007 there were 146 active participants. (Some participants have multiple accounts). WYO-STAR pool balance on June 30, 2007, was \$238,859,203.12 and on December 31, 2007 the pool balance was \$270,505,549.08. Participants earned \$8,904,580.16 in FY07 and have earned \$6,573,040.86 through December 31, 2007.