



**WYOMING STATE TREASURER'S
INVESTMENT REPORT**

Fiscal Year 2010
(July 1, 2009 – June 30, 2010)

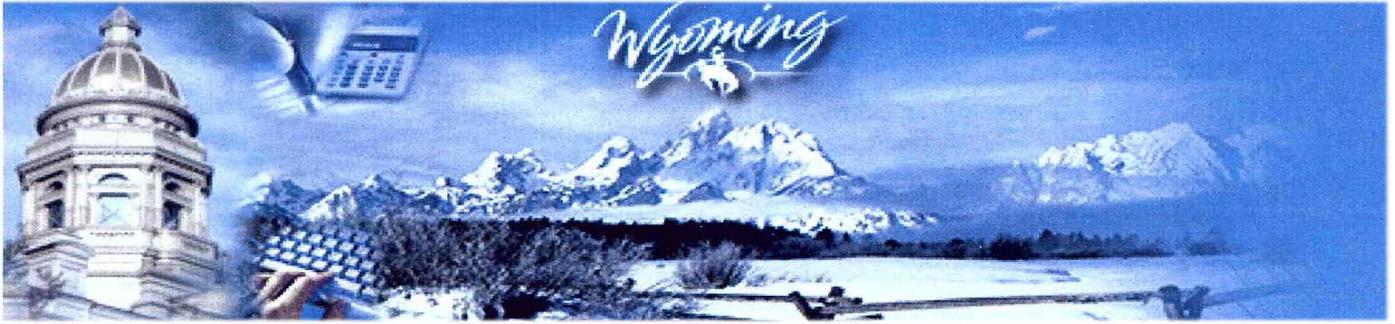
September 2010

**WYOMING STATE TREASURER'S
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Fiscal Year 2010

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WYOMING STATE TREASURER'S
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Fiscal Year 2010
(July 1, 2009 – June 30, 2010)



I am pleased to present the 2010 Investment Report, covering the fiscal year July 1, 2009 through June 30, 2010. Inside you will find detailed information about the State's investment portfolio, including fund performance, asset allocation and income distribution.

FY 10 was a year of continued healing in the portfolio. We made up over \$109.2 million of the \$201.1 million loss incurred by a few of our investment managers during the dramatic market downturns of FY 09. Those firms no longer manage State funds.

The importance of investment income to the State of Wyoming cannot be overstated. The Treasurer's Office distributed \$476.7 million in investment income to State agencies, institutions and programs in FY 10. Of that amount, \$257.9 million, or 54.1 percent, went directly to the State General Fund. Another \$162.5 million, 34.1 percent, went to programs — including K-12 schools, higher education and Hathaway college scholarships — that otherwise would have required general fund money to maintain the funding levels they enjoyed with the help of investment income.

We are proud of the performance of our portfolio in terms of the revenue it provides Wyoming citizens, offsetting taxes they might have to pay without it, or programs and services they would not have without it. But we are also proud of the relative performance of our portfolio compared to its peers.

R.V. Kuhns acts as investment advisor to the State Loan and Investment Board. Twice a year they survey public investment programs in the country and produce a report comparing performance. You will remember that last year, we ranked 5th in total return for the year ending June 30, 2009, and 2nd when measured over three years. Our conservative investment policies and portfolio construction — with relatively smaller exposure to equities and greater reliance on fixed income — protected us during the market crisis. This past year, our relative performance was slightly off the mean. Taking a longer-term perspective, however, we outperformed all but two of the 81 funds surveyed over the recent three-year period, and we beat all but ten portfolios over the past five years.

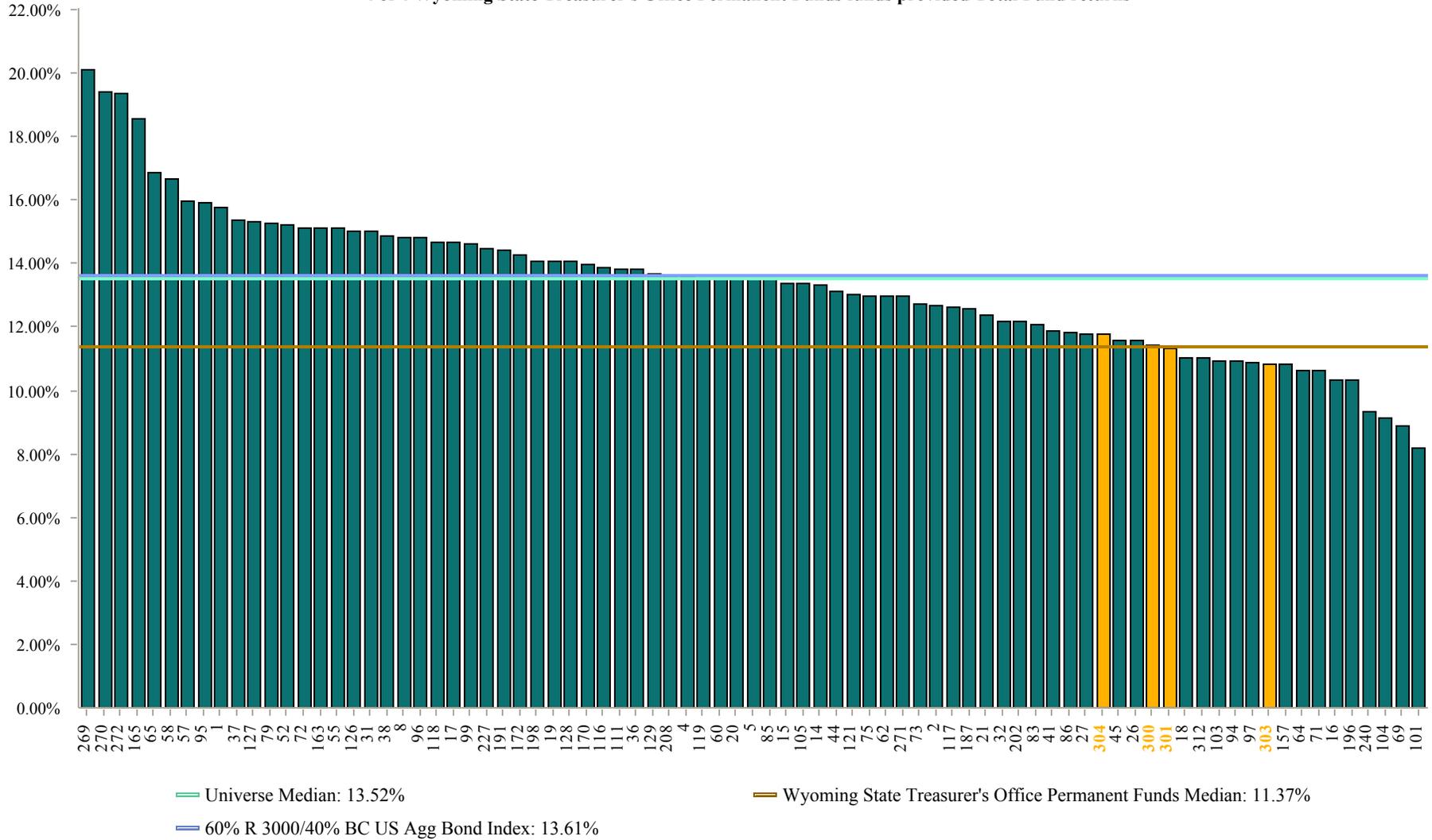
I am fortunate to work with a very talented and dedicated staff in the Treasurer's Office. I encourage you to visit us on the web at <http://treasurer.state.wy.us/investmentsbank.asp#invest>.

Joe Meyer
Wyoming State Treasurer

1 Year Annualized Total Fund Returns

As of June 30, 2010

81 of 81 funds provided Total Fund returns for this time period
 4 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns

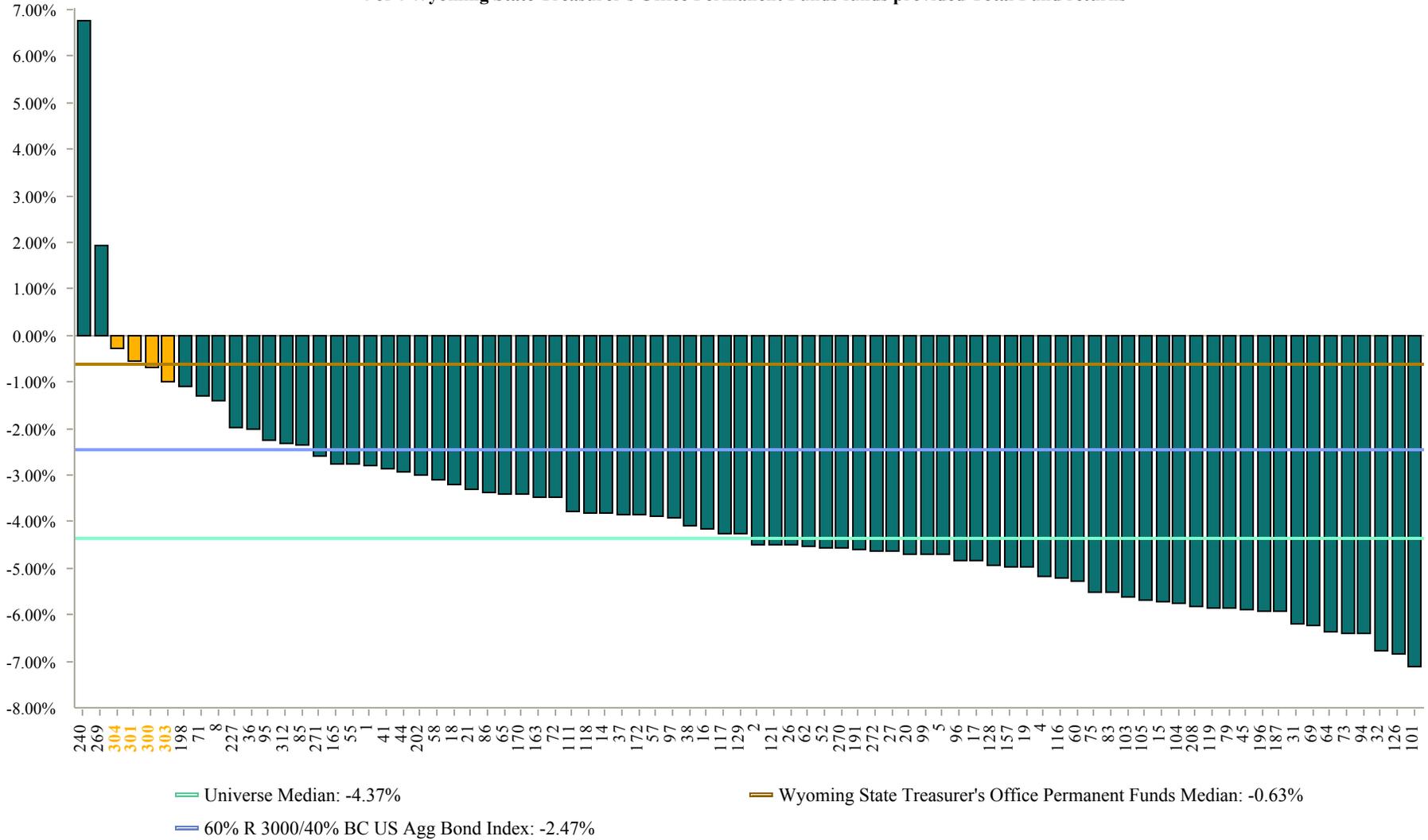


Performance shown is calculated using quarterly performance provided by participating public funds.

3 Year Annualized Total Fund Returns

As of June 30, 2010

80 of 81 funds provided Total Fund returns for this time period
 4 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns

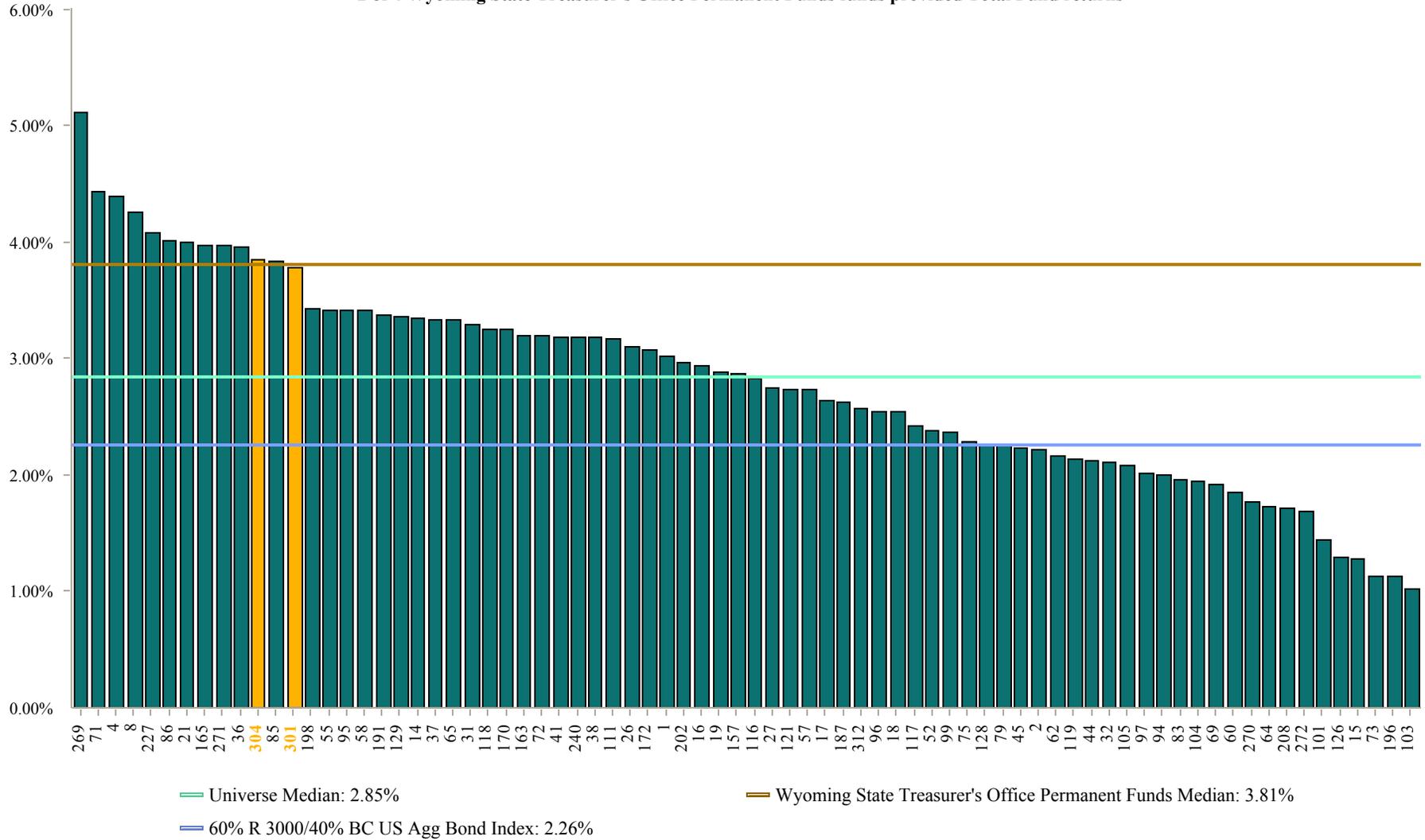


Performance shown is calculated using quarterly performance provided by participating public funds.

5 Year Annualized Total Fund Returns

As of June 30, 2010

76 of 81 funds provided Total Fund returns for this time period
 2 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns



Performance shown is calculated using quarterly performance provided by participating public funds.

WYOMING STATE INVESTMENT PORTFOLIO

Fiscal Year 2010

PORTFOLIO OVERVIEW

The State Treasurer manages all non-pension funds of the State of Wyoming. As stated in the Master Investment Policy and Sub-Policies approved by the State Loan and Investment Board, the Treasurer invests the state portfolio "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The State's portfolio is in a diversified asset allocation. Modern portfolio theory, creating a diversified portfolio of asset classes, allows the investor to achieve a high rate of return while minimizing the volatility of the portfolio. Simply put, the State's portfolio diversification protects the corpus of the funds and allows maximum returns within acceptable risk.

The State portfolio consists of nine investment pools in seven fund types. Seven pools — the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers Compensation Fund — may hold equities, fixed income and cash. The State Agency Pool and the Tobacco Settlement Fund may only hold fixed income and cash.

As shown below, the Treasurer's investment portfolio grew across all funds on a cost basis during FY 10. The total portfolio was \$11.6 billion at the end of FY 09, increasing over \$1 billion to \$12.6 by June 30, 2010.

	FY 09		FY 10	
	Cost	Market	Cost	Market
Permanent Mineral Trust Fund	\$4,262.2	\$3,893.8	\$4,555.4	\$4,414.1
Permanent Land Funds				
- Common School Perm Land Fund	1,794.5	1,622.5	1,967.6	1,901.5
- University Permanent Land Fund	15.9	14.8	16.5	16.9
- Remaining Permanent Land Funds	95.6	86.7	96.0	92.5
Hathaway Scholarship Fund	455.6	431.1	470.6	467.0
Higher Education Endowment Fund	102.5	96.1	104.1	102.7
Workers Compensation Fund	1,135.3	1,079.8	1,212.1	1,219.4
Tobacco Settlement Fund	59.0	57.0	65.8	66.5
State Agency Pool	<u>3,635.9</u>	<u>3,627.5</u>	<u>4,082.5</u>	<u>4,216.7</u>
Total	\$11,556.5	\$10,909.4	\$12,570.7	\$12,497.5

The portfolio continued to recover from FY 09 market declines, where February 2009 saw the then \$11 billion portfolio with a market value \$1.3 billion below cost. By June 30, 2009, the portfolio's market value had recovered by half, ending the year \$647.1 million below cost. By the end of FY 10, the portfolio was almost back in the black overall. Most equity markets remained under water, however. The market values of State funds with equity allocations, while recovered significantly from FY 09 levels, also were below the original cost.

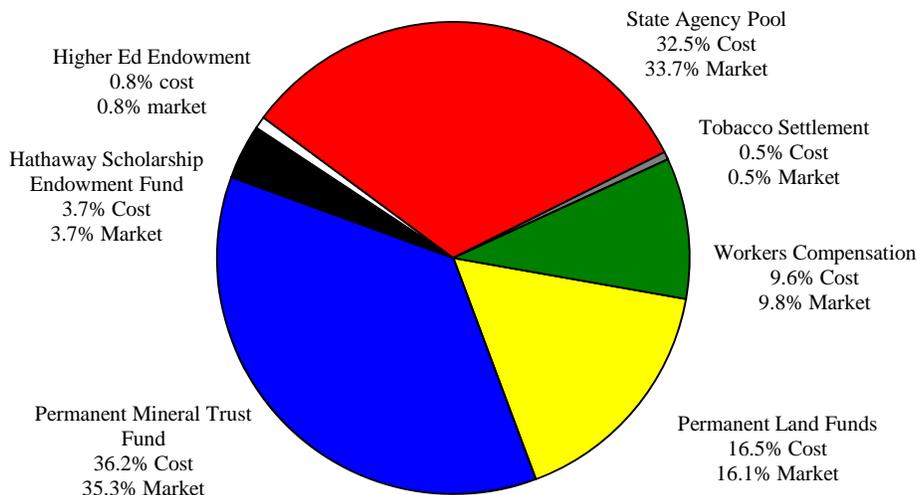
The State Treasurer distributes investment earnings to statutory recipients. Interest, dividends and real estate rentals are treated as ordinary income and disbursed accordingly. Capital gains and losses

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2010

The State Treasurer's Office manages \$12.5 billion in non-pension investable funds across seven 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	\$4,555,406,397	\$4,414,080,036
<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.</i>		
Permanent Land Funds	2,080,077,174	2,010,904,796
<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: \$1.968 billion book/cost, \$1.902 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.</i>		
Hathaway Scholarship Endowment Fund	470,566,729	467,033,391
<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 of the Hathaway Scholarship Fund may be invested in equities.</i>		
Excellence in Higher Education Endowment Fund	104,149,091	102,674,540
<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 of the Higher Ed. Endowment Fund may be invested in equities.</i>		
Workers Compensation Fund	1,212,102,120	1,219,422,667
<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.</i>		
Tobacco Settlement Fund	65,817,596	66,648,896
<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	4,082,539,999	4,216,688,714
<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	\$12,570,659,106	\$12,497,453,040



are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive in a fund, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

The Treasurer distributed \$476.7 million in investment income during FY 10, up \$65.3 million from the \$411.3 million distributed in FY 09.

<u>Investment Income: Distributions by Fund</u>		
	<u>FY 10</u>	<u>FY 09</u>
Permanent Wyoming Mineral Trust Fund	\$139,450,800	\$135,264,226
Common School Permanent Land Fund	54,643,153	56,969,255
University Permanent Land Fund	523,898	525,062
Remaining Permanent Land Funds	2,863,518	2,906,227
Hathaway Scholarship Endowment Fund	16,033,666	16,291,334
Higher Education Endowment Fund	3,493,118	3,926,014
Workers Compensation Fund	56,244,157	45,409,501
Tobacco Settlement Fund	4,111,692	2,815,317
State Agency Pool	<u>199,344,108</u>	<u>147,247,285</u>
TOTAL	\$476,708,110	\$411,354,220

* "Distributed income" is net of management fees paid and accrued.

As shown below, gains in FY 10 made up \$109.2 million of FY 09's \$201.1 million deferred loss, leaving \$91.9 million carried forward to FY 11. The table on page 4 details dividend, interest and capital gain income across the portfolio's investment pools.

<u>FY 10 Year-End Status of Deferred Losses</u>		
	<u>FY 09 Year-End Deferral</u>	<u>Net Deferred to FY 11</u>
Permanent Wyoming Mineral Trust Fund	(\$118,886,938)	(\$59,405,190)
Common School Permanent Land Fund	(52,101,771)	(27,452,474)
University Permanent Land Fund	(613,249)	(459,363)
Remaining Permanent Land Funds	(2,551,526)	(1,233,967)
Hathaway Scholarship Endowment Fund	(10,293,331)	(2,478,334)
Higher Education Endowment Fund	(2,548,356)	(850,910)
Workers Compensation Fund	(14,040,044)	0
Tobacco Settlement Fund	(56,759)	0
State Agency Pool	<u>0</u>	<u>0</u>
TOTAL	(\$201,091,975)	(\$91,880,218)

The State portfolio's FY 10 yield was 4.29 percent and the total return a positive 11.19 percent for the fiscal year. This is an improvement over FY 09, when the cash yield was 3.89 percent, but the total return was a negative 6.39 percent.

The chart on page 5 shows historic total return and yield for the Permanent Wyoming Mineral Trust Fund. Performance by fund and manager is detailed later in this report.

INVESTMENT INCOME
Fiscal Year 2010

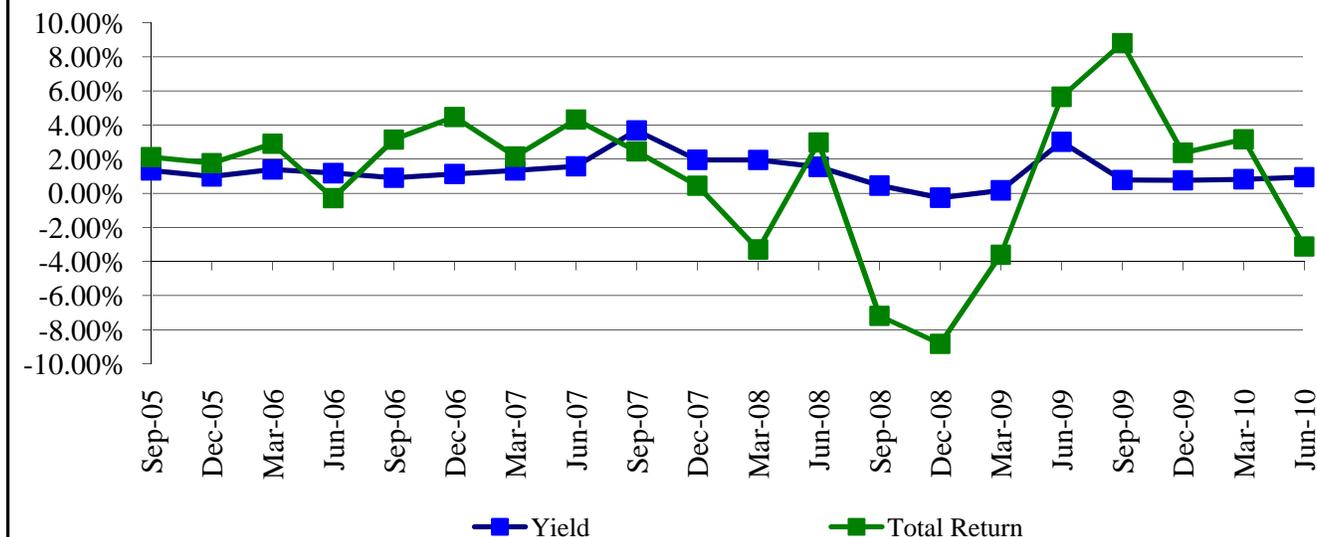
	Dividends	Interest	Distributed Capital Gains	Total Gross Investment Income	FY 10 Net Capital Gains	Distributed Capital Gains	FY 10 Remaining Deferred Gains	FY 09 Deferred Capital Losses	Capital Losses Deferred to FY 11
Permanent Wyoming Mineral Trust Fund	\$37,978,001	\$100,065,937	\$7,715,357	\$145,759,295	\$67,197,105	(\$7,715,357)	\$59,481,748	(\$118,886,938)	(\$59,405,190)
Common School Permanent Land Fund	\$16,380,110	\$36,822,418	\$3,941,473	\$57,144,001	\$28,590,770	(\$3,941,473)	\$24,649,297	(\$52,101,771)	(27,452,474)
University Permanent Land Fund	\$140,768	\$324,686	\$80,595	\$546,049	\$234,481	(\$80,595)	\$153,886	(\$613,249)	(459,363)
Remaining Permanent Land Funds:									
- Miner's Hospital Permanent Land Fund	360,609	890,038	77,420	1,328,067	678,782	(77,420)	601,362	(1,062,396)	(461,034)
- Public Buildings @ Cap Permanent Land Fund	45,955	113,425	10,432	169,812	86,774	(10,432)	76,342	(127,549)	(51,207)
- Fish Hatchery Permanent Land Fund	3,215	7,935	694	11,844	6,053	(694)	5,359	(9,478)	(4,119)
- D.D. & B. Permanent Land Fund	28,324	69,907	6,276	104,507	53,411	(6,276)	47,135	(80,865)	(33,729)
- Carey Act Permanent Land Fund	13,028	32,154	2,922	48,104	24,572	(2,922)	21,650	(37,003)	(15,353)
- Omnibus Permanent Land Fund	189,839	468,552	37,012	695,404	315,695	(37,012)	278,683	(738,018)	(459,335)
- State Hospital Permanent Land Fund	31,627	78,059	7,106	116,792	59,814	(7,106)	52,708	(88,555)	(35,847)
- State Training School Permanent Land Fund	17,223	42,509	3,987	63,719	32,558	(3,987)	28,571	(46,864)	(18,293)
- Penitentiary Permanent Land Fund	53,740	132,639	11,964	198,342	101,357	(11,964)	89,393	(152,666)	(63,272)
- Agriculture College Permanent Land Fund	69,700	172,030	14,749	256,479	131,104	(14,749)	116,355	(208,134)	(91,779)
Hathaway Scholarship Endowment Fund	3,289,947	12,513,308	916,008	16,719,263	8,731,005	(916,008)	7,814,997	(10,293,331)	(2,478,334)
Higher Education Endowment Fund	770,395	2,693,663	184,018	3,648,076	1,881,464	(184,018)	1,697,446	(2,548,356)	(850,910)
Worker's Compensation Fund	5,993,906	37,239,934	14,614,146	57,847,986	28,654,190	(14,614,146)	14,040,044	(14,040,044)	(0)
Tobacco Settlement Fund	60,647	2,568,380	1,555,208	4,184,235	1,611,967	(1,555,208)	56,759	(56,759)	(0)
State Agency Pool	3,355,699	122,332,609	77,934,549	203,622,857	77,934,549	(77,934,549)	0	0	0
TOTAL	\$68,782,732	\$316,568,183	\$107,113,917	\$492,464,832	\$216,325,653	(\$107,113,917)	\$109,211,737	(\$201,091,975)	(\$91,880,238)

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest, dividends and real estate rentals would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

Dividends and Interest by fund are shown in the first two columns above. The third column shows Distributed Capital Gains to statutory recipients. The Total Gross Investment Income column is the total of Dividends and Interest, plus Distributed Capital Gains. The FY 10 Remaining Deferred Gains column third from right shows FY 10 Net Capital Gains, minus Distributed Capital Gains. Finally, the Capital Losses Deferred to FY 11 are FY 09 Deferred Capital Losses offset by FY 10 Remaining Deferred Gains.

Investment management fees are paid from investment income. FY 10 fees totaled \$28 million, which includes \$15.8 million paid in direct fees, \$11.6 million withheld by managers who send their income net of fees, and \$625 K in administrative expenses including salaries, benefits, travel, etc. for nine investment staff in the Wyoming State Treasurer's Office. The investment income figures above are gross of management fees paid or accrued; such fees are deducted from "distributed income" detailed elsewhere in this report.

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 and losses. 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, 2005	1.33%		2.12%	
December 31, 2005	0.99%		1.76%	
March 31, 2006	1.39%		2.90%	
June 30, 2006	1.18%	4.81%	-0.29%	6.62%
September 30, 2006	0.91%		3.15%	
December 31, 2006	1.13%		4.47%	
March 31, 2007	1.34%		2.15%	
June 30, 2007	1.58%	4.96%	4.32%	14.83%
September 30, 2007	3.69%		2.46%	
December 31, 2007	1.96%		0.44%	
March 31, 2008	1.95%		-3.30%	
June 30, 2008	1.55%	9.02%	2.98%	2.44%
September 30, 2008	0.45%		-7.19%	
December 31, 2008	-0.26%		-8.83%	
March 31, 2009	0.17%		-3.61%	
June 30, 2009	3.01%	3.48%	5.65%	-13.82%
September 30, 2009	0.78%		8.80%	
December 31, 2009	0.76%		2.37%	
March 31, 2010	0.82%		3.16%	
June 30, 2010	0.94%	3.30%	-3.12%	11.31%

ASSET ALLOCATION AND FUND MANAGEMENT

Asset allocation is the distribution of investments among asset classes. There are two parts to the asset allocation decision: first identifying asset allocation possibilities; and next choosing the best combination of assets to meet investment risk and return objectives. R. V. Kuhns, investment advisor to the State Loan and Investment Board, works with the State Treasurer’s Office to establish and annually review asset allocation targets.

The State’s portfolio includes US and international stocks, private equity, absolute return strategies, real estate, bonds and cash. Each investment pool has a specific target allocation of each of these types of investments listed in the State’s Investment Policy. The Treasurer’s Office systematically invests money using monthly dollar cost averaging to achieve and maintain each pool’s investment allocation.

The Treasurer’s Office is mindful of the stated investment goal of the State’s portfolio as set forth in the Investment Policy: that the portfolio is to be invested “in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity.”

Fund Allocation

The Permanent Mineral Trust Fund and Permanent Land Funds may hold up to 55 percent in equities under current law. The State’s Investment Policy sets out a long-term target allocation of 50 percent equities and 50 percent fixed income and cash.

The Hathaway Scholarship Endowment and Higher Education Endowment Funds also have an allowed long-term target of 50 percent equities, but the Treasurer set their FY 10 target slightly lower at 45 percent, given their need for more stable income.

The Workers Compensation Fund may invest up to 45 percent in equities; the specific target is determined by the director of the Department of Employment. The Department set the equity target at 30 percent for FY 10.

The June 30, 2010 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each fund.

	<u>Equities</u>	<u>Fixed</u>	<u>Wyo*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	50.2%	42.3%	2.8%	4.7%
Common School Permanent Land Fund	50.0	37.1	0.4	12.5
University Permanent Land Fund	49.5	23.2	0.0	27.3
Remaining Permanent Land Funds	50.6	42.7	0.0	6.7
Hathaway Scholarship Endowment Fund	43.6	51.9	0.0	4.4
Higher Education Endowment Fund	43.8	51.9	0.0	4.3
Workers Compensation Fund	28.4	62.9	0.0	8.7
Tobacco Settlement Fund	0.0	86.5	0.0	13.5
State Agency Pool	<u>0.0</u>	<u>87.3</u>	<u>3.1</u>	<u>12.7</u>
TOTAL	31.2%	57.7%	2.1%	9.0%

* Wyoming specific investments detailed later.

WYOMING STATE INVESTMENT PORTFOLIO

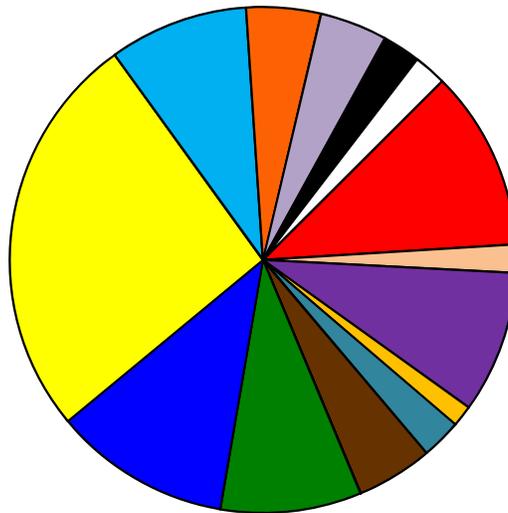
June 30, 2010

**\$12.571 Billion
Cost Basis**

FIXED INCOME

- Internal Bonds \$1,420.5 M 11.3%
- Core-Plus \$3,271.9 M 26.0%
- Mortgages \$1,118.9 M 8.9%
- Corporates \$598.6 M 4.8%
- Global \$540.3 M 4.3%
- Convertibles \$306.0 M 2.4%
- Wyoming Investments \$261.0 M 2.1%

**TOTAL
\$7,517.3 M
59.8%**



CASH \$1,130.6 M 9.0%

EQUITIES

- Large Cap US \$1,448.0 M 11.5%
- Small / Mid US \$225.9 M 1.8%
- International \$1,142.3 M 9.1%
- Private Equity \$171.8 M 1.4%
- Real Estate \$320.7 M 2.6%
- Absolute Return \$614.0 M 4.9%
- Options \$0.0 M 0.0%

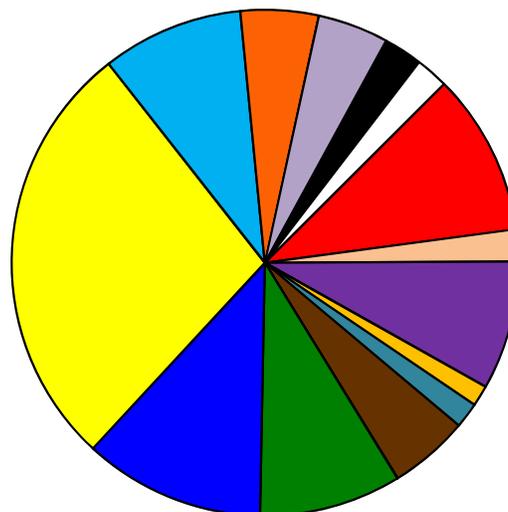
**TOTAL
\$3,922.8 M
31.2%**

**\$12.497 Billion
Market Value**

FIXED INCOME

- Internal Bonds \$1,447.3 M 11.6%
- Core-Plus \$3,438.9 M 27.5%
- Mortgages \$1,129.7 M 9.0%
- Corporates \$621.5 M 5.0%
- Global \$567.2 M 4.5%
- Convertibles \$306.7 M 2.5%
- Wyoming Investments \$261.0 M 2.1%

**TOTAL
\$7,772.3 M
62.2%**



CASH \$1,135.1 M 9.1%

EQUITIES

- Large Cap US \$1,297.7 M 10.4%
- Small / Mid US \$253.9 M 2.0%
- International \$1,029.9 M 8.2%
- Private Equity \$167.3 M 1.3%
- Real Estate \$203.2 M 1.6%
- Absolute Return \$638.2 M 5.1%
- Options \$0.0 M 0.0%

**TOTAL
\$3,590.1 M
28.7%**

Over 85 percent of the State's portfolio is managed by external investment firms, as shown on page 9. Total external fixed income and cash funding was \$6.966 billion on a cost basis on June 30, 2010, with a market value of \$7.199 billion. On June 30, 2009, total external fixed income and cash was \$6.535 at cost and \$6.456 market.

External equity manger funding at FY 10 year-end was \$3.730 billion on a cost basis, with a market value of \$3.432 billion. This compares to \$3.366 billion (cost) and \$2.797 billion (market) on June 30, 2009.

The Treasurer's internally managed bond portfolio was \$1.421 billion (cost) and \$1.447 (market) at the end of FY 10. The Treasurer holds an international equity index fund in-house that had a \$192.2 million cost basis and \$157.3 million market value on June 30, 2010. University of Wyoming students manage a portion of the University Permanent Land Fund. The Treasurer's Office tracks this investment in-house. On June 30, 2010, the investment stood at \$840,000 on a costs basis with a market value of \$556,177.

Additions to the Portfolio

The State Treasurer's Office continued its close collaboration with the R.V. Kuhns real estate consulting team during FY 10. Several potential investments were explored, with two finalized and hired by the State Loan and Investment Board.

In December 2009, the Board approved a \$75 million investment in the WestRiver Real Estate Finance Fund, managed by WestRiver Capital. The fund purchases and originates first mortgages and other real estate debt. It is a good compliment to the state's current equity-based real estate portfolio.

Also in December, the Board approved a \$150 million investment in the Grosvenor Global Recovery Fund, managed by Grosvenor Capital Management. The fund is structured to capitalize on the opportunities in fixed income markets created since the market crisis in 2008.

In April 2010, the Board approved a \$75 million investment in the Cornerstone Core Mortgage Fund, managed by Cornerstone Real Estate Advisers, a subsidiary of MassMutual. The fund contains first mortgages on commercial real estate.

International Portfolio

The Treasurer's Office undertook an extensive review of its international equity portfolio in FY 10. This review resulted in the State Loan and Investment Board adopting several changes in June 2010 to the manager line-up and strategies.

The international benchmark was changed from an EAFE (Europe, Australasia, Far East - excluding the US and Canada) to an ACWI-ex US (All Country World Index excluding the United States), which includes both developed and emerging markets to achieve better coverage of the broad non-US equity markets, and because increased emerging market exposure provides higher expected long-term returns.

The Board terminated Capital Guardian Trust, retained Fisher Investments, and hired new active managers Manning & Napier and The Boston Company. The Board also approved putting 50 percent of the international portfolio into a passive strategy with Northern Trust.

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2010

EXTERNAL EQUITIES		Cost Basis	Market Value
Large Cap Index	State Street Global Advisors	\$1,447,172,790	\$1,297,117,947
Small / Mid Cap	GAMCO	225,902,699	253,873,506
International	Capital Guardian Trust	401,202,691	384,811,450
	Fisher Investments	548,943,386	487,776,415
Options Overlay	First Quadrant	0	0
Private Equity	Access Venture Partners <i>(\$10 M committed)</i>	5,000,000	3,388,622 *
	Cheyenne Capital Fund <i>(\$257.95 committed)</i>	166,829,043	163,947,329 *
Real Estate	ING Clarion	141,303,630	79,647,193
	UBS Realty	141,303,630	105,846,794
	Heitman <i>(\$10 M committed)</i>	3,936,647	1,982,192 *
	TA Realty <i>(\$15 M committed)</i>	15,000,000	9,902,526 *
	West River Realty <i>(\$75 M committed)</i>	6,196,366	5,787,255 *
	Cornerstone <i>(\$75 M committed)</i>	12,978,100	see note *
Absolute Return	Aurora I	162,461,240	167,305,171
	Aurora II	82,730,730	87,151,388
	PAAMCO	243,738,970	253,526,605
	Grosvenor <i>(\$150 M committed)</i>	125,096,540	130,179,880
Total External Equities		\$3,729,796,461	\$3,432,244,273
<i>excludes outstanding commitments</i>			
EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH			
Convertibles	AGI Capital	\$306,008,986	\$306,699,020
Core-Plus	Neuberger Berman	1,150,627,446	1,229,182,565
	PIMCO	954,666,344	1,004,416,829
	WAMCO	1,166,558,758	1,205,289,238
Corporates	Logan Circle	262,783,154	277,219,129
	WAMCO	335,829,954	344,293,876
Mortgages	JPMorgan	569,207,448	567,316,720
	PIMCO	549,719,723	562,334,807
Global	PIMCO	540,345,628	567,162,783
Total External Fixed Income and Convertibles		\$5,835,747,442	\$6,063,914,965
Cash Manager	JPMorgan	1,130,573,138	1,135,079,837
Total External Cash		\$1,130,573,138	\$1,135,079,837
TOTAL EXTERNAL MANAGEMENT		\$10,696,117,041	\$10,631,239,075
INTERNALLY MANAGED FUNDS			
Fixed Income	Bonds	\$1,420,509,937	\$1,447,337,838
International Equity	Exchange Traded Index Fund	192,189,230	157,317,052
U. S. Equities	UW Portfolio Management Program	840,000	556,177
Total Internal Portfolio		\$1,613,539,166	\$1,605,211,066
Wyoming Investments		\$261,002,899	\$261,002,899
TOTAL INTERNAL MANAGEMENT		\$1,874,542,065	\$1,866,213,965
GRAND TOTAL ALL FUNDS		\$12,570,659,106	\$12,497,453,040

** Note: The above figures agree with the State's official performance reports as prepared by RV Kuhns & Associates. Market values for Private Equity and Value-Added Real Estate are reported on a quarter lag, while the cost basis is for the current quarter. Cornerstone was a new investment during the last quarter of the fiscal year, therefore held at prior quarter zero value.*

INVESTMENT MANAGER OVERSIGHT

The Treasurer continues to host investment managers as part of on-going operational due diligence in managing the State portfolio.

2009

August 14 JPMorgan Chase Bank, the Treasurer's custodial bank
August 19 ING Clarion Partners, Core Real Estate
August 25 Capital Institutional Services (CAPIS), Commission Recapture
August 27 Neuberger Berman, Fixed Income Core-Plus
September 16 Grosvenor Capital Management, Absolute Return
September 17 RVK, SLIB Consultant
October 7 Capital Guardian, International Equity
October 19 Allianz Global Investors, Convertible Bonds
October 21 Fisher Investments, International Equity
November 6 Access Venture Partners, Private Equity
November 10 Heitman, Non-Core Real Estate
December 8 JPMorgan Chase Bank, the Treasurer's custodial bank
December 15 JPMorgan Chase Bank, Securities Lending

2010

January 4 Cheyenne Capital Fund, Private Equity
January 26 Access Venture Partners, Private Equity
February 12 JPMorgan Chase Bank, the Treasurer's custodial bank
February 18 PIMCO, Fixed Income Core-Plus, Corporate Bonds, Global/EM
March 1 ING Clarion Partners, Core Real Estate
March 24 WAMCO, Fixed Income Core-Plus, Corporates
March 24 Cornerstone Real Estate Advisors, Non-Core Real Estate
March 25 UBS, Core Real Estate
April 6 Logan Circle Partners, Corporates
April 9 WAMCO, Fixed Income Core-Plus, Corporates
April 22 Neuberger Berman, Fixed Income Core-Plus
April 22 Access Venture Partners, Private Equity
May 4 JPMorgan Chase Bank, Securities Lending
May 11 Cheyenne Capital Fund, Private Equity
May 24 Pacific Alternative Asset Management (PAAMCO), Absolute Return
June 18 Cheyenne Capital Fund, Private Equity
June 22 PIMCO, Fixed Income Core-Plus, Corporate Bonds, Global/EM

Treasurer's Office staff also visited managers:

October 14-16, 2009 – Los Angeles: First Quadrant, Capital Guardian, WAMCO
October 20, 2009 – Denver: PIMCO
November 2-5, 2009 – New York: UBS, JPMorgan, GAMCO, West River Capital Management
December 1-3, 2009 – New York: RVK, SLIB Consultant, New York office
December 21-22 – Chicago: Grosvenor Capital Management; Aurora Investment Management, RVK Real Estate Team
March 9-11, 2010 – Boston: TA Realty, State Street Global Advisors, Cornerstone Real Estate Advisors
May 4 – Denver: RVK, SLIB Consultant

June 7-9 - Chicago: Northern Trust Global Investments, RVK Real Estate Team
June 18 – Denver: Cheyenne Capital Fund, Private Equity

The Treasurer, of course, remains in regular contact with all managers throughout the year in addition to the meetings noted above.

SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS

The State Treasurer met with the Select Committee on Capital Financing and Investments on September 10, 2009, and January 21, 2010. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures. The Committee proposed no legislation for the 2010 Budget Session.

STATE TREASURER'S WEBSITE

The Sovereign Wealth Fund Institute gives Wyoming one of its highest rankings in terms of public transparency. See <http://www.swfinstitute.org/research/transparencyindex.php#>. The State Treasurer's Office continually updates investment information on its website: <http://treasurer.state.wy.us/investmentsbank.asp#invest>.

MORE INFORMATION

The charts on the following pages illustrate the diversification of the State's portfolio and detail funding levels of the asset classes and the managers who collaborate with the State Treasurer's Office in the management of the State's portfolio.

In addition, this report contains information about:

- Investment performance;
- Wyoming specific investments;
- WYO-STAR—Wyoming's local government investment pool;
- Spending policies/reserve accounts for permanent funds;
- Interfund borrowing for the School Foundation Program;
- Banking and TDOA (Time Deposit Open Account), a discretionary program that places state funds in Wyoming banks.

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or mwalde@state.wy.us.

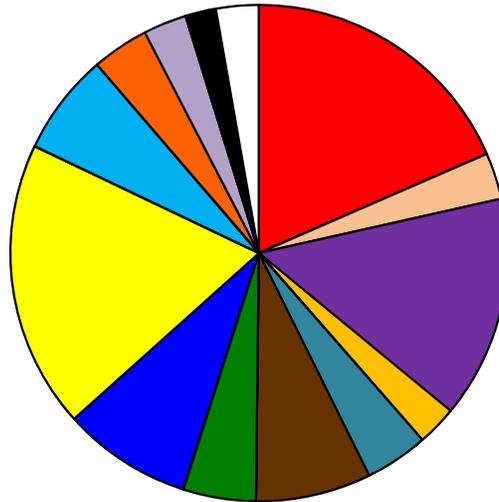
For more information on the distribution of investment income, including spending policies, please contact Sharon Garland, Deputy State Treasurer at 307-777-7475, or sgarla@state.wy.us.

WYOMING STATE INVESTMENT PORTFOLIO
Permanent Wyoming Mineral Trust Fund
June 30, 2010
\$4.555 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$384.0 M 8.4% ●
- Core-Plus \$853.2 M 18.7% ●
- Mortgages \$301.7 M 6.6% ●
- Corporates \$168.8 M 3.7% ●
- Global \$128.0 M 2.8% ●
- Convertibles \$91.4 M 2.0% ●
- Wyoming Investments \$126.1 M 2.8% ○

TOTAL
\$2,053.3 M
45.1%



CASH \$215.9 M 4.7%

EQUITIES

- Large Cap US \$841.2 M 18.5% ●
- Small / Mid US \$137.3 M 3.0% ●
- International \$660.2 M 14.5% ●
- Private Equity \$118.0 M 2.6% ●
- Real Estate \$187.5 M 4.1% ●
- Absolute Return \$342.0 M 7.5% ●
- Options \$0.0 M 0.0% ●

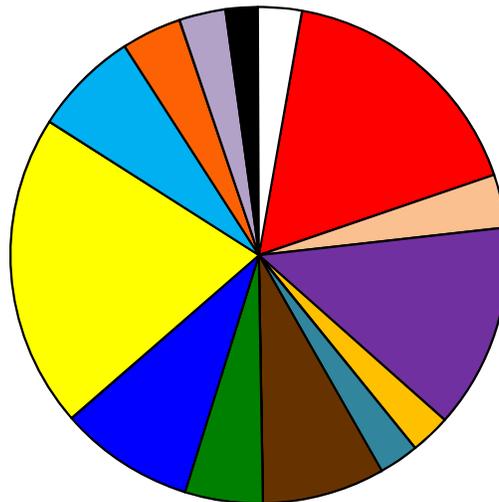
TOTAL
\$2,286.2 M
50.2%

\$4.414 Billion
Market Value

FIXED INCOME

- Internal Bonds \$388.2 M 8.8% ●
- Core-Plus \$901.9 M 20.4% ●
- Mortgages \$303.5 M 6.9% ●
- Corporates \$172.6 M 3.9% ●
- Global \$134.0 M 3.0% ●
- Convertibles \$91.4 M 2.1% ●
- Wyoming Investments \$126.1 M 2.9% ○

TOTAL
\$2,117.7 M
48.0%



CASH \$223.0 M 5.1%

EQUITIES

- Large Cap US \$749.3 M 17.0% ●
- Small / Mid US \$153.1 M 3.5% ●
- International \$588.7 M 13.3% ●
- Private Equity \$114.9 M 2.6% ●
- Real Estate \$114.8 M 2.6% ●
- Absolute Return \$352.6 M 8.0% ●
- Options \$0.0 M 0.0% ●

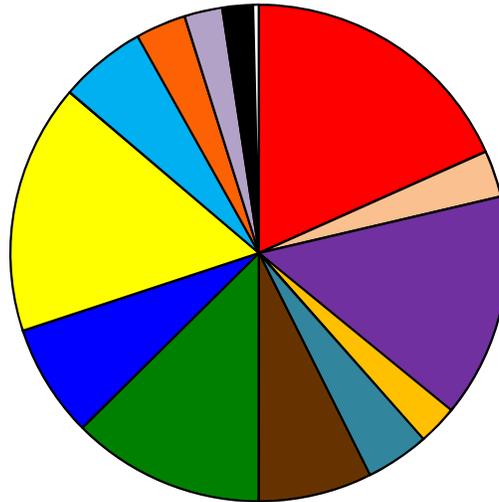
TOTAL
\$2,073.4 M
47.0%

WYOMING STATE INVESTMENT PORTFOLIO
Common School Permanent Land Fund
June 30, 2010
\$1.968 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$144.8 M 7.4% ●
- Core-Plus \$320.2 M 16.3% ●
- Mortgages \$111.5 M 5.7% ●
- Corporates \$64.5 M 3.3% ●
- Global \$48.9 M 2.5% ●
- Convertibles \$39.1 M 2.0% ●
- Wyoming Investments \$7.2 M 0.4% ○

TOTAL
\$736.3 M
37.4%



EQUITIES

- Large Cap US \$360.0 M 18.3% ●
- Small / Mid US \$59.9 M 3.0% ●
- International \$286.6 M 14.6% ●
- Private Equity \$50.6 M 2.6% ●
- Real Estate \$81.4 M 4.1% ●
- Absolute Return \$145.9 M 7.4% ●
- Options \$0.0 M 0.0% ●

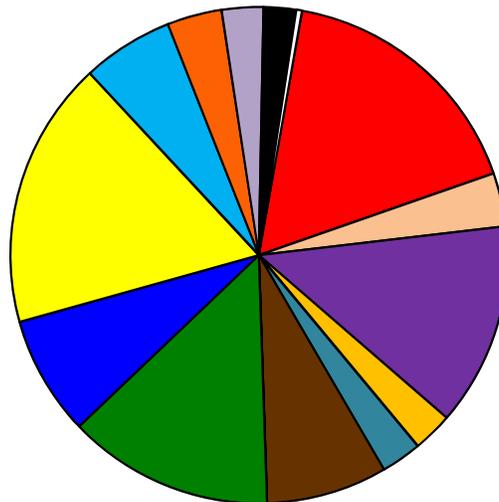
TOTAL
\$984.4 M
50.0%

\$1.902 Billion
Market Value

FIXED INCOME

- Internal Bonds \$147.9 M 7.8% ●
- Core-Plus \$331.3 M 17.4% ●
- Mortgages \$113.1 M 5.9% ●
- Corporates \$67.8 M 3.6% ●
- Global \$51.4 M 2.7% ●
- Convertibles \$39.9 M 2.1% ●
- Wyoming Investments \$7.2 M 0.4% ○

TOTAL
\$758.6 M
39.9%



EQUITIES

- Large Cap US \$320.9 M 16.9% ●
- Small / Mid US \$66.5 M 3.5% ●
- International \$251.3 M 13.2% ●
- Private Equity \$49.3 M 2.6% ●
- Real Estate \$50.2 M 2.6% ●
- Absolute Return \$149.7 M 7.9% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$887.9 M
46.7%

WYOMING STATE INVESTMENT PORTFOLIO
Hathaway Scholarship Endowment Fund
June 30, 2010
\$470.6 Million
Cost Basis

FIXED INCOME

- Internal Bonds \$48.8 M 10.4% ●
- Core-Plus \$108.2 M 23.0% ●
- Mortgages \$39.0 M 8.3% ●
- Corporates \$24.4 M 5.2% ●
- Global \$14.5 M 3.1% ●
- Convertibles \$9.4 M 2.0% ●

TOTAL
\$244.2 M
51.9%

EQUITIES

- Large Cap US \$79.3 M 16.9% ●
- Small / Mid US \$14.8 M 3.1% ●
- International \$63.4 M 13.5% ●
- Real Estate \$17.5 M 3.7% ●
- Absolute Return \$30.4 M 6.5% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$205.4 M
43.6%



CASH \$20.9 M 4.4%

\$467.0 Million
Market Value

FIXED INCOME

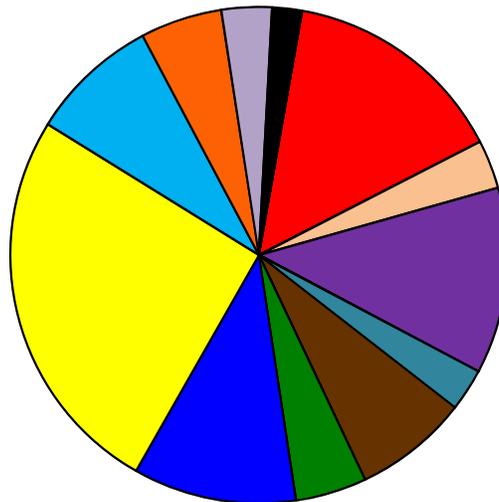
- Internal Bonds \$49.6 M 10.6% ●
- Core-Plus \$119.6 M 25.6% ●
- Mortgages \$39.3 M 8.4% ●
- Corporates \$24.9 M 5.3% ●
- Global \$15.3 M 3.3% ●
- Convertibles \$9.0 M 1.9% ●

TOTAL
\$257.7 M
55.2%

EQUITIES

- Large Cap US \$68.5 M 14.7% ●
- Small / Mid US \$14.9 M 3.2% ●
- International \$56.7 M 12.1% ●
- Real Estate \$12.8 M 2.8% ●
- Absolute Return \$34.9 M 7.5% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$187.8 M
40.2%



CASH \$21.6 M 4.6%

WYOMING STATE INVESTMENT PORTFOLIO
Higher Education Endowment Fund
June 30, 2010
\$104.1 Million
Cost Basis

FIXED INCOME

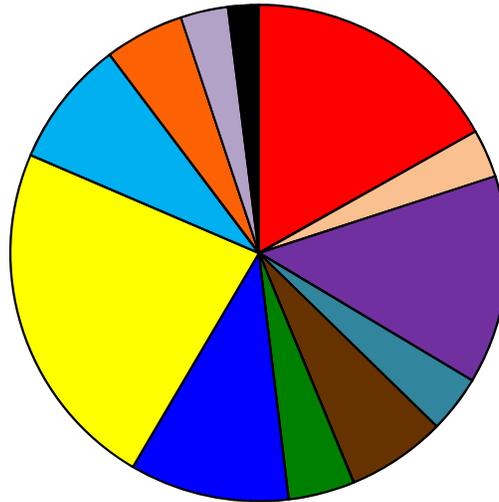
- Internal Bonds \$10.8 M 10.4% ●
- Core-Plus \$23.9 M 23.0% ●
- Mortgages \$8.6 M 8.3% ●
- Corporates \$5.4 M 5.2% ●
- Global \$3.2 M 3.1% ●
- Convertibles \$2.1 M 2.0% ●

TOTAL
\$54.1 M
51.9%

EQUITIES

- Large Cap US \$17.6 M 16.9% ●
- Small / Mid US \$3.3 M 3.1% ●
- International \$14.2 M 13.6% ●
- Real Estate \$3.9 M 3.7% ●
- Absolute Return \$6.7 M 6.5% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$45.6 M
43.8%



CASH \$4.5 M 4.3%

\$102.7 Million
Market Value

FIXED INCOME

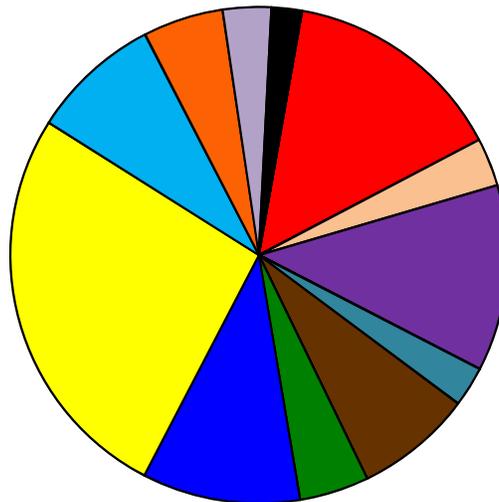
- Internal Bonds \$10.6 M 10.3% ●
- Core-Plus \$27.0 M 26.3% ●
- Mortgages \$8.7 M 8.5% ●
- Corporates \$5.4 M 5.2% ●
- Global \$3.2 M 3.1% ●
- Convertibles \$2.0 M 2.0% ●

TOTAL
\$56.9 M
55.4%

EQUITIES

- Large Cap US \$14.9 M 14.5% ●
- Small / Mid US \$3.2 M 3.1% ●
- International \$12.5 M 12.1% ●
- Real Estate \$2.7 M 2.6% ●
- Absolute Return \$7.8 M 7.6% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$41.1 M
40.0%



CASH \$4.7 M 4.5%

WYOMING STATE INVESTMENT PORTFOLIO
Workers Compensation Fund
June 30, 2010
\$1.212 Billion
Cost Basis

FIXED INCOME

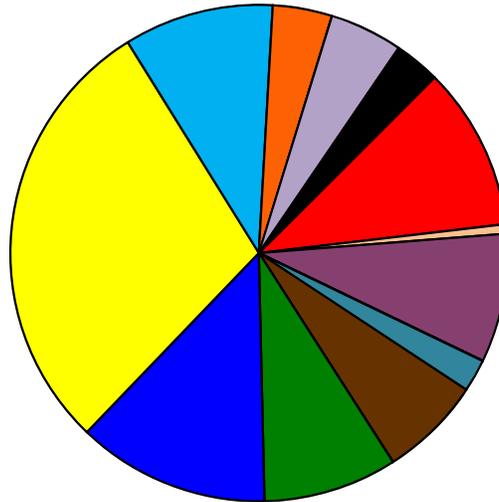
- Internal Bonds \$151.8 M 12.5% ●
- Core-Plus \$351.1 M 29.0% ●
- Mortgages \$118.1 M 9.7% ●
- Corporates \$46.9 M 3.9% ●
- Global \$57.8 M 4.8% ●
- Convertibles \$36.1 M 3.0% ●

TOTAL
\$761.8 M
62.9%

EQUITIES

- Large Cap US \$129.1 M 10.6% ●
- Small / Mid US \$7.3 M 0.6% ●
- International \$101.8 M 8.4% ●
- Real Estate \$25.8 M 2.1% ●
- Absolute Return \$80.5 M 6.6% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$344.5 M
28.4%



CASH \$105.8 M 8.7%

\$1.219 Billion
Market Value

FIXED INCOME

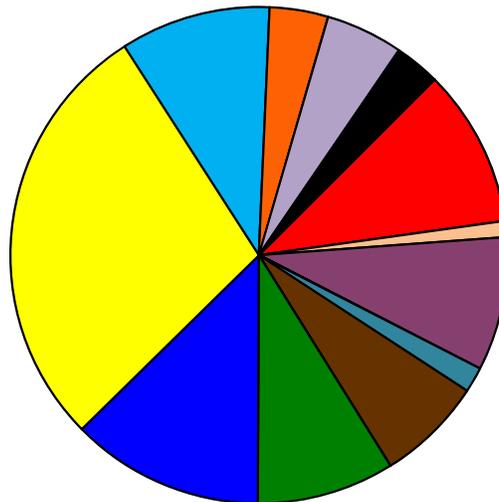
- Internal Bonds \$153.3 M 12.6% ●
- Core-Plus \$344.5 M 28.3% ●
- Mortgages \$119.4 M 9.8% ●
- Corporates \$46.4 M 3.8% ●
- Global \$61.6 M 5.1% ●
- Convertibles \$36.0 M 3.0% ●

TOTAL
\$761.2 M
62.4%

EQUITIES

- Large Cap US \$125.6 M 10.3% ●
- Small / Mid US \$12.6 M 1.0% ●
- International \$106.4 M 8.7% ●
- Real Estate \$20.0 M 1.6% ●
- Absolute Return \$84.4 M 6.9% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$349.0 M
28.6%

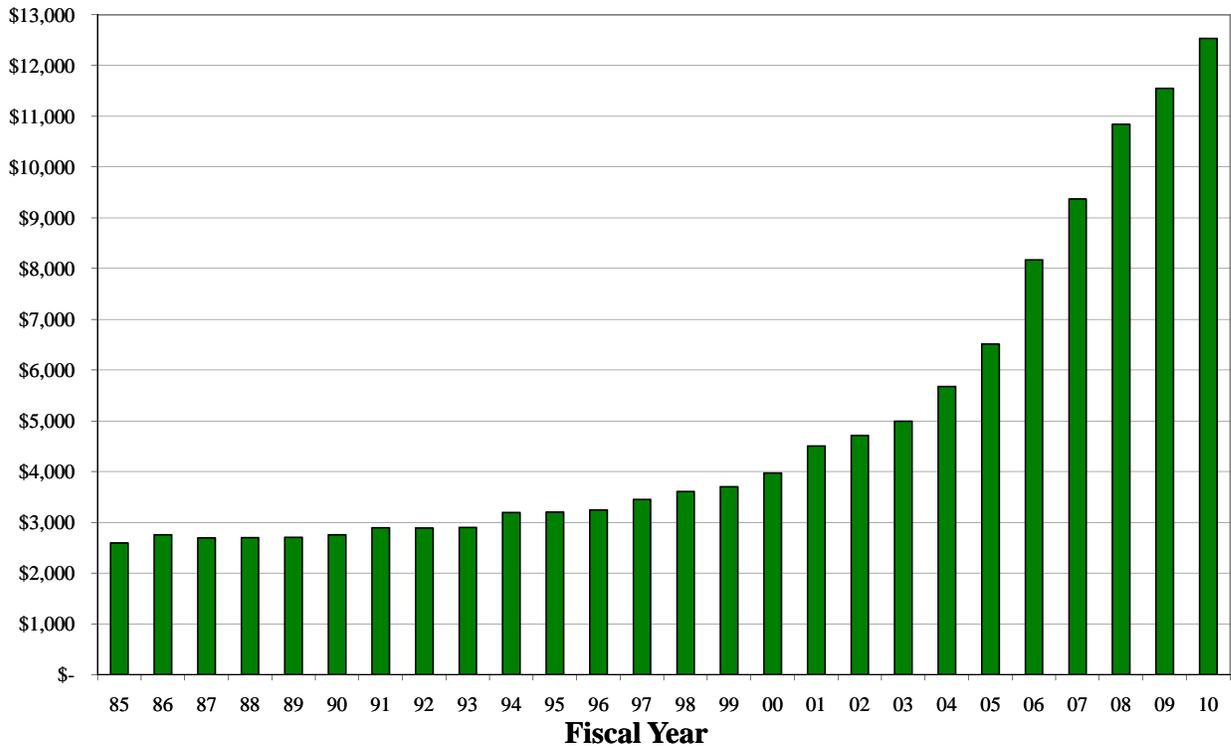


CASH \$109.3 M 9.0%

WYOMING STATE TREASURER'S OFFICE

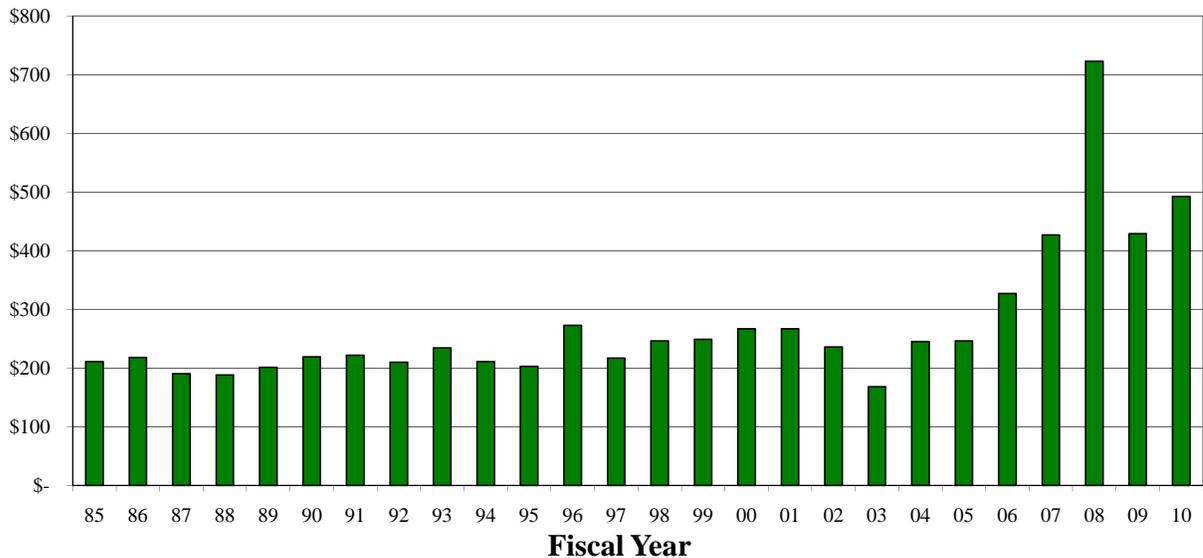
TOTAL STATE PORTFOLIO VALUE

(\$ Millions)



INVESTMENT INCOME

(\$ Millions)



MARKET PERFORMANCE SUMMARY ANALYSIS - ALL INVESTMENTS

	FY 10		% of MV	Market Return		
	Total Investment Value	Current Market Value		FY10 Return	3 Year Return	5 Year Return
<u>INVESTMENTS BY FUND</u>						
Permanent Wyoming Mineral Trust Fund	\$4,555,406,396	\$4,414,080,035	35.3%	11.31%	-0.58%	3.77%
Permanent Land Fund	95,998,055	92,476,633	0.7%	11.43%	-0.70%	n/a
Common School Permanent Land Fund	1,967,577,173	1,901,503,362	15.2%	11.77%	-0.28%	3.84%
University Permanent Land Fund	16,501,946	16,924,801	0.1%	10.85%	-1.00%	n/a
Hathaway Scholarship Endowment Fund	470,566,729	467,033,391	3.7%	10.76%	n/a	n/a
Higher Education Endowment Fund	104,149,091	102,674,540	0.8%	11.03%	n/a	n/a
Workers Compensation Fund	1,212,102,120	1,219,422,667	9.8%	12.02%	5.64%	4.97%
Tobacco Settlement Fund	65,817,596	66,648,896	0.5%	11.95%	7.57%	5.93%
State Agency Pool	<u>4,082,539,999</u>	<u>4,216,688,714</u>	33.7%	10.09%	6.65%	5.66%
Wyoming State Total Fund	<u>\$12,570,659,106</u>	<u>\$12,497,453,040</u>	100.0%	11.19%	2.64%	4.50%
Wyoming State Actual Allocation Index				9.04%	2.07%	3.72%
<u>INVESTMENTS BY ASSET CLASS AND MANAGER</u>						
<u>US Equity</u>						
State Street Global Advisors (Index)	\$1,447,172,790	\$1,297,117,947		14.49%	-9.53%	-0.59%
UW Portfolio Management Program	840,000	556,177		6.93%	-8.98%	n/a
S&P 500				14.43%	-9.81%	-0.79%
US Large Cap Equity	<u>1,448,012,790</u>	<u>1,297,674,124</u>	10.4%			
Gabelli (Sm-Mid Cap Value)	\$225,902,699	\$253,873,506		23.09%	-3.25%	4.88%
Russell 2500 Value				26.46%	-9.26%	-0.09%
US SMID Cap Equity	<u>225,902,699</u>	<u>253,873,506</u>	2.0%			
Total US Equity	<u>\$1,673,915,489</u>	<u>\$1,551,547,630</u>	12.4%			
<u>International Equity</u>						
Int'l Exchange Traded Funds	\$192,189,230	\$157,317,052		-0.11%	-15.12%	-0.45%
Fisher	548,943,386	487,776,415		11.57%	-10.07%	3.46
Capital Guardian	401,202,691	384,811,450		9.24%	-11.53%	2.27
MSCI EAFE				6.37%	-12.94%	1.35%
Total International Equity	<u>\$1,142,335,307</u>	<u>\$1,029,904,917</u>	8.2%			
<u>US Fixed Income</u>						
WAMCO Core Plus	\$1,166,558,758	\$1,205,289,238		13.19%	7.63%	5.74%
Neuberger Berman Core Plus	1,150,627,446	1,229,182,565		15.93%	9.10%	n/a
PIMCO Core Plus	954,666,344	1,004,416,829		12.47%	10.27%	n/a
BC Aggregate				9.50%	7.55%	5.54%
PIMCO Mortgages	549,719,723	562,334,807		10.76%	9.17%	n/a
JP Morgan Mortgages	569,207,448	567,316,720		11.88%	4.83%	n/a
BC Mortgages				7.47%	8.23%	6.25%
WAMCO Corporates	335,829,954	344,293,876		17.06%	5.49%	n/a
Logan Circle Corporates	262,783,154	277,219,129		18.36%	6.43%	n/a
BC Credit				14.68%	7.41%	5.31%
PIMCO Global/Emerging Markets	540,345,628	567,162,783		16.08%	n/a	n/a
Global/EM Custom Index				12.94%	n/a	n/a
Wyoming State Treasurer's Office	1,420,509,937	1,447,337,838		5.18%	6.12%	5.11%
BC Gov't/Credit				9.65%	7.37%	5.26%
Total US Fixed Income	<u>\$6,950,248,393</u>	<u>\$7,204,553,783</u>	57.6%			

Note [1]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note [2]: Returns are stated in traditional total return terms and do not specify realized income.

Note [3]: The Global/EM Custom Index is comprised of 32.5% Barclays Capital Aggregate ex-US Hedged, 5% Barclays Capital Aggregate ex-US Unhedged, 47.5% JP Morgan EMBI Global, and 15% JP Morgan GBI-EM Global Diversified Unhedged.

MARKET PERFORMANCE (continued)

SUMMARY ANALYSIS - ALL INVESTMENTS

Manager/Investment Type	FY 10		% of MV	Market Return		
	Total Investment Value	Current Market Value		FY10 Return	3 Year Return	5 Year Return
<u>Convertible Bonds</u>						
Allianz Global Investors Convertibles	\$306,008,986	\$306,699,020	2.5%	18.37%	0.21%	6.44%
BofA ML All Quality Convertible				22.63%	-2.32%	3.31%
<u>Cash & Cash Equivalents</u>						
JP Morgan Asset Mgmt						
Wyoming Treasury Cash		\$955,628,136		0.18%	1.77%	3.00%
90 Day U.S. T-Bills				0.16%	1.57%	2.77%
Wyoming Treasury Extended Cash		179,451,701		3.81%	5.08%	4.71%
JP Morgan Blended Index				4.15%	5.52%	5.13%
Total Cash & Cash Equivalents	<u>\$1,130,573,138</u>	<u>\$1,135,079,837</u>	9.1%			
<u>Private Equity</u>						
Cheyenne Capital Fund, LP	\$166,829,043	\$163,947,329			see note 4	
Access Venture Partners II	5,000,000	3,388,622			see note 4	
S&P 500 + 5%				20.15%	-5.30%	4.17%
Total Private Equity	<u>\$171,829,043</u>	<u>\$167,335,951</u>	1.3%			
<u>Real Estate</u>						
Clarion Core	\$141,303,630	\$79,647,193		-12.29%	-15.70%	n/a
UBS Core	141,303,630	105,846,794		-0.93%	-7.04%	n/a
NCREIF ODCE				-5.98%	-10.95%	-0.19%
TA Realty Value-Added	15,000,000	9,902,526			see note 4	
Heitman Value-Added	3,936,647	1,982,192			see note 4	
WestRiver Value-Added	6,196,366	5,787,255			see note 4	
Cornerstone Value-Added	12,978,100	0			see note 4	
NCREIF Property				-1.48%	-4.71%	3.78%
Total Real Estate	<u>\$320,718,373</u>	<u>\$203,165,960</u>	1.6%			
<u>Absolute Return</u>						
PAAMCO	\$243,738,970	\$253,526,605		9.52%	n/a	n/a
Aurora L.P.	162,461,240	167,305,171		9.41%	n/a	n/a
Aurora L.P. II	82,730,730	87,151,388		7.01%	n/a	n/a
HFN FoF Multi-Strat				3.70%	-4.20%	1.94%
Grosvenor Global Recovery Fund	125,096,540	130,179,880		n/a	n/a	n/a
Global Recovery Custom Index				35.67%	-4.86%	n/a
Total Absolute Return	<u>\$614,027,480</u>	<u>\$638,163,044</u>	5.1%			
<u>Overlay Strategies</u>						
First Quadrant	<u>\$0</u>	<u>\$0</u>	0.0%	n/a	n/a	n/a
<u>LDIs and Other Wyoming Investments</u>						
	<u>\$261,002,899</u>	<u>\$261,002,899</u>	2.1%	n/a	n/a	n/a

Note [1]: Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.

Note [2]: Returns are stated in traditional total return terms and do not specify realized income.

Note [3]: Market values for non-core real estate and private equity are on a one-quarter lag due to available valuations. However, Investment (Cost) Values are not lagged.

Note [4]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis.

Note [5]: The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.

Note [6]: First Quadrant overlay strategy has been deactivated and the collateral amount has been disbursed.

Note [7]: Market values shown for LDIs and Other Wyoming Investments reflect cost value of the investments.

PERMANENT WYOMING MINERAL TRUST FUND
Fiscal Years 06 through 10 Analyzed and Compared

(\$ Millions)

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
Beginning Book Value	\$2,472.6	\$2,968.4	\$3,329.5	\$3,896.6	\$4,262.2
Beginning Market Value	2,557.8	3,070.6	3,728.1	4,135.4	3,893.8
- Difference	85.2	102.2	398.6	238.9	(368.3)
- Percent	3.4%	3.4%	12.0%	6.1%	-8.6%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$243.6	\$193.1	\$213.6	\$290.7	\$217.6
- Add'l Severance Tax 0.5%	162.4	128.7	142.4	193.8	72.5
- Additional Legislative Deposits/Diversions	89.9	20.0	40.0	0.0	(56.5)
- Spending Policy Reversions	0.0	19.2	171.1	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(118.9)	59.5
Total Increase to Corpus	\$495.8	\$361.0	\$567.1	\$365.6	\$293.2
Ending Book Value	\$2,968.4	\$3,329.5	\$3,896.6	\$4,262.2	\$4,555.4
Ending Market Value	3,070.6	3,728.1	4,135.4	3,893.8	4,414.1
- Difference	102.2	398.6	238.9	(368.3)	(141.3)
- Percent	3.4%	12.0%	6.1%	-8.6%	-3.1%
Total Distributed Income (gross of fees)					
- Interest	\$127.9	\$156.7	\$329.3	\$142.8	\$145.8
- Dividend	81.1	87.4	101.5	101.4	100.1
- Realized Net Capital Gain	19.8	31.8	38.4	38.8	38.0
	26.9	37.6	189.4	2.5	7.7
Change in Book Value	\$495.8	\$361.0	\$567.1	\$365.6	\$293.2
Change in Market Value	512.9	657.5	407.3	(241.6)	520.2
Cash Yield	4.81%	4.96%	9.02%	3.42%	3.30%
Total Return	6.62%	14.83%	2.44%	-13.82%	11.31%

1. 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.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest, dividends and real estate rentals would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

3. "Ending Book Values" from FY06 through FY07 do not correspond to prior year reports due to corrections made to "Spending Policy Reversions" in FY08.

4. The 2009 Session Laws Section 350 diverted 50% of the 2/3 amount of the tax collected to the PWMTF Reserve Account for Fiscal Year 2010 only.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts Fiscal Year 2010

	<u>JUNE 30, 2009</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2010</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$4,262,215,811		
Severance Tax			
Coal		81,727,389	
Stripper Oil		19,331,276	
Other Valuable Products		(1,045,058)	
Oil		32,473,493	
Natural Gas		146,810,453	
Condensate-Gas		10,862,335	
Tertiary-Oil		(11)	
Per Session Laws 2009 Ch 160 Section 350 (b)(ii)		(56,451,039)	
Gain (Loss) Income Deferred		<u>59,481,749</u>	
TOTAL REVENUE ADDED TO CORPUS		<u>\$293,190,586</u>	
			<u>\$4,555,406,396</u>

COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 06 through 10 Analyzed and Compared

(\$ Millions)

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>
Beginning Book Value	\$1,164.9	\$1,318.6	\$1,466.2	\$1,682.7	\$1,794.4
Beginning Market Value	1,165.2	1,371.6	1,676.7	\$1,766.0	\$1,622.5
- Difference	0.4	53.1	210.5	83.3	(172.0)
- Percent	0.0%	4.0%	14.4%	5.0%	-9.6%
Additions to Corpus					
- Sales, Royalties, etc.	\$153.7	\$147.7	\$161.3	\$163.8	\$140.9
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	0.0	0.0	55.1	0.0	0.0
- Income Accrued	0.0	0.0	0.0	0.0	7.6
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(52.1)	24.6
Total Increase to Corpus	\$153.7	\$147.7	\$216.5	\$111.7	\$173.1
Ending Book Value	\$1,318.6	\$1,466.2	\$1,682.7	\$1,794.4	\$1,967.6
Ending Market Value	1,371.6	1,676.7	1,766.0	1,622.5	1,901.5
- Difference	53.1	210.5	83.3	(172.0)	(66.1)
- Percent	4.0%	14.4%	5.0%	-9.6%	-3.4%
Total Distributed Income (gross of fees)	\$55.9	\$68.5	\$137.1	\$60.1	\$57.1
- Interest	37.6	36.1	37.7	40.5	36.8
- Dividend	9.0	13.8	16.5	17.8	16.4
- Realized Net Capital Gain	9.3	18.6	82.9	1.8	3.9
Change in Book Value	\$153.7	\$147.7	\$216.5	\$111.7	\$173.1
Change in Market Value	206.4	305.1	89.3	(143.6)	279.0
Cash Yield	4.59%	4.98%	9.51%	3.37%	3.20%
Total Return	6.02%	14.87%	2.27%	-13.25%	11.77%

1. 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.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest, dividends and real estate rentals would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

3. "Ending Book Values" from FY06 through FY07 do not correspond to prior year reports due to corrections made to "Spending Policy Reversions" in FY08.

4. "Income Accrued" represents income held in Common School Pool on June 30, 2010.

5. Includes Common School Permanent Land Fund II.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2010

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2009 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2010 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$39,629,211		
Oil & Gas Lease Royalties		563,118	
Sodium & Trona Lease Royalties		1,950,394	
Right-of-Way Easements		6,678	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		588,494	
Income held in PLF Pool on June 30, 2010		(278,411)	
Gain (Loss) Income Deferred		<u>601,783</u>	
		3,432,057	
			<u>\$43,061,268</u>
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$4,840,339		
Oil & Gas Lease Royalties		805,455	
Sand & Gravel Royalties		20,517	
Right-of-Way Easements		4,990	
Surface Damage		14,522	
Real Estate-Sales		7,824	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		71,879	
Income held in PLF Pool on June 30, 2010		(37,532)	
Gain (Loss) Income Deferred		<u>76,948</u>	
		964,603	
			<u>\$5,804,942</u>
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$351,514		
Oil & Gas Lease Royalties		26,805	
Right-of-Way Easements		38	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		5,220	
Income held in PLF Pool on June 30, 2010		(2,499)	
Gain (Loss) Income Deferred		<u>5,367</u>	
		34,932	
			<u>\$386,446</u>
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$1,789,591,193		
Bentonite Lease Royalties		369,810	
Coal Lease Royalties		5,602,916	
Liquidated Damages		30,000	
Miscellaneous Mineral Lease Royalties		74,304	
Oil & Gas Lease Royalties		123,661,617	
Sand & Gravel Royalties		478,131	
Sodium & Trona Lease Royalties		7,193,274	
Right-of-Way Easements		899,530	
Surface Damage		1,937,227	
Real Estate-Sales		680,717	
Income held in CS Pool on June 30, 2010		7,551,961	
Gain (Loss) Income Deferred		<u>24,580,210</u>	
		173,059,696	
			<u>\$1,962,650,889</u>

L14 COMMON SCHOOL II (1)(2)

Beginning Balance	\$4,857,196		
Gain (Loss) Income Deferred		<u>69,088</u>	
		69,088	<u>\$4,926,284</u>

L05 DEAF, DUMB & BLIND

Beginning Balance	\$3,039,657		
Oil & Gas Lease Royalties		381,829	
Right-of-Way Easements		645	
Surface Damage		360	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		45,139	
Income held in PLF Pool on June 30, 2010		(22,580)	
Gain (Loss) Income Deferred		<u>47,359</u>	
		452,752	<u>\$3,492,409</u>

L06 CAREY ACT

Beginning Balance	\$1,391,249		
Bentonite Lease Royalties		17,528	
Oil & Gas Lease Royalties		175,279	
Right-of-Way Easements		10,035	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		20,660	
Income held in PLF Pool on June 30, 2010		(10,513)	
Gain (Loss) Income Deferred		<u>21,788</u>	
		234,778	<u>\$1,626,026</u>

L07 OMNIBUS

Beginning Balance	\$27,784,581		
Oil & Gas Lease Royalties		3,466,107	
Sand & Gravel Royalties		230,679	
Right-of-Way Easements		47,273	
Surface Damage		30,230	
2009 Session Laws Ch 159 Sec. 3/006		(11,520,036)	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		412,601	
Income held in PLF Pool on June 30, 2010		(133,153)	
Gain (Loss) Income Deferred		<u>276,286</u>	
		(7,190,013)	<u>\$20,594,567</u>

L08 WYOMING STATE HOSPITAL

Beginning Balance	\$3,344,520		
Oil & Gas Lease Royalties		485,266	
Right-of-Way Easements		6,444	
Surface Damage		6,338	
Reimburse 2004 Session Laws Ch 95 Sec.3/048		34,480	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		49,666	
Income held in PLF Pool on June 30, 2010		(25,566)	
Gain (Loss) Income Deferred		<u>53,053</u>	
		609,681	<u>\$3,954,201</u>

L09 WYOMING STATE TRAINING SCHOOL

Beginning Balance	\$1,787,224		
Oil & Gas Lease Royalties		269,552	
Sand & Gravel Royalties		120,183	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		26,540	
Income held in PLF Pool on June 30, 2010		(14,341)	
Gain (Loss) Income Deferred		<u>28,874</u>	
		430,809	<u>\$2,218,032</u>

L10 WYOMING STATE PENITENTIARY

Beginning Balance	\$5,752,570		
Oil & Gas Lease Royalties		741,632	
Sand & Gravel Royalties		13,868	
Right-of-Way Easements		13,985	
Surface Damage		1,145	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		85,426	
Income held in PLF Pool on June 30, 2010		(43,031)	
Gain (Loss) Income Deferred		<u>89,874</u>	
		902,899	
			<u>\$6,655,469</u>

L11 WYOMING STATE AGRICULTURAL COLLEGE (1)

Beginning Balance	\$7,733,427		
Oil & Gas Lease Royalties		285,789	
Right-of-Way Easements		7,457	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		114,841	
Income held in PLF Pool on June 30, 2010		(53,047)	
Gain (Loss) Income Deferred		<u>116,226</u>	
		471,266	
			<u>\$8,204,693</u>

L12 WYOMING STATE UNIVERSITY (1)

Beginning Balance	\$15,891,162		
Oil & Gas Lease Royalties		188,846	
Right-of-Way Easements		32,068	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		235,984	
Gain (Loss) Income Deferred		<u>153,886</u>	
		610,785	
			<u>\$16,501,946</u>

NET INCREASE IN CORPUS \$174,083,331

1. These funds are not available for appropriation.

2. In Fiscal Year 2009 Common School Permanent Land Fund II was added to the Common School Pool along with Common School Permanent Land Fund and is being invested there. Income is diverted to the Education Trust Fund per Special Session Laws 1997 Ch. 3 Section 504.

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.

"Income held in Permanent Land Fund Pool and Common School Pool on June 30, 2010" represents income accrued.

WYOMING INVESTMENTS

As of June 30, 2010

<u>Program</u>	<u>See Notes</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Investments for Public Purposes</u>				
Farm Loans	A	\$275,000,000	\$30,553,860	\$244,446,140
Irrigation Loans	B	20,000,000	5,273,874	14,726,126
Joint Powers Loans	C	60,000,000	11,281,797	48,718,203
Student Loans	D	25,000,000	0	25,000,000
Hot Springs State Park	E	2,000,000	141,474	1,858,526
Small Business Assistance & FmHA Ag Loans	F	0	175,799	0
Shoshone Municipal Pipeline Treatment Plant	G	16,500,000	13,501,417	0
Sheridan Area Water Treatment Project	H	6,750,000	1,231,443	0
Laramie Territorial Park Loan	I	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	J	2,000,000	22,184	1,977,816
Industrial Development Bonds	K	100,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	L	10,000,000	4,802,494	5,197,506
Gillette Madison Pipeline Project	M	13,612,500	5,527,500	8,085,000
		<u>\$540,862,500</u>	<u>\$82,511,842</u>	<u>\$450,009,317</u>

*The list of investments shown above are investments of state funds for a specific public purpose, other than permissible investments made in compliance with state investment policy under W.S. 9-4-715 through 9-4-719 and 9-4-831, which are authorized or directed by the legislature in law. As stipulated in W.S. 9-4-715(n), total investments of permanent funds for a specific public purpose authorized or directed by the legislature are limited to \$500 million excluding investments made pursuant to W.S. 37-5-406. 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 public purpose investments to ensure the statutory limitation is not exceeded. Most of these investments are made from the Permanent Wyoming Mineral Trust Fund.

In addition to the specific public purpose investments listed above, the following statutory commitments have been made:

		<u>Commitment Amount</u>	<u>Outstanding Amount</u>	<u>Commitment Amount Available</u>
WCDA Mortgage Bonds	N	25,000,000	617,713	0
		<u>\$25,000,000</u>	<u>\$617,713</u>	<u>\$0</u>

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

		<u>Total Statutory Loan Amounts</u>	<u>Outstanding Investments</u>	<u>Loan Funds Not Yet Requested</u>
Wyoming Gas Pipeline Authority	O	\$4,652,895	\$4,088,795	\$0
Wyoming Infrastructure Authority	P	15,192,605	6,942,605	8,000,000
		<u>\$19,845,500</u>	<u>\$11,031,400</u>	<u>\$8,000,000</u>

		<u>Commitment Amount</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Other Wyoming Investments</u>				
Basin Electric Power Bond			\$34,500,000	
Cheyenne Stage II GIC			9,125,718	
Drainage District Bonds			24,000	
Time Deposit Open Account Banking Program	Q	150,000,000	116,600,000	0
Wyoming Community College Bonds			0	
Wyoming Real Estate - Land	R	16,950,721	6,592,226	10,358,495
		<u>\$166,950,721</u>	<u>\$166,841,944</u>	<u>\$10,358,495</u>

Total Wyoming Investments

\$261,002,899

WYOMING INVESTMENTS

NOTES AND STATUTORY REFERENCES

Investments for Public Purposes:

- (A) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55 M is for a livestock enhancement program;
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109;
- (D) W.S. 9-4-715(f), student loans;
- (E) Hot Springs State Park loans under W.S. 36-8-318;
- (F) Guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration. Up to \$55 million was previously authorized and no new loans were to be made after December 31, 2006. W.S. 9-4-701(e) was repealed when investment statutes were amended in the 2008 legislative session;
- (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) Laramie Territorial Park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (J) W.S. 9-4-715(j), deferred property taxes;
- (K) W.S. 9-4-715(m), industrial development bonds; expires 06/30/11 unless extended;
- (L) Airport construction, development and improvement loans under W.S. 10-3-403;
- (M) Gillette Madison pipeline project, 2009 WY Session Laws, Ch 103 and 2010 WY Session Laws, Ch 115;

Statutory Commitments:

- (N) 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:

- (O) 2003 Session Laws, Ch 171, Sec. 4 - \$279,500 for operating expenses; 2004 Session Laws, Ch 83, Sec. 3 - \$284,600 for payment of insurance costs and professional services; 2004 Session Laws, Ch 95, Sec. 321 - \$1,383,550 for operating expenses; 2006 Session Laws, Ch 35, Sec. 304 - \$1,267,253 for operating expenses; 2008 Session Laws, Ch 48, Sec 304 - \$1,437,992 for operating expenses; 2010 Session Laws, Ch 39, Sec 331, effective July 1, 2010, all existing loan balances declared uncollectible and loans are to be discharged and extinguished as an asset on accounts receivable to the state;
- (P) 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; 2008 Session Laws, Ch 48, Sec 305 - \$1,708,565 for operating costs; 2010 Session Laws, Ch 39, Sec 332, effective July 1, 2010, all existing loan balances declared uncollectible and loans are to be discharged and extinguished as an asset on accounts receivable to the state;

Other Wyoming Investments:

- (Q) W.S. 9-4-803 authorizes the State Treasurer to deposit state funds in approved Wyoming banks and Wyoming savings and loans. Currently, the amount the State Treasurer has made available to banks each year amounts to five percent (5%) of the State Agency Pool assets.
- (R) W.S. 9-4-715(k) authorizes the investment of funds received from sale of state trust lands plus up to \$2,000,000 one-time seed money contained in the Common School Permanent Land Fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the Trust. Funds were also appropriated to the State Loan and Investment Board from the CSPLF in 2005 and 2006 for this purpose as well.

WYOMING INVESTMENTS BY FUND

June 30, 2010

<u>Interest Paid</u>			<u>Yield</u>		<u>Loan Balance</u>		
<u>Fund</u>	<u>Investment</u>	<u>Amount</u>	<u>By Investment</u>	<u>By Fund</u>	<u>Fund</u>	<u>Investment</u>	<u>Amount</u>
<u>General Fund</u>					<u>General Fund</u>		
	Pipeline Authority	0	4.00%			Pipeline Authority	\$6,942,605
	Wyo Infrastructure Authority	53,342	4.00%			Wyo Infrastructure Authority	\$4,088,795
	Subtotal	53,342		4.00%		Subtotal	\$11,031,400
<u>State Agency Pool</u>					<u>State Agency Pool</u>		
	Ag Loans	17,581	4.22%			Ag Loans	\$0
	TDOAs	621,901	0.47%			TDOAs	\$116,600,000
	Subtotal	639,482		0.47%		Subtotal	\$116,600,000
	Total	692,825		0.78%		Total	\$127,631,400
<u>Common School Perm. Land Fund</u>					<u>Common School Perm. Land Fund</u>		
	Comm College Bonds	210	6.00%			Comm College Bonds	\$0
	Lovell Drainage District	0	4.00%			Lovell Drainage District	\$24,000
	WCDA	45,979	6.70%			WCDA	\$617,713
	Wyoming Real Estate	0	0.00%			Wyoming Real Estate	\$6,592,226
	Subtotal	46,189		0.59%		Subtotal	\$7,233,939
<u>Permanent Mineral Trust Fund</u>					<u>Permanent Mineral Trust Fund</u>		
	Aeronautics Loans	208,328	5.00%			Aeronautics Loans	\$4,802,494
	Farm Loans	2,239,267	7.75%			Farm Loans	\$30,553,860
	Hot Springs St Park	12,343	6.25%			Hot Springs St Park	\$141,474
	Irrigation Loans	259,329	5.00%			Irrigation Loans	\$5,273,874
	JPA Loans	560,006	6.90%			JPA Loans	\$11,281,797
	Local Government Loans	150,000	1.50%			Local Government Loans	\$10,000,000
	Local Government Loans	0	4.00%			Local Government Loans	\$22,184
	SBAA	9,580	3.70%			SBAA	\$175,799
	Student Loans	24,174	2.56%			Student Loans	\$0
	Water Develop Loans	598,758	4.00%			Water Develop Loans	\$20,260,359
	WIA Basin Electric	1,618,050	4.69%			WIA Basin Electric	\$34,500,000
	GIC AIG Financial	738,492	6.50%			GIC AIG Financial	\$9,125,718
	GIC Metropolitan Life	150,574	7.45%			GIC Metropolitan Life	\$0
	Subtotal	6,568,900		5.42%		Subtotal	\$126,137,560
	TOTAL	7,307,914				TOTAL	\$261,002,899

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 WYO-STAR 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.

The primary goal of the WYO-STAR portfolio is to pursue a short-term and extended-term fixed income investment strategy. The WYO-STAR portfolio maintains an exceptionally strong credit profile. This rigorous risk management approach has been tailored to meet the State's investment guidelines and position the WYO-STAR portfolio defensively.

Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

J. P. Morgan Asset Management manages the WYO-STAR portfolio.

All WYO-STAR investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831.) WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the State Loan and Investment Board's consultant R.V. Kuhns.

General information about the WYO-STAR program, daily rate information and forms are available on the Treasurer's website.

Participants can access their accounts via the internet. This service is called Internet Participant Access System (IPAS).

As of June 30, 2010, there were 158 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2010, was \$360,684,003.

Participants earned \$3,282,493 in the FY 10.

WYO-STAR yields realized in FY 10 are as follows:

07/09	0.882%	01/10	1.160%
08/09	1.110%	02/10	0.802%
09/09	1.035%	03/10	1.279%
10/09	1.156%	04/10	0.914%
11/09	0.777%	05/10	0.692%
12/09	1.367%	06/10	0.675%

The annualized yield for FY 10 was 0.987%.

SPENDING POLICY RESERVE ACCOUNTS

PERMANENT WYOMING MINERAL TRUST FUND

COMMON SCHOOL PERMANENT LAND FUND

EXCELLENCE IN HIGHER EDUCATION FUND

The Wyoming State Legislature established investment earnings spending policy reserve accounts for three of the state's permanent funds; the Permanent Wyoming Mineral Trust Fund (PWMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Fund (Higher Ed Fund).

In the 2000 Session, the Legislature established annual spending policy amounts for earnings from PWMTF and the CSPLF. To the extent earnings exceed the amount set in statute for the PWMTF, the excess flows to the PWMTF reserve account. For the CSPLF, earnings in excess of the spending policy amount still flow to the Common School land income account and School Foundation Program account; however, an automatic appropriation is made from "over the \$200 million cap" in federal mineral royalties which would otherwise be deposited into the School Foundation Program account in an amount equal to the excess earnings to the CSPLF reserve account. Monies in the reserve accounts are available to supplement earnings for those years in which earnings fail to reach the spending policy amounts. If the reserve accounts reach more than 75 percent of the spending policy amount, the excess reserves are placed in the appropriate corpus. The purpose of these spending policies is to make the earnings flow consistent and to protect the corpus from inflation.

In the 2007 Session, an annual spending policy amount and a spending policy reserve account was established for the Higher Ed Fund. Like the PWMTF spending policy and reserve account, to the extent earnings from the Higher Ed Fund exceed the spending policy amount, excess earnings flow to the Higher Ed reserve account. Once the reserve account reaches more than 75 percent of the spending policy amount, the excess reserves are placed in the Higher Ed Fund corpus. The 2007 legislation also provided for a continuous appropriation from the Higher Ed reserve account to supplement the spending from the earnings of the Higher Ed Fund in those years earnings fail to meet the spending policy amount. (This automatic appropriation of funds from the PWMTF and CSPLF reserve accounts was repealed in 2004.)

The spending policy amount for FY 10 for each of these permanent funds is based on the statutory percentage rate of 5 percent of the five-year rolling average market value. During the 2010 Session, a footnote to the appropriations bill was approved (Chapter 39, Section 301) which stipulates that no funds are to flow from these spending policy reserve accounts to the corpus of their respective accounts until June 30, 2012.

The following three pages illustrate how the spending policy reserve accounts for the PWMTF, the CSPLF and the Higher Ed Fund work.

SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)
2010 Fiscal Year End

last update 09/22/2010

W.S. 9-4-719 established annual spending policy amounts from the PWMTF (currently 5 percent of the five-year rolling average market value) and created the PWMTF reserve account. To the extent earnings from the PWMTF exceed the 5 percent spending policy amount, the excess earnings flow to the PWMTF reserve account. If the balance in the reserve account reaches more than 75 percent of the spending policy amount, the excess in the reserve account is transferred to the corpus of the PWMTF.

The spending policy amount for FY 10 was \$173,857,429. Total PWMTF investment income for FY 10 was \$139,450,800. As investment earnings were less than the 5 percent spending policy amount, no funds flowed to the spending policy reserve account at the end of FY 10. During the 2009 Session, an appropriation was made diverting a portion of mineral severance tax distribution into the reserve account; this amounted to \$56,451,039 (2009 Session, Chapter 159, Section 350). Although the balance in the reserve account at fiscal year end exceeded 75 percent of the spending policy amount, no funds reverted to corpus at the end of FY 2010 in accordance with the 2010 Session Laws, Chapter 39, Section 301(a), which states that no funds within the PWMTF reserve account shall be credited to the PWMTF until June 30, 2012.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	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	90,510,496	0			92,867,680	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	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		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	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)		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 (f)		107,453,119	88,213,409	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897		273,316,306	102,191,169	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0		102,191,169	117,825,593	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429	139,450,800	0	56,451,039 (g)	158,642,208	130,393,072	0 (h)	158,642,208

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY 09 and prior are actual market values.
- (b) Appropriation from General Fund to this reserve account-2004 Budget Session.
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to the General Fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values.
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to the General Fund.
- (g) Special appropriation severance tax - 2009 Session Laws, Ch 159, Sec. 350.
- (h) 2010 Session Laws, Ch 39, Sec 301(a) - no funds are to revert to corpus until June 30, 2012.

SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)
2010 Fiscal Year End

last update 09/22/2010

W.S. 9-4-719 established annual spending policy amounts from the CSPLF (currently 5 percent of the five-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 percent of the spending policy amount, the excess in the reserve account is transferred to the corpus of the CSPLF.

The spending policy amount for FY 10 was \$76,036,718. Total CSPLF investment income for FY 10 was \$54,494,121. As investment earnings were less than the 5 percent spending policy amount, no funds flowed to the Spending Policy reserve account at the end of FY 10. The fiscal year end balance in the reserve account did not exceed 75 percent of the spending policy amount; however, no funds are to revert to corpus until June 30, 2012, in accordance with 2010 Session Laws, Chapter 39, Section 301(b).

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	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			51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	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 (h)		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 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)	(13,500,000) (c)	37,898,288	37,672,073	226,214 (g)	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 (h)	(4,200,000) (d)	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	133,866,782	71,433,150		101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,672,431	0	167,274 (i)	46,992,498	52,466,351	0	46,992,498
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718	54,494,121	0		46,992,498	57,027,539	0 (j)	46,992,498

Source: W.S. 9-4-719

- (a) Total Market Value for FY 09 and prior are actual market values.
- (b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 Budget Session.
- (c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 Budget Session.
- (d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for Excellence in Higher Education Endowment--\$2.8 million to UW and \$1.4 million equally split among the seven community colleges.
- (e) Reflects addition of \$947,482 realized earned income on reserve account.
- (f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund.
- (g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve.
- (h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to General Fund.
- (i) UW returned \$167,274 of the \$2.8 million distributed from the \$4,200,000 appropriation to begin to implement the plan for the Excellence in Higher Education Endowment.
- (j) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to revert to corpus until June 30, 2012.

SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
2010 Fiscal Year End

last update 09/22/2010

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment Fund (currently 5 percent of the five-year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the 5 percent spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the 5 percent spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201.

The spending policy amount for fiscal year 2010 was \$4,102,047. Total investment income from the Higher Education Endowment fund for FY 10 was \$3,493,118. As investment earnings were less than the five percent spending policy amount, no funds flowed to the spending policy reserve account at the end of FY 10. The balance in the reserve account at the end of FY 10 exceeded 75 percent of this spending policy amount by \$1,611,829, however, this amount did not revert to the Higher Ed corpus in accordance with legislation passed during the 2010 Session (Ch 39, Sec 301 (c)).

As of	Total Market Value	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Earnings over 5% of spending policy amount to Reserve Acct *	Legislative Appropriations	Earnings less than 5% of spending policy from Reserve Acct to be distributed	Year End Reserve Balance Before Reversion to Corpus or to cover shortfall	75% of Spending Policy	Over 75% reverts to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006		5.000%	0	0	0			0	0	0	0
7/1/06	48,379,952 (a)	2007	48,379,952	5.000%	2,418,998	726,921	0			0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	63,623,960	5.000%	3,181,198	4,474,394	1,293,196			1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958 (b)	2009	77,356,292	5.000%	3,867,815	3,926,014	151,616 (d)		0	1,444,812 (d)	2,900,861	0	1,444,812 (d)
7/1/09	96,094,847	2010	82,040,931	5.000%	4,102,047	3,493,118	0	3,852,480 (c)	(608,929)	4,688,364	3,076,535	0 (e)	4,688,364

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY 06 - FY 08 are based on Higher Ed portion of the State Agency Pool market value.
- (b) Total Market Value for FY 09 is based on actual market value.
- (c) Appropriation - federal mineral royalty diversion - 2009 Session, Ch 159, Sec 342.
- (d) Reflects balance following correction of \$93,417, realized earned income-transfer out of Higher Ed Income Fund.
- (e) 2010 Session Laws, Ch 301 (c) - no funds are to revert to corpus until June 30, 2012.

HATHAWAY STUDENT SCHOLARSHIP RESERVE ACCOUNT

Wyoming State Statute 21-16-1302 created the Hathaway Student Scholarship reserve account (Hathaway reserve account). Unlike the permanent fund spending policy reserve accounts which are funded by excess investment income over a specific spending policy amount as mentioned on previous pages of this report, the Hathaway reserve account is comprised of any unencumbered, unobligated funds remaining in the Hathaway expenditure account at the end of each fiscal year. In addition funds in the Hathaway reserve account are available specifically for use whenever the balance in the Hathaway expenditure account is insufficient to cover requests from the University of Wyoming and the seven community colleges for scholarships awarded.

State statutes allow the reserve account to hold \$12 million or the amount equal to 3.75 percent of the previous five-year rolling average market value of the Hathaway Student Scholarship Endowment Fund (corpus). If the balance in the Hathaway reserve account exceeds either of these amounts at the end of the fiscal year, the excess is transferred to corpus after July 1 each year. However, legislation passed during the 2010 Session (Chapter 39, Section 301) stipulates that no funds are to revert to the corpus of the Hathaway Fund until June 30, 2012.

The following page provides a summary of the flows of funds into and out of the Hathaway reserve account since its creation.

RESERVE ACCOUNT: HATHAWAY STUDENT SCHOLARSHIP ENDOWMENT
2010 Fiscal Year End

last update 09/22/2010

W.S. 21-16-1302 established the Hathaway Student Scholarship reserve account. All unexpended and unencumbered monies within the Hathaway Scholarship expenditure account at the end of each fiscal year are deposited into the Hathaway Student Scholarship reserve account. To the extent funds within the Hathaway Scholarship expenditure account are not sufficient in any fiscal year to fully fund scholarships awarded pursuant to W.S. 21-16-1304 through 21-16-1306, monies are transferred from the reserve account to the expenditure account for distribution to eligible institutions to fund scholarships. At the end of each fiscal year, if funds in the reserve account are more than the greater of \$12 million or the amount equal to 3.75 percent of the previous five-year average market value of the Hathaway Student Scholarship Endowment Fund (corpus), the excess is transferred to corpus on or after July 1 each year.

During FY10, no funds were transferred out of the Hathaway reserve to the Hathaway expenditure account to fully fund scholarships awarded during the fiscal year. At the end of FY10, a total of \$8,482,672 was transferred from the Hathaway Scholarship expenditure account to the Hathaway Scholarship reserve account. Even though the fiscal year balance in the Hathaway reserve account exceeded the \$12 million statutory limit by \$8,482,672, this amount did not revert to corpus in accordance with 2010 Session Laws, Chapter 39, Section 301(d).

HATH as of 7/1	For FY	Total HATH Investments at Market	Rolling 5 Year Average	Percentage in Statute	3.75% of 5 Yr Avg	Statutory Amount	X Greater of the 3.75% or Stat Amt	Transfers into Reserve from Expenditure Account	Transfers from Reserve to Expenditure Account (for scholarships)	Cash Balance of Reserve (after transfers)	Amount Reverts to Corpus	Ending Cash Balance of Reserve s/be
				21-16-1302 (b)			<i>Comparison of statutory amt and</i>					
2005	2006	3,397,432 (a)	3,397,432									
2006	2007	210,027,477 (a)	106,712,454					23,418,453	0	23,418,453	0	23,418,453
2007	2008	298,312,993 (a)	170,579,301	3.75%	6,396,724	12,000,000	12,000,000	9,551,260	(1,717,263)	31,252,450	(19,252,450)	12,000,000
2008	2009	417,997,280 (b)	232,433,795	3.75%	8,716,267	12,000,000	12,000,000	7,757,555	(3,964,942) (c)	15,792,613	(3,792,613)	12,000,000
2009	2010	431,076,939 (b)	272,162,424	3.75%	10,206,091	12,000,000	12,000,000	8,482,672	0 (d)	20,482,672	0	20,482,672

Source: W.S. 21-16-1302(b)

(a) Total Market Value for FY06 - FY08 are based on Hathaway portion of State Agency Pool market value.

(b) Total Market Values for FY09 & beyond are actual market values of the corpus.

(c) Reflects net transfer-two colleges requested payment for full fall enrollment estimate rather than 75 percent of estimate.

(d) 2010 Session Laws, Ch 39, Sec 301(d) - no funds are to revert to corpus until June 30, 2012.

INTERFUND BORROWING
SCHOOL FOUNDATION PROGRAM

For several years the state 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. However, since fiscal year 2007, the State of Wyoming has not issued any tax and revenue anticipation notes. Instead, School Foundation Program payments are made by temporary interfund borrowing from the corpus of the Common School Permanent Land Fund (CSPLF) at 6 percent 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 for FY10, the schedule of statutory School Foundation payments and the incorporation of interfund borrowing from and repayment to the CSPLF for fiscal year 2010.

Interest payments from the School Foundation Program for this interfund borrowing totaled \$4,460,000 for FY 10. The amount of interest paid to the Common School Permanent Land Fund account was reported as income to the account to be distributed among all school districts during FY10 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 beginning of the school year. As illustrated on the cash flow analysis spreadsheet, revenue shortfalls to the School Foundation Account occur primarily in 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 were built into the state's investment asset allocation plan for the CSPLF for FY 10. To ensure liquidity needs are met, the CSPLF portfolio held a larger portion of its assets in cash and short-term bonds than held by the Permanent Wyoming Mineral Trust Fund.

Interfund borrowing will again be used to fund the cash flow for the School Foundation Program during FY 11.

State of Wyoming
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2010
Estimated Cash Flow - 13th period 2010

	Actual July 09	Actual Aug 09	Actual Sept 09	Actual Oct 09	Actual Nov 09	Actual Dec 09	Actual Jan 10	Actual Feb 10	Actual Mar 10	Actual Apr 10	Actual May 10	Actual Jun 10	Actual Year End Adj Pd (13th Pd 10)	Actual FY10 Totals	LSO & CREG FY10 Estimates Oct 09
Beginning Balance	346,729,650	346,367,664	38,212,080	57,543,847	3,496,576	34,263,917	283,195	32,027,988	11,151,000	2,403,004	79,481,784	116,800,069	536,069,779	346,729,650	338,883,551
Revenues and Transfers															
Auto Tax	347,956	143,003	8,697,776	5,221,941	1,581,016	1,080,678	2,441,321	594,017	454,648	882,131	388,174	363,060		22,195,722	20,000,000
Car Company Tax	30,412	259,494	31,159	60,340							0	58,352		439,758	400,000
Property Tax	1,718,244	1,084,162	597,942	4,584,941	67,089,412	99,035,789	19,458,982	3,212,799	1,991,558	3,420,699	64,071,654	85,444,065		351,710,248	350,634,398
Penalty-Delinq taxes							5,440	2,040				0		9,470	18,940
Federal Mineral Royalty (under 200mm)	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000		88,704,000	
FMR (over 200mm)			35,759,730	489,738			9,798,655				74,288,330	113,114,625		233,451,078	232,500,000
Interest - WY Municipalities	77,861	191,301	137,583	118,211	154,220	576,389	69,850	45,527	141,712	284,574	53,188	45,715		1,896,131	1,000,000
Interest - Investments		744,105	567,314	112,054	91,911	27,621	240,883	171,822	34,386	122,837	141,839	126,490	2,106,754	4,488,016	4,000,000
Recapture		2,709,102				3,961,659	83,260,254	9,590,916	77,744,581		82,915,429	90,269,170		350,451,112	304,232,307
Comm School Income Fund (Trsrfr from)							26,686,375					62,697,558		11,115,063	100,498,996
Net Capital Gain/(Loss)		(187,668)	83,208	86,197	77,986	24,324	206,808	161,387	18,084	74,238	92,885	134,163		(771,613)	0
CSPLF Interfund Borrowing				212,000,000	0	(82,000,000)	(110,000,000)	166,000,000	(82,000,000)	0	(104,000,000)	0		0	0
Total Revenues and Transfers	9,566,473	12,335,502	53,266,712	230,065,422	76,386,546	30,098,461	39,560,568	187,170,508	5,778,958	86,464,809	51,055,171	359,645,199	12,450,205	1,153,844,533	964,185,645
Expenditures															
Entitlements - School Districts		(178,490,831)		(167,063,272)				(165,287,912)						(510,842,015)	(527,143,741)
ECA Entitlements		(21,936,137)		(20,531,715)				(22,316,973)						(64,784,825)	(64,784,825)
Entitlement/Adjustments	40,987	107,634	12,013	(4,997)	587,693		999,581	(668,279)	230,709	(16,127)	(8,897)	(33,422)	372,745	1,619,639	(2,500,000)
Combined Incentive Payments				(103,474)	(6,661)									(110,135)	(200,000)
Tax Shortfall Grants				(5,383,196)										(5,383,196)	(15,000,000)
Distance Learn Incentive														0	(250,000)
Recapture Loan		(74,676,089)										74,870,177		194,088	
Vocational Education Grants	(18,393)		(72,189)		(76,715)	(69,846)	(78,436)	0	(33,545)	(83,209)	(62,028)	(37,680)		(532,039)	(250,000)
SF01 & SF70 Summer School	(20,937)	(2,359,527)	(245,899)	(90,129)	(5,451,168)	(5,149)	(9,361)	(860,558)	(6,399)	(4,696)	(27,914)	(116,978)		(9,198,715)	(9,000,000)
SF70 At-Risk	(9,512)	(10,310)	(10,081)	(11,089)	(901)	(74,271)	(132)	(132)	(3,618)	(1,712)	(22,269)			(144,159)	
SF70 Distance Education	(10,724)	(6,751)	(6,568)	(17,717)	(9,130)	(9,395)	(6,527)	(3,706)	(13,909)	(7,040)	(17,942)	(22,425)	(69)	(131,903)	
SF70 Student Enrichment	(11,522)	(3,500)	(18,558)	(41,937)	(51,931)		0	(83,123)	0	(51,524)	(72,867)	(49,667)		(384,628)	
SF70 Food Service				(3,604,214)			0		0					(3,604,214)	(3,650,000)
SF70 Distance Education Grant		(77,519)			(19,702)	(1,222)	0	(3,223)	(67,264)	0	(52,332)			(221,263)	
COP Payments	(787,596)	(805,825)	(601,012)	(675,822)	(789,185)	(612,991)	(677,344)	(828,011)	(628,689)	(639,998)	(726,567)	(707,087)		(8,480,129)	(11,528,563)
SF01 & SF70 Instructional Facilitators	20,265	(19,825,481)	122,487								118,424			(19,455,977)	(19,756,000)
National Bd Certification Payment Reimb								916,000						(916,000)	(872,000)
Education Reform	(54,470)	(570,635)	(2,042,077)	(1,968,564)	(106,787)	(771,227)	(515,658)	(495,612)	(581,157)	(485,212)	(1,180,529)	(42,727)	(194)	(8,814,850)	(19,123,384)
Student Performance Data System	(7,154)	(6,505)	(18,901)	(17,603)	52,272	(68,554)	9,146	(1,330)	(798)	(999)	(82)	(2,400)		(62,907)	(1,250,794)
WDE Budget	(294,077)	(132,857)	(321,165)	(325,706)	(681,854)	(149,300)	(203,335)	(212,316)	(237,777)	(367,380)	(202,178)	(198,945)	(886)	(3,327,774)	(5,195,957)
+ C.S. Spending Policy Trsfr to C.S. Reserve														0	
* Capital Facilities Bond Debt Service (FMR)			(6,235,269)	1,729,500	1,167,000		3,729,500							390,731	
National Guard Youth Challenge	11	(60,153)	(46,393)	(145,121)	17,015	(101,920)	(67,650)	(17,876)	(82,171)	(72,467)	(61,583)	(155,487)	(7,780)	(801,576)	(1,048,989)
School Funding Equity Litigation	(77,236)	(63,898)	(67,679)	(63,172)	(45,692)	(47,677)	(52,048)	(25,476)	(73,012)	(50,873)	(69,870)	(54,394)	(1,357)	(692,384)	(2,054,755)
Capital Construction	(8,698,974)	(21,530,537)	(20,430,263)	(751,059)	(22,025,113)	(12,777,556)	(10,916,630)	(15,561,034)	(12,104,398)	(7,084,202)	(11,121,387)	(13,976,973)		(156,978,126)	(233,256,527)
Teacher Shortage Loan Repayment	873	(6,700)	1,123	(574)	(84,803)	454	(1,160)	1,473	1,587	1,317	(95,175)	101,512		(80,073)	(400,000)
Trust Land Preservation - OSLI		(35,465)	(102,032)	(42,832)	(33,544)	(132,834)	(25,721)	(17,408)	0	0	(14,245)	0		(404,081)	(1,331,360)
Retirement System Audit														0	
LSO												(35,052)	(1,774)	(36,826)	
09 HB 001 Section 342 Higher Ed			(3,852,480)											(3,852,480)	
09 SF 124 Sec 2 (WS 21-13-306) Foundation				(85,000,000)	(17,000,000)	(48,197,697)								(150,197,697)	(150,197,697)
Interfund Borrowing Interest Expense				(1,060,000)	(1,060,000)	(1,060,000)	0	(750,000)	(930,000)	(520,000)	(140,000)	0		(4,460,000)	(3,335,000)
Total Education Expenditures	(9,928,459)	(320,491,086)	(33,934,944)	(284,112,693)	(45,619,205)	(64,079,183)	(7,815,775)	(208,047,496)	(14,526,954)	(9,386,029)	(13,736,886)	59,624,512	360,686	(951,693,513)	(1,072,129,592)
Ending Balance	346,367,664	38,212,080	57,543,847	3,496,576	34,263,917	283,195	32,027,988	11,151,000	2,403,004	79,481,784	116,800,069	536,069,779	548,880,670	548,880,670	230,939,604
CSPLF Loan Balance	0	0	0	212,000,000	212,000,000	130,000,000	20,000,000	186,000,000	104,000,000	104,000,000	0	0	0	0	0
+ W.S. 9-4-719(g) and W.S. 9-4-601(d)(vi)														0	
* W.S. 9-4-605															
FMR Divert/Repay Cap Fac Bond Debt Service															

BANKING AND TDOA

APPROVED DEPOSITORIES

The State Board of Deposits, consisting of the five elected officials, met on April 8, 2010 to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law. The Board approved 47 financial institutions.

All deposits in excess of the federally insured amount of \$250,000 are protected by a pledge of securities, mortgage loans or Certificate of Deposit Account Registry (CDARS), in lieu of a pledge of assets, to the State Treasurer as prescribed by statute.

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

TDOA – TIME DEPOSIT OPEN ACCOUNT

The TDOA program is a discretionary State Treasurer program by which public funds are placed in banks approved as eligible state depositories. This program assists banks that lack an asset base sufficient to meet their lending needs.

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. The Board meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter.

The TDOA rate for the four quarters of FY 10 was set at 0.57%, 0.52%, 0.45% and 0.35%. Therefore, the annualized TDOA rate for FY 10 was actually 0.47%.

A total of \$605,516 in investment income was received by TDOA.

Only 22 of the 47 approved depositories had TDOA funds as of June 30, 2010.

TDOA Deposits in Wyoming Banks as of June 30, 2010 Totaled \$116,600,000

American National Bank	\$36,800,000	Jonah Bank of Wyoming	\$100,000
Bank of Jackson Hole	11,000,000	Lusk State Bank	1,000,000
Buffalo Fed Savings Bank	2,400,000	Oregon Trail Bank	2,000,000
Central Bank and Trust	6,000,000	Pinnacle Bank	9,200,000
Cheyenne State Bank	1,300,000	Platte Valley Bank	3,600,000
Cowboy State Bank	1,000,000	Security First Bank	1,400,000
First Federal Savings	6,000,000	Summit National Bank	300,000
First Nat'l Bank of Gillette	3,500,000	Sundance State Bank	1,700,000
First Nat'l Bank of Torrington	2,900,000	Uinta County Bank	3,600,000
First State Bank	14,000,000	Wyoming Bank and Trust	5,200,000
FirsTier Bank	2,000,000	Wyoming National Bank	1,600,000

**WYOMING STATE TREASURER
JOE MEYER**

