



**WYOMING STATE TREASURER'S
INVESTMENT REPORT**

Fiscal Year 2011
(July 1, 2010 – June 30, 2011)

September 2011

WYOMING STATE TREASURER'S INVESTMENT REPORT

Fiscal Year 2011

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**WYOMING STATE TREASURER'S
INVESTMENT REPORT
Fiscal Year 2011
(July 1, 2010 – June 30, 2011)**



I am pleased to present the 2011 Investment Report, covering the fiscal year July 1, 2010 through June 30, 2011. Inside you will find detailed information about the State's investment portfolio, including fund performance, asset allocation and income distribution.

FY 11 was a year of continued healing in the portfolio. We paid off the final \$91.9 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 \$622.4 million in investment income to State agencies, institutions and programs in FY 11 in addition to the losses repaid as noted above. Of that amount, \$307.6 million, or 49.4 percent, went directly to the State General Fund. Another \$216.0 million, 34.7 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 we ranked 5th in total return for the fiscal 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. As equity markets rebounded during FY 10, our performance compared to other large institutional investors is weaker because of our concentration of fixed income. However, the measurements relate to total return, which includes increases and decreases in value. Measured by cash yield, Wyoming ranks among the top in the nation. Our contribution this year to State income was the second highest ever.

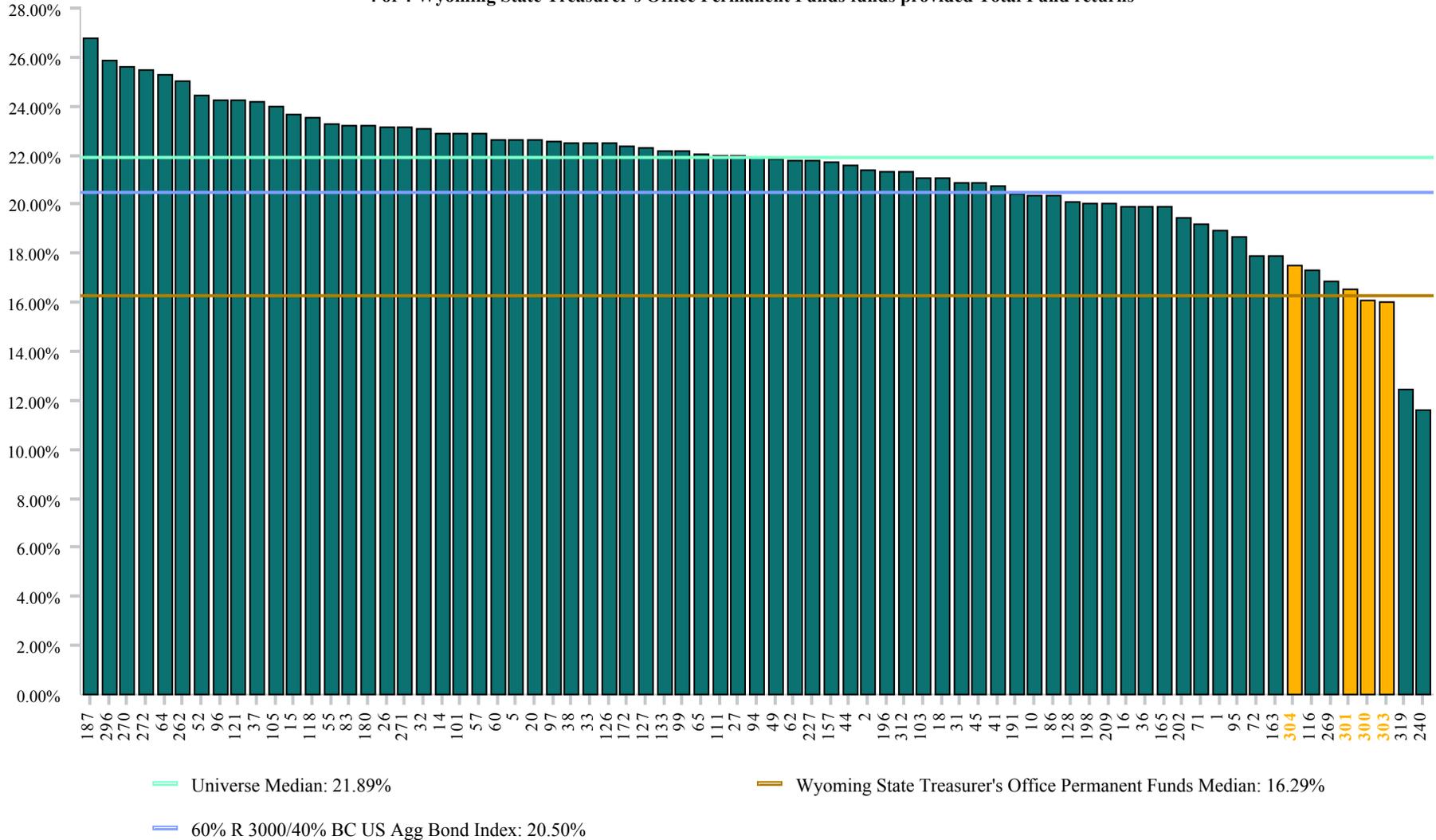
I am fortunate to work with a very talented and dedicated staff in the Treasurer's Office. I encourage you to visit us on the web at <http://treasurer.state.wy.us/investmentsbank.asp#invest>.

Joe Meyer
Wyoming State Treasurer

1 Year Annualized Total Fund Returns

As of June 30, 2011

73 of 74 funds provided Total Fund returns for this time period
 4 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns

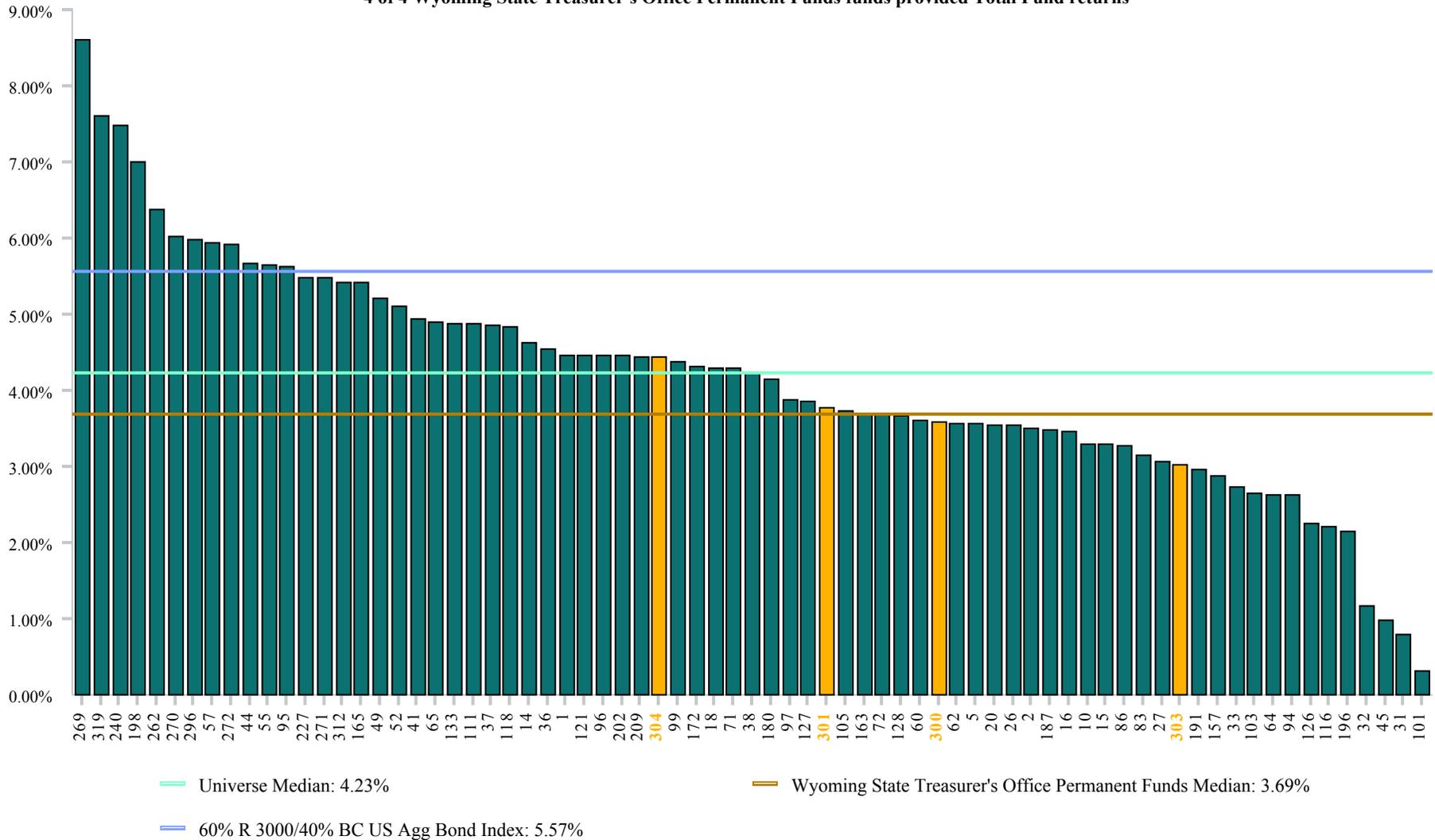


Funds with less history than the specified time period will not appear in the chart.

3 Year Annualized Total Fund Returns

As of June 30, 2011

73 of 74 funds provided Total Fund returns for this time period
 4 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns



Funds with less history than the specified time period will not appear in the chart.

5 Year Annualized Total Fund Returns

As of June 30, 2011

71 of 74 funds provided Total Fund returns for this time period
 4 of 4 Wyoming State Treasurer's Office Permanent Funds funds provided Total Fund returns



Funds with less history than the specified time period will not appear in the chart.

WYOMING STATE INVESTMENT PORTFOLIO

Fiscal Year 2011

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 11. The total portfolio was \$12.6 billion at the end of FY 10, increasing over \$1.2 billion to \$13.8 by June 30, 2011.

	FY 11		FY 10	
	Cost	Market	Cost	Market
Permanent Mineral Trust Fund	\$5,050.0	\$5,325.8	\$4,555.4	\$4,414.1
Permanent Land Funds				
- Common School Perm Land Fund	2,129.9	2,236.5	1,967.6	1,901.5
- University Permanent Land Fund	17.4	18.0	16.5	16.9
- Remaining Permanent Land Funds	117.2	122.8	96.0	92.5
Hathaway Scholarship Fund	473.0	502.8	470.6	467.0
Higher Education Endowment Fund	105.0	111.5	104.1	102.7
Workers Compensation Fund	1,317.1	1,362.5	1,212.1	1,219.4
Tobacco Settlement Fund	66.8	67.5	65.8	66.5
State Agency Pool	4,545.1	4,683.5	4,082.5	4,216.7
Total	\$13,821.6	\$14,431.0	\$12,570.7	\$12,497.5

This year the portfolio completed its recovery from market declines during FY 09, 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. The portfolio was almost back in the black by the end of FY 10. The portfolio ended FY 11 with a market value of \$14.4 billion, over \$609 million above cost. Furthermore, all permanent funds were fully repaid during FY 11 the \$201 million in realized losses incurred during the 2008-2009 market crisis.

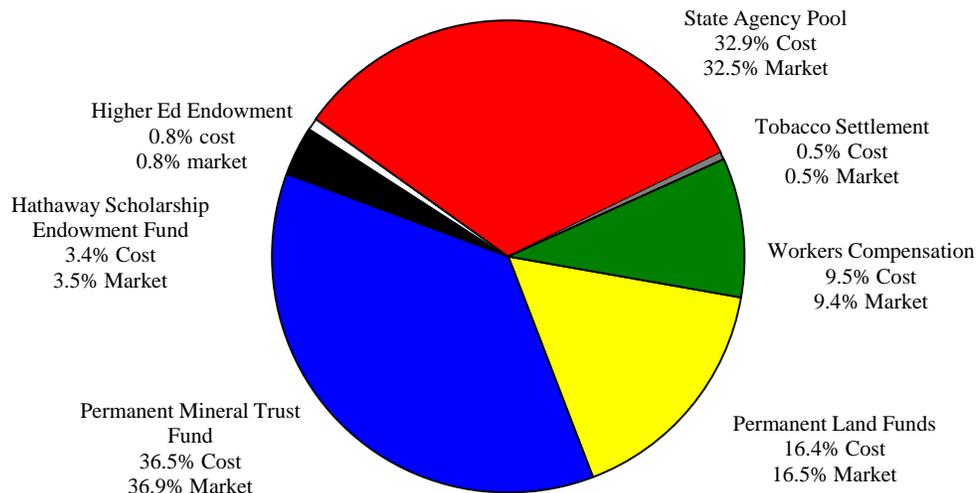
The State Treasurer distributes investment earnings to statutory recipients. Interest and dividends are treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2011

The State Treasurer's Office manages almost \$14 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.

	<u>Cost Basis</u>	<u>Market Value</u>
Permanent Wyoming Mineral Trust Fund	\$5,049,967,702	\$5,325,828,960
<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	2,264,492,867	2,377,351,616
<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: \$2.130 billion book/cost, \$2.237 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	473,045,064	502,843,583
<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	105,000,000	111,455,707
<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	1,317,145,903	1,362,501,674
<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	66,829,749	67,522,645
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>4,545,107,404</u>	<u>4,683,484,610</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$13,821,588,689	\$14,430,988,796



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 \$622.4 million in investment income during FY 11, up \$145.7 million from the \$476.7 million distributed in FY 10.

<u>Investment Income: Distributions by Fund</u>		
	<u>FY 11</u>	<u>FY 10</u>
Permanent Wyoming Mineral Trust Fund	\$215,755,659	\$139,450,800
Common School Permanent Land Fund	98,619,687	54,643,153
University Permanent Land Fund	1,718,287	523,898
Remaining Permanent Land Funds	4,157,223	2,863,518
Hathaway Scholarship Endowment Fund	30,957,021	16,033,666
Higher Education Endowment Fund	6,086,019	3,493,118
Workers Compensation Fund	98,747,770	56,244,157
Tobacco Settlement Fund	3,365,609	4,111,692
State Agency Pool	<u>162,968,281</u>	<u>199,344,108</u>
TOTAL	\$622,375,556	\$476,708,110

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

As shown below, gains in FY 11 made up the remaining \$91.1 million in losses carried forward from FY 10, which as noted before totaled \$201 million at the end of the FY 09 financial crisis. The table on page 8 details dividend, interest and capital gain income across the portfolio's investment pools.

<u>Post-Crisis Year-End Deferred Losses</u>			
	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
Permanent Wyoming Mineral Trust Fund	(\$118,886,938)	(\$59,405,190)	\$0
Common School Permanent Land Fund	(52,101,771)	(27,452,473)	0
University Permanent Land Fund	(613,249)	(459,363)	0
Remaining Permanent Land Funds	(2,551,526)	(1,233,968)	0
Hathaway Scholarship Endowment Fund	(10,293,331)	(2,478,334)	0
Higher Education Endowment Fund	(2,548,356)	(850,909)	0
Workers Compensation Fund	(14,040,044)	0	0
Tobacco Settlement Fund	(56,759)	0	0
State Agency Pool	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	(\$201,091,975)	(\$91,880,238)	\$0

The State portfolio's FY 11 yield was 4.93 percent and the total return was 12.02 percent for the fiscal year. This is an improvement over FY 10, when the cash yield was 4.29 percent, and the total return was 11.19 percent.

The chart on page 9 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

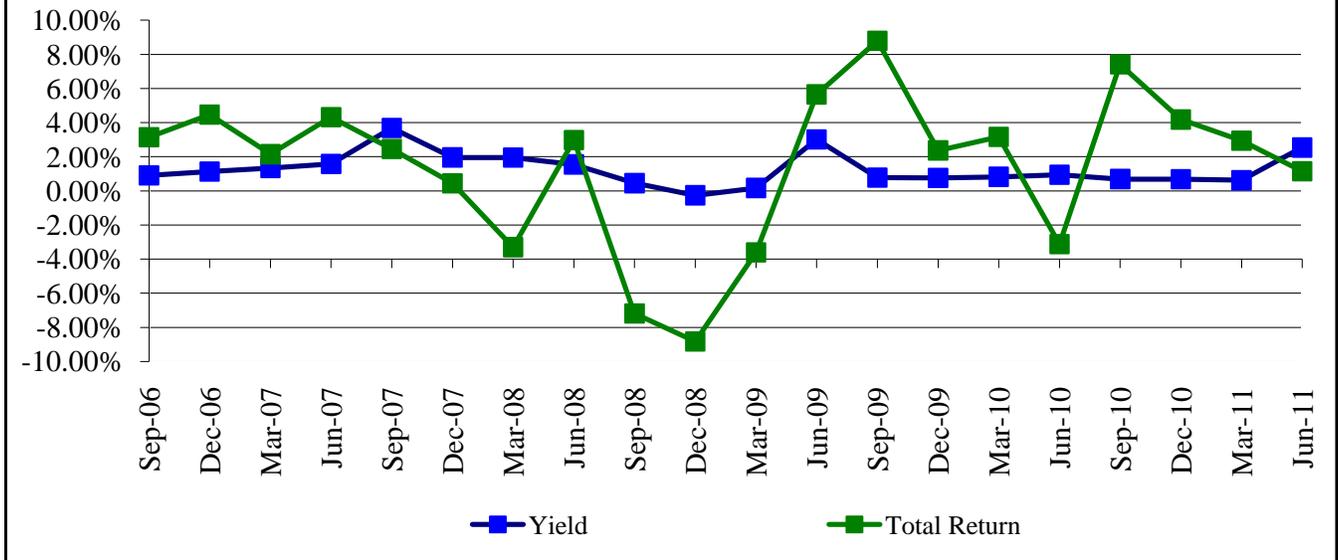
Fiscal Year 2011

	Dividends	Interest	Distributed Capital Gains	Direct Fees Paid / Accrued	Total Investment Income	Capital Gains Reconciliation		
						Capital Gains	FY 10 Deferred Capital Losses	Distributed Capital Gains
Permanent Wyoming Mineral Trust Fund	\$44,393,424	\$84,832,477	\$93,138,700	(\$6,608,941)	\$215,755,659	\$152,543,889	(\$59,405,190)	\$93,138,700
Common School Permanent Land Fund	19,237,499	38,283,235	43,527,113	(2,428,161)	98,619,687	70,979,587	(27,452,474)	\$43,527,113
University Permanent Land Fund	148,849	297,770	1,294,161	(22,493)	1,718,287	1,753,524	(459,363)	\$1,294,161
Remaining Permanent Land Funds:								
- Miner's Hospital Permanent Land Fund	407,416	757,854	753,927	(58,118)	1,861,080	1,214,539	(460,612)	\$753,927
- Public Buildings @ Cap Permanent Land Fund	56,291	104,710	117,836	(8,032)	270,806	168,437	(50,601)	\$117,836
- Fish Hatchery Permanent Land Fund	3,679	6,844	6,863	(525)	16,861	10,974	(4,111)	\$6,863
- D.D. & B. Permanent Land Fund	33,514	62,342	66,578	(4,781)	157,652	100,084	(33,506)	\$66,578
- Carey Act Permanent Land Fund	15,760	29,316	31,901	(2,248)	74,728	47,115	(15,214)	\$31,901
- Omnibus Permanent Land Fund	228,610	425,249	199,509	(32,345)	821,023	661,241	(461,732)	\$199,509
- State Hospital Permanent Land Fund	37,754	70,229	77,387	(5,390)	179,981	112,889	(35,502)	\$77,387
- State Training School Permanent Land Fund	21,176	39,391	45,104	(3,013)	102,658	63,094	(17,990)	\$45,104
- Penitentiary Permanent Land Fund	67,033	124,692	139,018	(9,563)	321,180	201,809	(62,791)	\$139,018
- Agriculture College Permanent Land Fund	77,741	144,609	139,991	(11,088)	351,253	231,899	(91,908)	\$139,991
Hathaway Scholarship Endowment Fund	4,058,087	9,516,571	18,071,267	(688,903)	30,957,021	20,549,601	(2,478,334)	\$18,071,267
Higher Education Endowment Fund	902,191	2,105,971	3,230,456	(152,599)	6,086,019	4,081,365	(850,910)	\$3,230,456
Worker's Compensation Fund	7,129,469	30,524,962	62,740,726	(1,647,387)	98,747,770	62,740,726	0	\$62,740,726
Tobacco Settlement Fund	59,746	2,250,277	1,145,605	(90,019)	3,365,609	1,145,605	0	\$1,145,605
State Agency Pool	3,061,093	115,077,730	50,451,153	(5,621,695)	162,968,281	50,451,153	0	\$50,451,153
TOTAL	\$79,939,334	\$284,654,228	\$275,177,295	(\$17,395,300)	\$622,375,556	\$367,057,531	(\$91,880,238)	\$275,177,295

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends 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.

Investment management fees are paid from investment income. FY 11 fees totaled \$42.4 million, which include the above \$17.4 million in accrued expenses to cover direct fees billed by managers; and \$862K in administrative expenses including salaries, benefits, travel, etc. for nine investment staff in the Wyoming State Treasurer's Office. In addition to these expenses, an additional \$23.9 million was withheld by managers who send their income to the State net of fees.

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, 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%
September 30, 2010	0.69%		7.41%	
December 31, 2010	0.68%		4.18%	
March 31, 2011	0.62%		2.94%	
June 30, 2011	2.54%	4.63%	1.15%	16.52%

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 11 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 11.

The June 30, 2011 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	52.0%	40.1%	2.4%	5.5%
Common School Permanent Land Fund	54.0	39.3	0.3	6.4
University Permanent Land Fund	51.5	37.4	7.1	4.0
Remaining Permanent Land Funds	51.6	40.7	0.0	7.7
Hathaway Scholarship Endowment Fund	45.0	51.9	0.0	3.1
Higher Education Endowment Fund	45.0	51.4	0.0	3.6
Workers Compensation Fund	29.8	63.9	0.0	6.3
Tobacco Settlement Fund	0.0	94.9	0.0	5.1
State Agency Pool	<u>0.0</u>	<u>89.1</u>	<u>3.6</u>	<u>7.3</u>
TOTAL	32.6%	59.1%	2.1%	6.2%

* Wyoming specific investments detailed later.

WYOMING STATE INVESTMENT PORTFOLIO

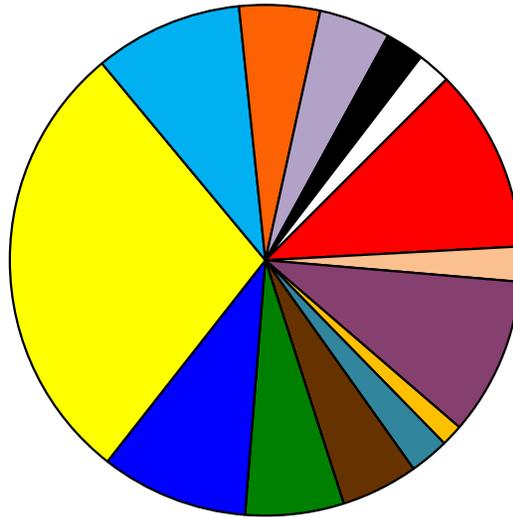
June 30, 2011

**\$13.822 Billion
Cost Basis**

FIXED INCOME

- Internal Bonds
\$1,289.1 M 9.3%
- Core-Plus
\$3,923.6 M 28.4%
- Mortgages
\$1,295.3 M 9.4%
- Corporates
\$704.2 M 5.1%
- Global
\$623.0 M 4.5%
- Convertibles
\$336.2 M 2.4%
- Wyoming Investments
\$291.7 M 2.1%

**TOTAL
\$8,463.2 M
61.2%**



EQUITIES

- Large Cap US
\$1,607.5 M 11.6%
- Small / Mid US
\$307.2 M 2.2%
- International
\$1,377.1 M 10.0%
- Private Equity
\$190.1 M 1.4%
- Real Estate
\$343.4 M 2.5%
- Absolute Return
\$673.1 M 4.9%
- Options
\$0.0 M 0.0%

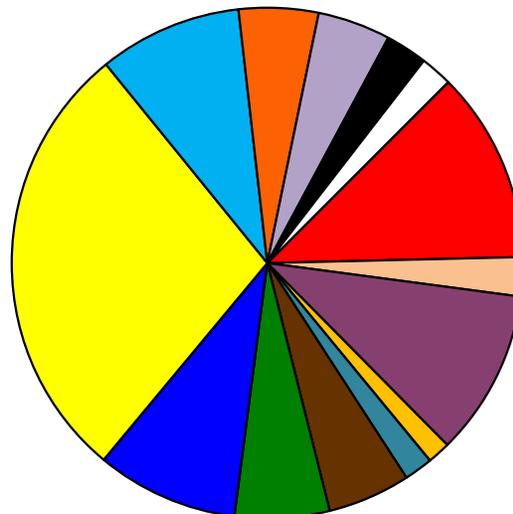
**TOTAL
\$4,498.4 M
32.5%**

**\$14.431 Billion
Market Value**

FIXED INCOME

- Internal Bonds
\$1,294.5 M 9.0%
- Core-Plus
\$4,059.6 M 28.1%
- Mortgages
\$1,302.7 M 9.0%
- Corporates
\$727.8 M 5.0%
- Global
\$664.8 M 4.6%
- Convertibles
\$380.4 M 2.6%
- Wyoming Investments
\$291.9 M 2.0%

**TOTAL
\$8,721.9 M
60.4%**



EQUITIES

- Large Cap US
\$1,749.4 M 12.1%
- Small / Mid US
\$357.9 M 2.5%
- International
\$1,514.0 M 10.5%
- Private Equity
\$209.6 M 1.5%
- Real Estate
\$259.9 M 1.8%
- Absolute Return
\$755.1 M 5.2%
- Options
\$0.0 M 0.0%

**TOTAL
\$4,845.7 M
33.6%**

Almost 90 percent of the State's portfolio is managed by external investment firms, as shown on page 13. Total external fixed income and cash funding was \$7.742 billion on a cost basis on June 30, 2011, with a market value of \$7.999 billion. On June 30, 2010, total external fixed income and cash was \$6.966 at cost and \$7.199 market.

External equity manger funding at FY 11 year-end was \$4.498 billion on a cost basis, with a market value of \$4.845 billion. This compares to \$3.730 billion (cost) and \$3.432 billion (market) on June 30, 2010.

The Treasurer's internally managed bond portfolio was \$1.289 billion (cost) and \$1.295 (market) at the end of FY 11. During FY 11, the Treasurer liquidated an internal international equity index fund and transferred the capital to external international equity managers. 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, 2011, the investment stood at \$837,899 on a costs basis with a market value of \$601,348.

INVESTMENT MANAGER OVERSIGHT

The portfolio's investment managers are on an annual rotation for visits to Cheyenne. State Treasurer's staff also performs due diligence visits to managers' offices throughout the year.

DEPOSITORY BANK SERVICES

The Treasurer's office issued an RFP for depository bank services during FY 11 in advance of the expiration of the contract with Wells Fargo. After reviewing responses and interviewing finalists, the Treasurer retained Wells Fargo for a five-year period ending January 2016.

INVESTMENT CONSULTING SERVICES

R.V. Kuhns & Associates serves as investment advisor to the State Loan and Investment Board. The Board issued a request for proposal for consulting services in advance of the expiration of the R.V. Kuhns contract during FY 11. After a review of RFP responses and interviews with finalist firms, the Board chose to retain R.V. Kuhns for a three-year period through June 2014.

SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS

The State Treasurer met with the Select Committee on Capital Financing and Investments on October 25, 2010. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures.

STATE TREASURER'S WEBSITE

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

WYOMING STATE INVESTMENT PORTFOLIO
June 30, 2011

EXTERNAL EQUITIES

		<u>Cost Basis</u>	<u>Market Value</u>
Large Cap Index	State Street Global Advisors	\$1,606,625,905	\$1,748,760,621
Small / Mid Cap	GAMCO	307,153,708	357,886,192
International	Capital Guardian Trust	0	0 *
	Fisher Investments	344,283,856	391,081,197
	Northern Trust	688,567,716	758,663,717
	The Boston Company	137,713,540	141,116,342
	Manning & Napier	206,570,310	223,093,407
Options Overlay	First Quadrant	0	0 *
Private Equity	Access Venture Partners (\$10 M committed)	6,000,000	6,859,923 *
	Cheyenne Capital Fund (\$257.95 committed)	184,104,734	202,694,838 *
Real Estate	ING Clarion	141,303,630	95,891,075
	UBS Realty	141,303,630	118,747,691
	Heitman (\$10 M committed)	4,714,772	2,218,304 *
	TA Realty (\$15 M committed)	15,000,000	9,930,680 *
	West River Realty (\$75 M committed)	19,066,148	16,173,003 *
	Cornerstone (\$75 M committed)	22,030,087	16,901,553 *
Absolute Return	Aurora I	162,461,240	178,228,847
	Aurora II	102,112,330	111,574,252
	PAAMCO	263,120,570	293,435,009
	Grosvenor (\$150 M committed)	145,438,937	171,857,910
Total External Equities		\$4,497,571,115	\$4,845,114,561

excludes outstanding commitments

EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH

Convertibles	AGI Capital	\$336,179,005	\$380,413,743
Core-Plus	Neuberger Berman	1,308,105,067	1,382,932,083
	PIMCO	1,307,558,640	1,345,163,330
	WAMCO	1,307,969,840	1,331,511,560
Corporates	Logan Circle	350,546,520	363,778,640
	WAMCO	353,646,510	364,064,668
Mortgages	JPMorgan	648,689,769	647,694,083
	PIMCO	646,640,281	655,016,980
Global	PIMCO	623,003,958	664,842,928
Total External Fixed Income and Convertibles		\$6,882,339,590	\$7,135,418,014
Cash Manager	JPMorgan	859,998,040	863,393,071
Total External Cash		\$859,998,040	\$863,393,071

TOTAL EXTERNAL MANAGEMENT

\$12,239,908,744 **\$12,843,925,646**

INTERNALLY MANAGED FUNDS

Fixed Income	Bonds	1,289,112,584	1,294,529,552
International Equity	Exchange Traded Index Fund	0	0
U. S. Equities	UW Portfolio Management Program	837,899	601,348
Total Internal Portfolio		\$1,289,950,483	\$1,295,130,900
Wyoming Investments		\$291,729,462	\$291,932,249

TOTAL INTERNAL MANAGEMENT

\$1,581,679,944 **\$1,587,063,149**

GRAND TOTAL ALL FUNDS

\$13,821,588,689 **\$14,430,988,796**

** 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. Capital Guardian was terminated in FY 10, but residual income realized during FY 11. First Quadrant program inactive. Internal ETF liquidated during FY 11.*

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.

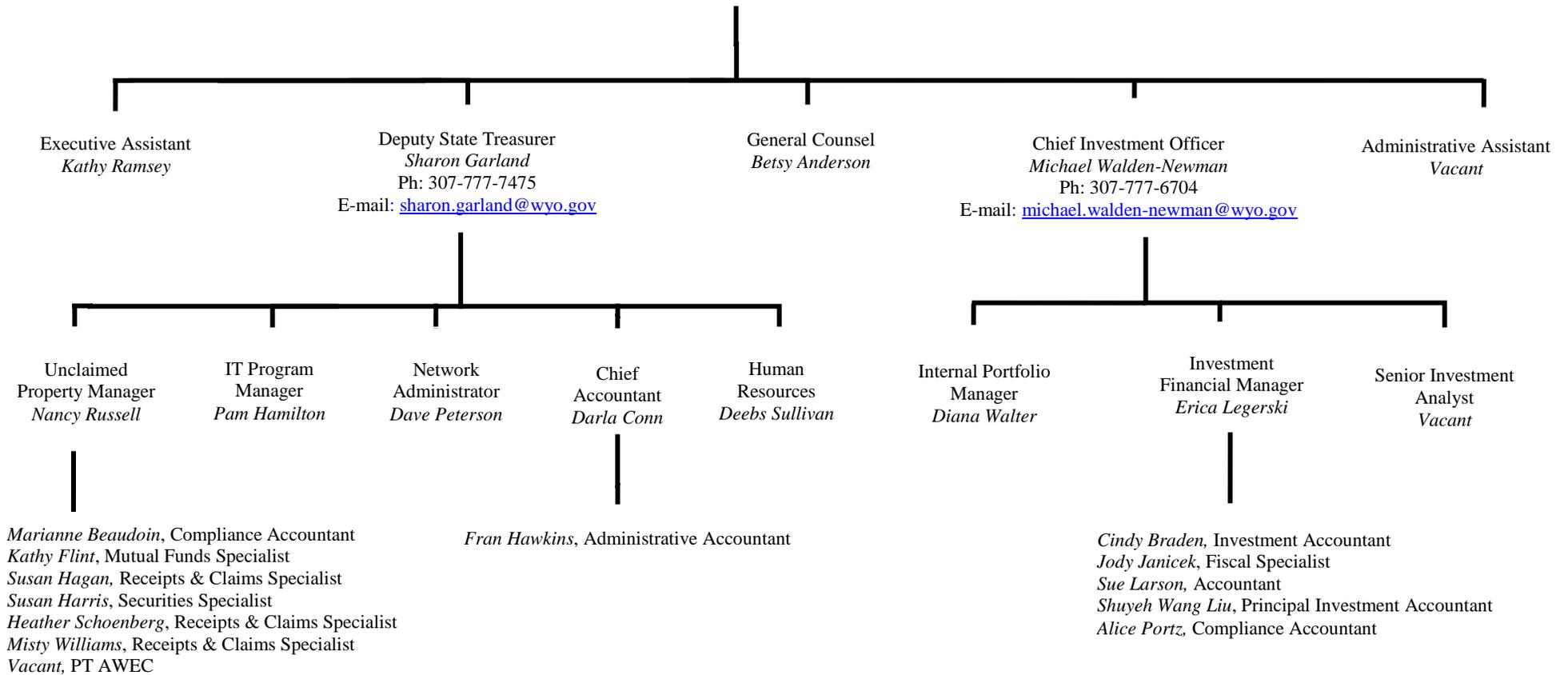
In addition, this report contains information about:

- 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 michael.walden-newman@wyo.gov.

For more information on the distribution of investment income, including spending policies, please contact Sharon Garland, Deputy State Treasurer at 307-777-7475, or sharon.garland@wyo.gov.

**WYOMING STATE TREASURER
JOE MEYER**

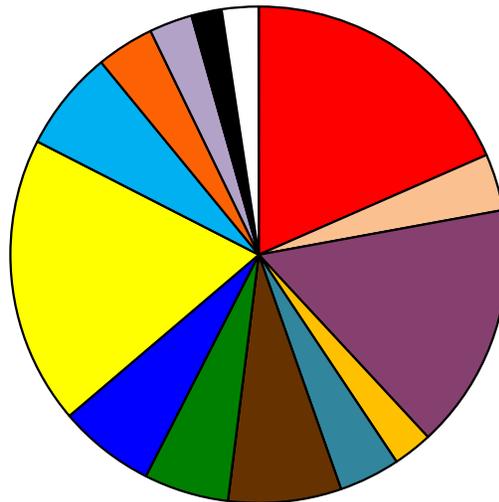


WYOMING STATE INVESTMENT PORTFOLIO
Permanent Wyoming Mineral Trust Fund
June 30, 2011
\$5.050 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$317.0 M 6.3% ●
- Core-Plus \$946.5 M 18.7% ●
- Mortgages \$331.2 M 6.6% ●
- Corporates \$189.1 M 3.7% ●
- Global \$141.9 M 2.8% ●
- Convertibles \$99.0 M 2.0% ●
- Wyoming Investments \$121.3 M 2.4% ○

TOTAL
\$2,146.0 M
42.5%



EQUITIES

- Large Cap US \$930.8 M 18.4% ●
- Small / Mid US \$186.2 M 3.7% ●
- International \$807.0 M 16.0% ●
- Private Equity \$129.5 M 2.6% ●
- Real Estate \$200.7 M 4.0% ●
- Absolute Return \$371.3 M 7.4% ●
- Options \$0.0 M 0.0% ●

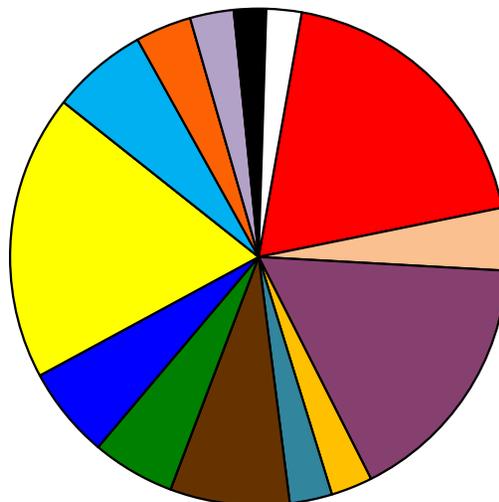
TOTAL
\$2,625.5 M
52.0%

\$5.326 Billion
Market Value

FIXED INCOME

- Internal Bonds \$316.4 M 5.9% ●
- Core-Plus \$990.2 M 18.6% ●
- Mortgages \$331.8 M 6.2% ●
- Corporates \$193.6 M 3.6% ●
- Global \$151.5 M 2.8% ●
- Convertibles \$112.0 M 2.1% ●
- Wyoming Investments \$121.5 M 2.3% ○

TOTAL
\$2,217.0 M
41.6%



EQUITIES

- Large Cap US \$1,013.5 M 19.0% ●
- Small / Mid US \$217.1 M 4.1% ●
- International \$887.5 M 16.7% ●
- Private Equity \$142.8 M 2.7% ●
- Real Estate \$147.1 M 2.8% ●
- Absolute Return \$413.9 M 7.8% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$2,821.9 M
53.0%

WYOMING STATE INVESTMENT PORTFOLIO
Common School Permanent Land Fund
June 30, 2011
\$2.130 Billion
Cost Basis

FIXED INCOME

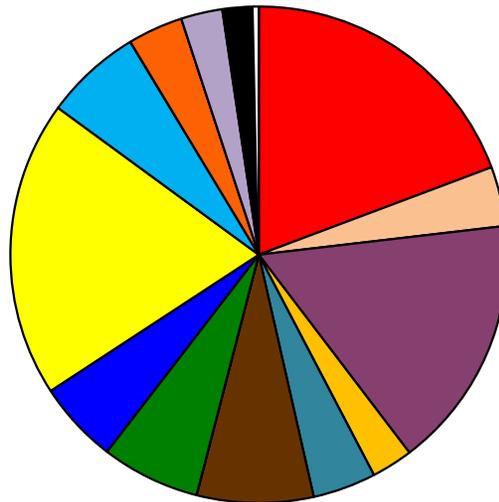
- Internal Bonds \$113.8 M 5.3% ●
- Core-Plus \$410.7 M 19.3% ●
- Mortgages \$134.1 M 6.3% ●
- Corporates \$76.6 M 3.6% ●
- Global \$57.3 M 2.7% ●
- Convertibles \$43.2 M 2.0% ●
- Wyoming Investments \$7.0 M 0.3% ○

TOTAL
\$842.7 M
39.6%

EQUITIES

- Large Cap US \$410.8 M 19.3% ●
- Small / Mid US \$82.3 M 3.9% ●
- International \$351.7 M 16.5% ●
- Private Equity \$57.1 M 2.7% ●
- Real Estate \$87.2 M 4.1% ●
- Absolute Return \$161.8 M 7.6% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$1,150.9 M
54.0%



\$2,236.5 Billion
Market Value

FIXED INCOME

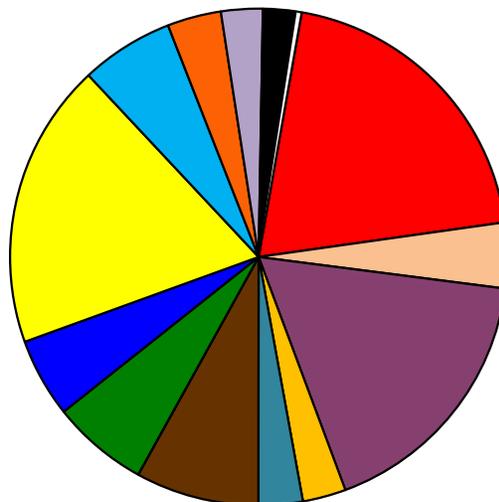
- Internal Bonds \$114.7 M 5.1% ●
- Core-Plus \$415.4 M 18.6% ●
- Mortgages \$135.3 M 6.0% ●
- Corporates \$78.3 M 3.5% ●
- Global \$60.5 M 2.7% ●
- Convertibles \$48.8 M 2.2% ●
- Wyoming Investments \$7.1 M 0.3% ○

TOTAL
\$860.1 M
38.5%

EQUITIES

- Large Cap US \$446.8 M 20.0% ●
- Small / Mid US \$95.8 M 4.3% ●
- International \$386.6 M 17.3% ●
- Private Equity \$62.9 M 2.8% ●
- Real Estate \$64.4 M 2.9% ●
- Absolute Return \$179.4 M 8.0% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$1,235.9 M
55.3%



WYOMING STATE INVESTMENT PORTFOLIO
Hathaway Scholarship Endowment Fund
June 30, 2011
\$473.0 Million
Cost Basis

FIXED INCOME

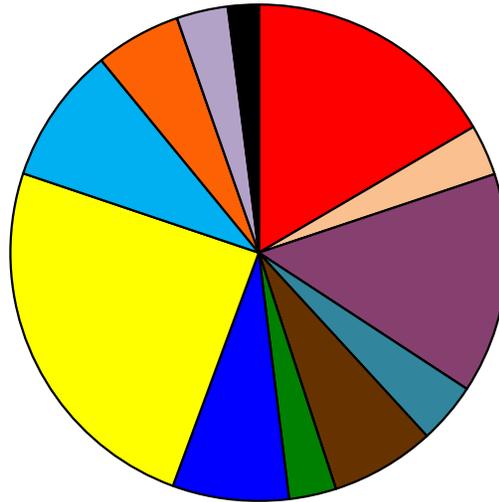
- Internal Bonds \$35.8 M 7.6% ●
- Core-Plus \$116.1 M 24.6% ●
- Mortgages \$42.2 M 8.9% ●
- Corporates \$26.4 M 5.6% ●
- Global \$15.8 M 3.3% ●
- Convertibles \$9.5 M 2.0% ●

TOTAL
\$245.7 M
51.9%

EQUITIES

- Large Cap US \$78.4 M 16.6% ●
- Small / Mid US \$15.7 M 3.3% ●
- International \$67.9 M 14.4% ●
- Real Estate \$18.7 M 4.0% ●
- Absolute Return \$32.1 M 6.8% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$212.8 M
45.0%



CASH \$14.5 M 3.1%

\$502.8 Million
Market Value

FIXED INCOME

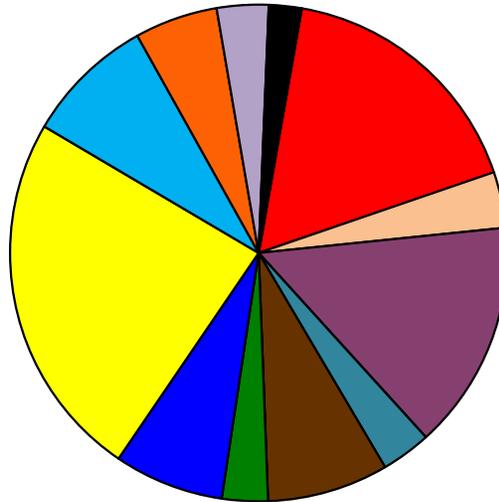
- Internal Bonds \$36.0 M 7.1% ●
- Core-Plus \$120.5 M 24.0% ●
- Mortgages \$42.3 M 8.4% ●
- Corporates \$27.0 M 5.4% ●
- Global \$16.9 M 3.4% ●
- Convertibles \$10.7 M 2.1% ●

TOTAL
\$253.5 M
50.4%

EQUITIES

- Large Cap US \$85.3 M 17.0% ●
- Small / Mid US \$18.3 M 3.6% ●
- International \$75.0 M 14.9% ●
- Real Estate \$16.2 M 3.2% ●
- Absolute Return \$39.7 M 7.9% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$234.4 M
46.6%



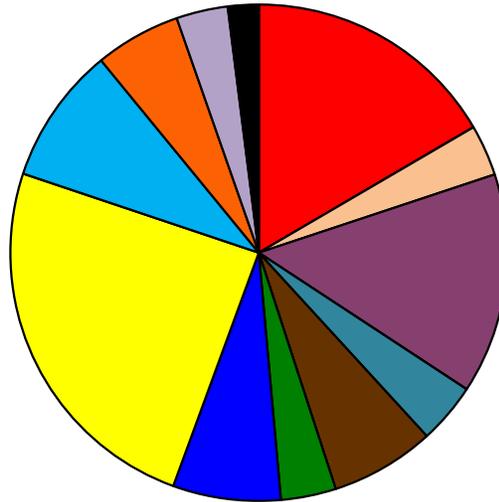
CASH \$15.0 M 3.0%

WYOMING STATE INVESTMENT PORTFOLIO
Higher Education Endowment Fund
June 30, 2011
\$105.0 Million
Cost Basis

FIXED INCOME

- Internal Bonds \$7.4 M 7.0% ●
- Core-Plus \$25.8 M 24.6% ●
- Mortgages \$9.4 M 8.9% ●
- Corporates \$5.9 M 5.6% ●
- Global \$3.5 M 3.3% ●
- Convertibles \$2.1 M 2.0% ●

TOTAL
\$54.0 M
51.4%



CASH \$3.8 M 3.6%

EQUITIES

- Large Cap US \$17.4 M 16.6% ●
- Small / Mid US \$3.5 M 3.3% ●
- International \$15.1 M 14.4% ●
- Real Estate \$4.1 M 3.9% ●
- Absolute Return \$7.1 M 6.8% ●
- Options \$0.0 M 0.0% ●

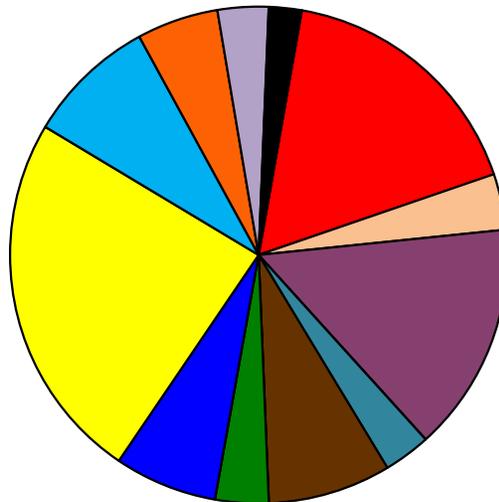
TOTAL
\$47.2 M
45.0%

\$111.5 Million
Market Value

FIXED INCOME

- Internal Bonds \$7.4 M 6.7% ●
- Core-Plus \$26.9 M 24.1% ●
- Mortgages \$9.4 M 8.4% ●
- Corporates \$5.9 M 5.3% ●
- Global \$3.7 M 3.3% ●
- Convertibles \$2.4 M 2.1% ●

TOTAL
\$55.7 M
50.0%



CASH \$3.9 M 3.5%

EQUITIES

- Large Cap US \$18.9 M 17.0% ●
- Small / Mid US \$4.1 M 3.6% ●
- International \$16.6 M 14.9% ●
- Real Estate \$3.4 M 3.1% ●
- Absolute Return \$8.9 M 8.0% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$51.9 M
46.6%

WYOMING STATE INVESTMENT PORTFOLIO
Workers Compensation Fund
June 30, 2011
\$1.317 Billion
Cost Basis

FIXED INCOME

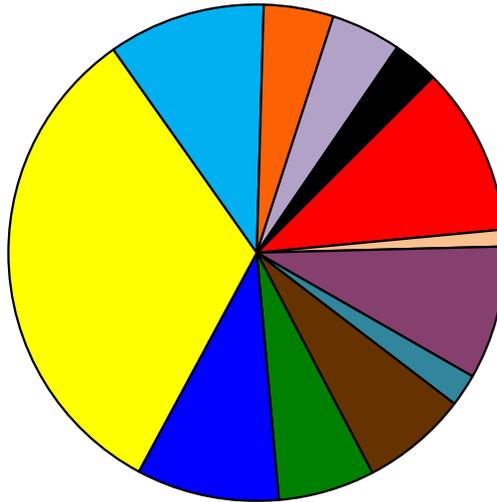
- Internal Bonds \$122.3 M 9.3% ●
- Core-Plus \$426.2 M 32.4% ●
- Mortgages \$134.8 M 10.2% ●
- Corporates \$59.9 M 4.5% ●
- Global \$59.8 M 4.5% ●
- Convertibles \$39.1 M 3.0% ●

TOTAL
\$842.0 M
63.9%

EQUITIES

- Large Cap US \$144.9 M 11.0% ●
- Small / Mid US \$14.5 M 1.1% ●
- International \$114.5 M 8.7% ●
- Real Estate \$27.7 M 2.1% ●
- Absolute Return \$91.1 M 6.9% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$392.6 M
29.8%



CASH \$82.5 M 6.3%

\$1.363 Billion
Market Value

FIXED INCOME

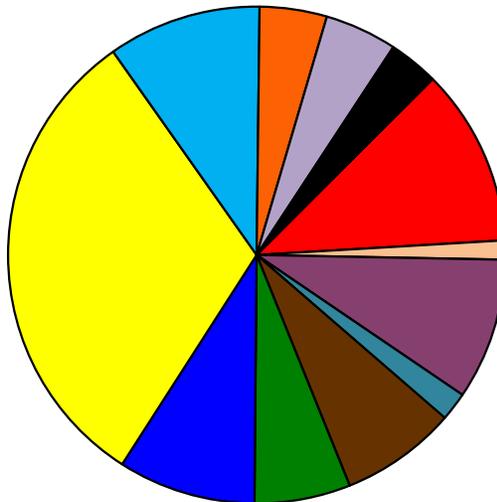
- Internal Bonds \$122.0 M 9.0% ●
- Core-Plus \$424.2 M 31.1% ●
- Mortgages \$135.8 M 10.0% ●
- Corporates \$59.6 M 4.4% ●
- Global \$64.0 M 4.7% ●
- Convertibles \$44.2 M 3.2% ●

TOTAL
\$849.7 M
62.4%

EQUITIES

- Large Cap US \$157.7 M 11.6% ●
- Small / Mid US \$16.8 M 1.2% ●
- International \$125.4 M 9.2% ●
- Real Estate \$25.3 M 1.9% ●
- Absolute Return \$102.6 M 7.5% ●
- Options \$0.0 M 0.0% ●

TOTAL
\$427.8 M
31.4%

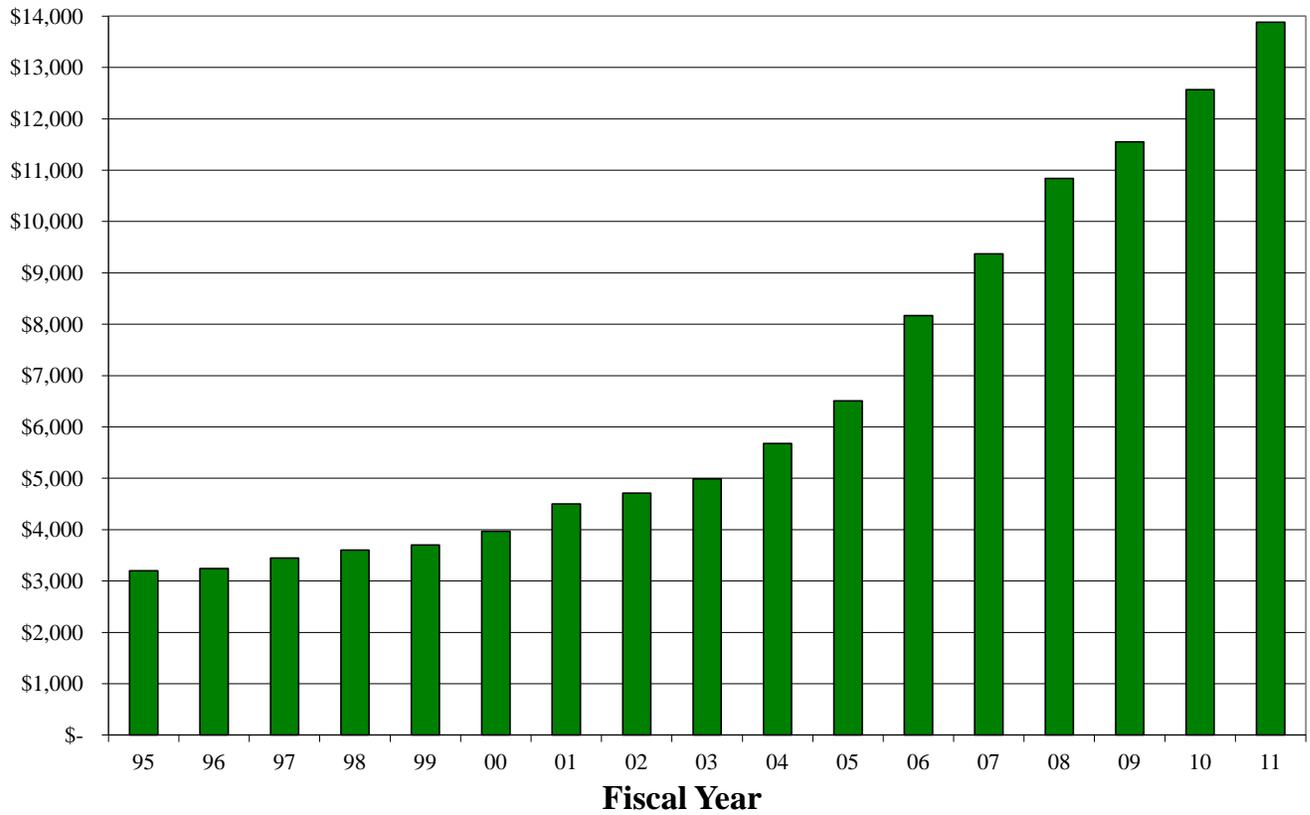


CASH \$85.0 M 6.2%

WYOMING STATE TREASURER'S OFFICE

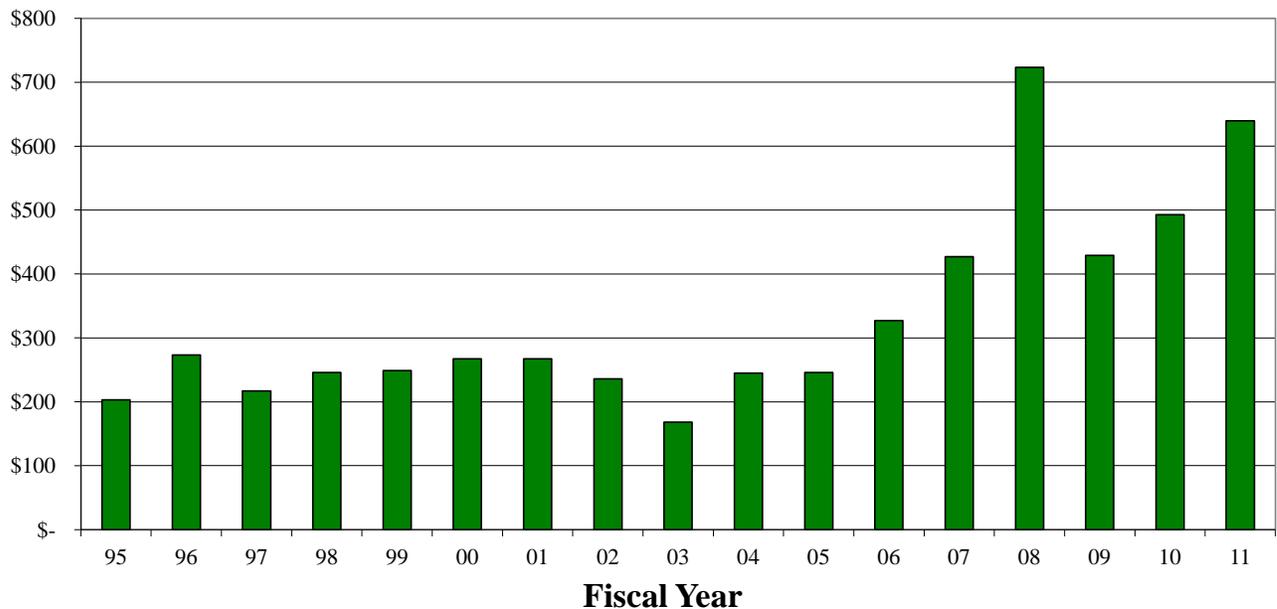
TOTAL STATE PORTFOLIO VALUE

(\$ Millions)



INVESTMENT INCOME

(\$ Millions)



MARKET PERFORMANCE SUMMARY ANALYSIS - ALL INVESTMENTS

	FY 11		% of MV	Market Return		
	Total Investment Value	Current Market Value		FY11 Return	3 Year Return	5 Year Return
<u>INVESTMENTS BY FUND</u>						
Permanent Wyoming Mineral Trust Fund	\$5,049,967,702	\$5,325,828,961	36.9%	16.52%	3.78%	5.63%
Permanent Land Fund	117,152,424	122,787,460	0.9%	16.07%	3.59%	5.33%
Common School Permanent Land Fund	2,129,924,901	2,236,530,927	15.5%	17.48%	4.43%	6.00%
University Permanent Land Fund	17,415,542	18,033,230	0.1%	15.99%	3.03%	5.10%
Hathaway Scholarship Endowment Fund	473,045,064	502,843,583	3.5%	14.95%	7.03%	n/a
Higher Education Endowment Fund	105,000,000	111,455,707	0.8%	14.70%	6.85%	n/a
Workers Compensation Fund	1,317,145,903	1,362,501,674	9.4%	11.54%	8.03%	6.98%
Tobacco Settlement Fund	66,829,749	67,522,645	0.5%	5.70%	7.42%	6.94%
State Agency Pool	<u>4,545,107,404</u>	<u>4,683,484,610</u>	32.5%	4.64%	6.45%	6.14%
Wyoming State Total Fund	<u>\$13,821,588,689</u>	<u>\$14,430,988,796</u>	100.0%	12.02%	5.25%	6.07%
Wyoming State Actual Allocation Index				10.10%	4.31%	5.30%
<u>INVESTMENTS BY ASSET CLASS AND MANAGER</u>						
<u>US Equity</u>						
State Street Global Advisors (Index)	\$1,606,625,905	\$1,748,760,621		30.64%	3.46%	3.13%
UW Portfolio Management Program	837,899	601,348		11.63%	-5.61%	-1.73%
S&P 500				14.43%	-9.81%	-0.79%
US Large Cap Equity	<u>1,607,463,804</u>	<u>1,749,361,969</u>	12.1%			
Gabelli (Sm-Mid Cap Value)	\$307,153,708	\$357,886,192		40.18%	12.46%	9.90%
Russell 2500 Value				34.54%	7.87%	3.54%
US SMID Cap Equity	<u>307,153,708</u>	<u>357,886,192</u>	2.5%			
Total US Equity	<u>\$1,914,617,512</u>	<u>\$2,107,248,161</u>	14.6%			
<u>International Equity</u>						
Int'l Exchange Traded Funds (terminated)	\$0	\$0				
Capital Guardian(terminated)	0	0				
MSCI EAFE				30.93%	-1.30%	1.96%
The Boston Company Int'l Value Eq	137,713,540	\$141,116,342		n/a	n/a	n/a
MSCI AWC ex-U.S. Value				28.69%	0.40%	3.16%
Norther Trust Int'l Eq	688,567,716	758,663,717		n/a	n/a	n/a
Manning & Napier Int'l Eq	206,570,310	233,093,407		29.72%	-0.35%	3.67%
MSCI AWC ex-U.S.						
Fisher Int'l Eq	344,283,856	391,081,197		41.80%	1.52%	5.47%
Fisher Custom Benchmark				30.27%	-1.46%	1.86%
Total International Equity	<u>\$1,377,135,422</u>	<u>\$1,523,954,663</u>	10.6%			
<u>US Fixed Income</u>						
WAMCO Core Plus	\$1,307,969,840	\$1,331,511,560		5.20%	7.36%	6.89%
Neuberger Berman Core Plus	1,308,105,067	1,382,932,083		6.96%	9.88%	8.12%
PIMCO Core Plus	1,307,558,640	1,345,163,330		4.09%	8.24%	8.11%
BC Aggregate				3.90%	6.46%	6.52%
PIMCO Mortgages	646,640,281	655,016,980		3.90%	7.71%	7.59%
JP Morgan Mortgages	648,689,769	647,694,083		5.18%	6.28%	4.99%
BC Mortgages				3.77%	6.85%	6.95%
WAMCO Corporates	353,646,510	364,064,668		7.23%	7.02%	6.18%
Logan Circle Corporates	350,546,520	363,778,640		8.07%	9.01%	6.95%
BC Credit				6.20%	8.23%	7.03%
PIMCO Global/Emerging Markets	623,003,958	664,842,928		9.87%	9.73%	n/a
Global/EM Custom Index				9.45%	8.80%	n/a
Wyoming State Treasurer's Office	1,289,112,584	1,294,529,551		1.61%	3.95%	5.22%
BC Govt/Credit				3.68%	6.17%	6.35%
Total US Fixed Income	<u>\$7,835,273,169</u>	<u>\$8,049,533,823</u>	55.8%			

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

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

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 11		% of MV	Market Return		
	Total Investment Value	Current Market Value		FY11 Return	3 Year Return	5 Year Return
Convertible Bonds						
Allianz Global Investors Convertibles	\$336,179,005	\$380,413,743	2.6%	29.49%	9.20%	9.48%
BofA ML All Quality Convertible				22.54%	6.85%	5.69%
Cash & Cash Equivalents						
JP Morgan Asset Mgmt						
Wyoming Treasury Cash		\$679,825,783		0.10%	0.45%	2.15%
90 Day U.S. T-Bills				0.16%	0.42%	2.00%
Wyoming Treasury Extended Cash		183,567,288		2.29%	3.95%	4.63%
JP Morgan Blended Index				2.12%	3.85%	4.84%
Total Cash & Cash Equivalents	\$859,998,040	\$863,393,071	6.0%			
Private Equity						
Cheyenne Capital Fund, LP	\$184,104,734	\$202,694,838			see note [4]	
Access Venture Partners II	6,000,000	6,859,923			see note [4]	
S&P 500 + 5%				37.23%	8.50%	8.09%
Total Private Equity	\$190,104,734	\$209,554,761	1.5%			
Real Estate						
Clarion Lion Properties	\$141,303,630	\$95,891,075		26.72%	-11.83%	-2.43%
UBS Trumbull Property	141,303,630	118,747,691		17.08%	-3.68%	2.37%
NCREIF ODCE				20.48%	-7.67%	-0.01%
TA Realty Value-Added	15,000,000	9,930,680			see note [4]	
Heitman Value-Added	4,714,772	2,218,304			see note [4]	
WestRiver Value-Added	19,066,148	16,173,003			see note [4]	
Cornerstone Value-Added	22,030,087	16,901,553			see note [4]	
NCREIF Property				16.73%	-2.57%	3.44%
Total Real Estate	\$343,418,267	\$259,862,306	1.8%			
Absolute Return						
PAAMCO	\$263,120,570	\$293,435,009		8.20%	0.57%	n/a
Aurora L.P.	162,461,240	178,228,847		6.58%	0.68%	n/a
Aurora L.P. II	102,112,330	111,574,252		6.21%	n/a	n/a
HFN FoF Multi-Strat				5.66%	-2.56%	1.03%
Grosvenor Global Recovery Fund	145,438,937	171,857,910		n/a	n/a	n/a
Global Recovery Custom Index				8.26%	3.57%	n/a
Total Absolute Return	\$673,133,077	\$755,096,019	5.2%			
Overlay Strategies						
First Quadrant	\$0	\$0	0.0%		see note [6]	
Wyoming Investments						
	\$291,729,462	\$291,932,249	2.0%	n/a	n/a	n/a

1. Performance shown is gross of fees with the exception of convertible bonds and absolute return, which are shown net of fees.
2. Returns are stated in traditional total return terms and do not specify realized income.
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.
4. Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis.
5. The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.
6. First Quadrant overlay strategy has been deactivated and the collateral amount has been disbursed.

PERMANENT WYOMING MINERAL TRUST FUND
Fiscal Years 07 through 11 Analyzed and Compared

(\$ Millions)

	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>
Beginning Book Value	\$2,968.4	\$3,329.5	\$3,896.6	\$4,262.2	\$4,555.4
Beginning 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%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$193.1	\$213.6	\$290.7	\$217.6	\$315.4
- Add'l Severance Tax 0.5%	128.7	142.4	193.8	72.5	105.1
- Additional Legislative Deposits/Diversions	20.0	40.0	0.0	(56.5)	(17.8)
- Spending Policy Reversions	19.2	171.1	0.0	0.0	32.4
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	(118.9)	59.5	59.4
Total Increase to Corpus	\$361.0	\$567.1	\$365.6	\$293.2	\$494.6
Ending Values					
Ending Book Value	\$3,329.5	\$3,896.6	\$4,262.2	\$4,555.4	\$5,050.0
Ending Market Value	3,728.1	4,135.4	3,893.8	4,414.1	5,325.8
- Difference	398.6	238.9	(368.3)	(141.3)	275.8
- Percent	12.0%	6.1%	-8.6%	-3.1%	5.5%
Total Distributed Income (gross of fees)					
- Interest	\$156.7	\$329.3	\$142.8	\$145.8	\$222.4
- Dividend	87.4	101.5	101.4	100.1	84.8
- Realized Net Capital Gain	31.8	38.4	38.8	38.0	44.4
	37.6	189.4	2.5	7.7	93.1
Change in Book Value	\$361.0	\$567.1	\$365.6	\$293.2	\$494.6
Change in Market Value	657.5	407.3	(241.6)	520.2	911.7
Cash Yield	4.96%	9.02%	3.42%	3.30%	4.63%
Total Return	14.83%	2.44%	-13.82%	11.31%	16.52%

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 and dividends 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 Value" from FY07 does 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.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts Fiscal Year 2011

	<u>JUNE 30, 2010</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>		<u>JUNE 30, 2011</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$4,555,406,396			
Severance Tax				
Coal		\$123,188,523		
Stripper Oil		21,815,429		
Other Valuable Products		1,107,785		
Oil		61,948,937		
Natural Gas		200,239,883		
Condensate-Gas		12,268,122		
Per Session Laws 2009 Ch 159 Section 350 (b)(ii)		-17,813,736		
Spending Policy Calculation WS 9-4-719		32,401,174		
Gain (Loss) Income Deferred		<u>59,405,190</u>		
		TOTAL REVENUE		
		\$494,561,306		\$5,049,967,702

COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 07 through 11 Analyzed and Compared

(\$ Millions)

	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY11</u>
Beginning Book Value	\$1,318.6	\$1,466.2	\$1,682.7	\$1,794.4	\$1,967.6
Beginning 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%
Additions to Corpus					
- Sales, Royalties, etc.	\$147.7	\$161.3	\$163.8	\$140.9	\$142.4
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	0.0	55.1	0.0	0.0	0.0
- Income Accrued	0.0	0.0	0.0	7.6	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	(52.1)	24.6	27.5
Total Increase to Corpus	\$147.7	\$216.5	\$111.7	\$173.1	\$169.9
Ending Book Value	\$1,466.2	\$1,682.7	\$1,794.4	\$1,967.6	\$2,137.5
Ending Market Value	1,676.7	1,766.0	1,622.5	1,901.5	2,236.5
- Difference	210.5	83.3	(172.0)	(66.1)	99.1
- Percent	14.4%	5.0%	-9.6%	-3.4%	4.6%
Total Distributed Income (gross of fees)	\$68.5	\$137.1	\$60.1	\$57.1	\$101.0
- Interest	36.1	37.7	40.5	36.8	38.3
- Dividend	13.8	16.5	17.8	16.4	19.2
- Realized Net Capital Gain	18.6	82.9	1.8	3.9	43.5
Change in Book Value	\$147.7	\$216.5	\$111.7	\$173.1	\$169.9
Change in Market Value	305.1	89.3	(143.6)	279.0	335.0
Cash Yield	4.98%	9.51%	3.37%	3.20%	4.94%
Total Return	14.87%	2.27%	-13.25%	11.77%	17.48%

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 and dividends 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 Value" from FY07 does 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, 2011.

5. Includes Common School Permanent Land Fund II.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2011

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2010 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2011 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$43,061,268		
Oil & Gas Lease Royalties		\$313,394	
Sodium & Trona Lease Royalties		827,440	
Right-of-Way Easements		16,089	
Surface Damage		2,400	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		754,248	
Reverse Income held in CS Pool on June 30, 2010		278,411	
Gain (Loss) Income Deferred		<u>460,612</u>	
		\$2,652,594	\$45,713,862
 <u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$5,804,942		
Oil & Gas Lease Royalties		\$401,274	
Sand & Gravel Royalties		9,137	
Right-of-Way Easements		4,744	
Surface Damage		7,600	
Real Estate-Sales		8,450	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		101,659	
Reverse Income held in CS Pool on June 30, 2010		37,532	
Gain (Loss) Income Deferred		<u>50,601</u>	
		\$620,996	\$6,425,938
 <u>L03 FISH HATCHERY</u>			
Beginning Balance	\$386,446		
Oil & Gas Lease Royalties		\$13,373	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		6,768	
Reverse Income held in CS Pool on June 30, 2010		2,499	
Gain (Loss) Income Deferred		<u>4,111</u>	
		\$26,750	\$413,197
 <u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$1,962,650,889		
Bentonite Lease Royalties		\$248,481	
Coal Lease Royalties		21,993,729	
Miscellaneous Mineral Lease Royalties		42,647	
Oil & Gas Lease Royalties		110,740,209	
Sand & Gravel Royalties		265,578	
Sodium & Trona Lease Royalties		3,228,636	
Right-of-Way Easements		506,982	
Right-of-Way Easements		88,291	
Uranium Lease Royalties		3,737	
Surface Damage		2,421,500	
Real Estate Sales		2,904,859	
Income held in CS Pool on June 30, 2011		2,566	
Reverse Income held in CS Pool on June 30, 2010		(7,551,961)	
Gain (Loss) Income Deferred		<u>27,378,757</u>	
		\$162,274,012	\$2,124,924,901

L14 COMMON SCHOOL II (1)(2)

Beginning Balance	\$4,926,284		
Gain (Loss) Income Deferred		<u>\$73,716</u>	
		\$73,716	5,000,000

L05 DEAF, DUMB & BLIND

Beginning Balance	\$3,492,409		
Oil & Gas Lease Royalties		\$177,707	
Right-of-Way Easements		5,091	
Surface Damage		6,400	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		61,161	
Reverse Income held in CS Pool on June 30, 2010		22,580	
Gain (Loss) Income Deferred		<u>33,506</u>	
		\$306,445	\$3,798,853

L06 CAREY ACT

Beginning Balance	\$1,626,026		
Bentonite Lease Royalties		\$30,577	
Oil & Gas Lease Royalties		116,337	
Right-of-Way Easements		5,637	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		28,476	
Reverse Income held in CS Pool on June 30, 2010		10,513	
Gain (Loss) Income Deferred		<u>15,214</u>	
		\$206,754	\$1,832,781

L07 OMNIBUS

Beginning Balance	\$20,594,567		
Oil & Gas Lease Royalties		\$3,953,193	
Sand & Gravel Royalties		172,798	
Right-of-Way Easements		29,555	
Surface Damage		66,736	
Real Estate Sales		1,216,000	
Per Session Laws 2011 Ch 88, Sec 4, Sec 353		7,000,000	
Per Session Laws 2011 Ch 88, Sec 2, Sec 048		799,452	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		360,694	
Reverse Income held in CS Pool on June 30, 2010		133,153	
Gain (Loss) Income Deferred		461,732	
Reversion per session laws 2002 SF002, Chp83 Sec 3, Sec 048		18,146	
Per GASB 554, reclassify Fund to Fund Class		3,085	
Per Session Laws 2010 Ch 39, Sec 3-006		<u>(55,000)</u>	
		\$14,159,544	\$34,754,112

L08 WYOMING STATE HOSPITAL

Beginning Balance	\$3,954,201		
Oil & Gas Lease Royalties		\$274,006	
Surface Damage		12,286	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		69,229	
Reverse Income held in CS Pool on June 30, 2010		25,566	
Gain (Loss) Income Deferred		35,502	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		<u>(263,069)</u>	
		\$153,520	\$4,107,721

L09 WYOMING STATE TRAINING SCHOOL

Beginning Balance	\$2,218,032		
Oil & Gas Lease Royalties		\$359,669	
Sand & Gravel Royalties		37,062	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		38,843	
Reverse Income held in CS Pool on June 30, 2010		14,341	
Gain (Loss) Income Deferred		17,990	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		(75,216)	
Reversion per Session Laws 2004 Ch 95		<u>90,627</u>	
		\$483,315	\$2,701,348

L10 WYOMING STATE PENITENTIARY

Beginning Balance	\$6,655,469		
Oil & Gas Lease Royalties		\$1,602,296	
Sand & Gravel Royalties		4,871	
Surface Damage		28,510	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		116,554	
Reverse Income held in CS Pool on June 30, 2010		43,031	
Gain (Loss) Income Deferred		<u>62,791</u>	
		\$1,858,053	\$8,513,523

L11 WYOMING STATE AGRICULTURAL COLLEGE (1)

Beginning Balance	\$8,204,693		
Oil & Gas Lease Royalties		\$352,449	
Right-of-Way Easements		10,107	
Surface Damage		35,201	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		143,685	
Reverse Income held in CS Pool on June 30, 2010		53,047	
Gain (Loss) Income Deferred		<u>91,908</u>	
		\$686,397	\$8,891,091

L12 WYOMING STATE UNIVERSITY (1)

Beginning Balance	\$16,501,946		
Oil & Gas Lease Royalties		\$156,979	
Right-of-Way Easements		9,619	
Right-of-Way Easements		500	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		287,134	
Gain (Loss) Income Deferred		<u>459,363</u>	
		\$913,595	\$17,415,542

TOTAL REVENUE \$184,415,692

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.
3. 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.
4. "Income held in Common School Pool on June 30, 2011" 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	\$28,851,596	\$246,148,404
Irrigation Loans	B	20,000,000	4,717,806	15,282,194
Joint Powers Loans	C	60,000,000	9,892,898	50,107,102
Student Loans	D	25,000,000	0	25,000,000
Hot Springs State Park	E	2,000,000	84,752	1,915,248
Small Business Assistance & FmHA Ag Loans	F	0	153,262	0
Shoshone Municipal Pipeline Treatment Plant	G	16,500,000	13,286,088	0
Sheridan Area Water Treatment Project	H	6,750,000	1,214,722	0
Laramie Territorial Park Loan	I	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	J	2,000,000	0	2,000,000
Industrial Development Bonds	K	100,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	L	10,000,000	7,169,950	2,830,050
Gillette Madison Pipeline Project	M	13,612,500	5,527,500	8,085,000
UW Athletic Facilities Bridge Ln	N	2,609,744	1,242,040	0
Wyoming Real Estate-State Land Purchases	O	25,585,493	6,592,226	14,993,267
		<u>\$569,057,737</u>	<u>\$88,732,838</u>	<u>\$466,361,266</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	P	25,000,000	425,921	0
		<u>\$25,000,000</u>	<u>\$425,921</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	Q	\$4,652,895	\$0	\$0
Wyoming Infrastructure Authority	R	15,192,605	0	0
		<u>\$19,845,500</u>	<u>\$0</u>	<u>\$0</u>

<u>Other Wyoming Investments</u>		<u>Commitment Amount</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
Basin Electric Power Bond			\$33,702,000	
Cheyenne Stage II GIC			6,744,701	
Drainage District Bonds			24,000	
Time Deposit Open Account Banking Program	S	150,000,000	162,100,000	0
Wyoming Community College Bonds			0	
		<u>\$150,000,000</u>	<u>\$202,570,701</u>	<u>\$0</u>

Total Wyoming Investments

\$291,729,462

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 06/30/17 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;
- (N) UW Athletic Bridge Loan; 2008 Wyoming Session Laws, Ch 48, Sec. 324;
- (O) 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.

Statutory Commitments:

- (P) 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:

- (Q) 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; the amount discharged was \$3,244,176 P&I.
- (R) 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; the amount discharged was \$6,942,605 P&I.

Other Wyoming Investments:

- (S) 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.

WYOMING INVESTMENTS BY FUND

June 30, 2011

Interest Paid					Loan Balance		
Fund	Investment	Amount	Yield		Fund	Investment	Amount
			By	Investment			
<u>General Fund</u>			<u>General Fund</u>				
	Pipeline Authority	-3,244,176		4.00%		Pipeline Authority	\$0
	Wyo Infrastructure Authority	-6,942,605		4.00%		Wyo Infrastructure Authority	\$0
	Subtotal	-10,186,781				Subtotal	\$0
<u>State Agency Pool</u>			<u>State Agency Pool</u>				
	TDOAs	530,894		0.32%		TDOAs	\$162,100,000
	Subtotal	530,894				Subtotal	\$162,100,000
	Total	-9,655,887				Total	\$162,100,000
<u>Common School Perm. Land Fund</u>			<u>Common School Perm. Land Fund</u>				
	Lovell Drainage District	0		4.00%		Lovell Drainage District	\$24,000
	School Foundation Borrowing	10,402,500		6.00%		School Foundation Borrowing	\$0
	WCDA	33,729		6.70%		WCDA	\$425,921
	Wyoming Real Estate	0		0.00%		Wyoming Real Estate	\$6,592,226
	Subtotal	10,436,229				Subtotal	\$7,042,147
<u>University Permanent Land Fund</u>			<u>University Permanent Land Fund</u>				
	UW Athletic Facilities Bridge Ln	50,126		4.50%		UW Athletic Facilities Bridge Ln	\$1,242,040
	Subtotal	50,126				Subtotal	\$1,242,040
<u>Permanent Mineral Trust Fund</u>			<u>Permanent Mineral Trust Fund</u>				
	Aeronautics Loans	238,886		5.00%		Aeronautics Loans	\$7,169,950
	Farm Loans	1,974,689		7.75%		Farm Loans	\$28,851,596
	Hot Springs St Park	8,831		6.25%		Hot Springs St Park	\$84,752
	Irrigation Loans	234,568		5.00%		Irrigation Loans	\$4,717,806
	JPA Loans	685,975		6.90%		JPA Loans	\$9,892,898
	Local Government Loans	150,000		1.50%		Local Government Loans	\$10,000,000
	Local Government Loans	15,687		4.00%		Local Government Loans	\$0
	SBAA	8,434		3.70%		SBAA	\$153,262
	Student Loans	439		2.56%		Student Loans	\$0
	Water Develop Loans	589,314		4.00%		Water Develop Loans	\$20,028,310
	WIA Basin Electric	1,618,050		4.69%		WIA Basin Electric	\$33,702,000
	GIC AIG Financial	593,172		6.50%		GIC AIG Financial	\$6,744,701
	GIC Metropolitan Life	150,573		7.45%		GIC Metropolitan Life	\$0
	Subtotal	6,268,618				Subtotal	\$121,345,275
	TOTAL	7,099,086				TOTAL	291,729,462

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, 2011, there were 158 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2011, was \$534,005,209.

Participants earned \$2,789,191 in the FY 11.

WYO-STAR yields realized in FY 11 are as follows:

07/10	0.789%	01/11	0.514%
08/10	0.666%	02/11	0.838%
09/10	0.687%	03/11	0.647%
10/10	0.752%	04/11	0.939%
11/10	0.551%	05/11	0.432%
12/10	0.447%	06/11	0.492%

The annualized yield for FY 11 was 0.649%.

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 11 for each of these permanent funds was based on the statutory percentage rate of 5 percent of the five-year rolling average market value. During the 2010 legislative 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. However, during the 2011 session, Chapter 88, Section 301, repealed this provision for the PWMTF.

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)
2011 FISCAL YEAR END (06-30-11)**

last update 09/13/11

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

Chapter 39, Section 301(a), 2010 Session Laws, stipulated that no funds were to spill over to corpus until June 30, 2012. Therefore, at the end of fiscal year 2010, \$26,062,872 that would have spilled over to corpus remained in the PWMTF spending policy account. During the 2011 legislative session, Chapter 88, Section 301 repealed this provision such that funds are to once again spill over to corpus if the balance in the PWMTF reserve account exceed 75% of the spending policy amount.

The spending policy amount for fiscal year 2011 was \$192,420,646. Total PWMTF investment income for FY 2011 was \$215,755,659 which was deposited into the PWMTF reserve account leaving a balance of \$179,790,957 in reserve which was greater than 75% of the spending policy amount for fiscal year 2011. Therefore, \$35,475,472 did spill over to corpus leaving an ending balance of \$144,315,485 in the PWMTF reserve account at the end of fiscal year 2011.

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% spills over 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	54,264,775 (g)	156,455,944	130,393,072	0 (h)	156,455,944
7/1/10	4,414,080,035	2011	3,848,412,926	5.000%	192,420,646	215,755,659	23,335,013		179,790,957	144,315,485	35,475,472 (i)	144,315,485

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY09 & 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 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 general fund
- (g) Reflects the net of the special appropriation of severance tax into the reserve account which amounted to \$74,264,775 (2009 session laws, Ch 159, Sec. 350) and the appropriation of \$20,000,000 from this reserve account to the office of state lands and investments to be allocated to cities, towns and counties (2010 Session laws, Ch 39, Sec 335)
- (h) 2010 Session laws, Ch 39, Sec 301(a) - no funds are to spill over to corpus until June 30, 2012
- (i) 2011 Session laws, Ch 88, Sec 301 repeals the provision of Ch 39, Sec 301(a) of the 2010 session laws such that funds are to once again spill over to corpus if the balance in reserve exceeds the spending policy amount.

SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)
2011 FISCAL YEAR END (06-30-11)

last update 09/13/11

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

The spending policy amount for fiscal year 2011 was \$83,399,564. Total CSPLF investment income for FY11 was \$98,387,094. As investment earnings exceeded five percent (5%) spending policy amount, \$14,987,530 flowed to the spending policy reserve account at the end of fiscal year 2011. The fiscal year end balance in the reserve account was \$61,980,028 and did not exceed 75% of the spending policy amount so no funds were to flow back to corpus. Legislation passed during the 2010 session (Chapter 39, Section 301(b) states that no funds are to spill over to corpus 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% spills over 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	56,969,255	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	54,643,154	0		46,992,498	57,027,539	0 (j)	46,992,498
7/1/10	1,901,503,362	2011	1,667,991,282	5.000%	83,399,564	98,387,094	14,987,530		61,980,028	62,549,673	0 (j)	61,980,028

Source: W.S. 9-4-719

- (a) Total Market Value for FY09 & 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 the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) 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 spill over to corpus until June 30, 2012

SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
2011 FISCAL YEAR END (06-30-11)

last update 09/13/11

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) 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 five percent (5%) 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 five percent (5%) 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. Distributions of the annual spending policy amount is to be distributed on a quarterly basis, 2/3 to UW and 1/3 equally to the community colleges. If there are insufficient funds in the income account at the time the quarterly payments are to be made, then funds are to be taken from the reserve account to make the distributions to UW and the community colleges.

The spending policy amount for fiscal year 2011 was \$4,308,383. Total investment income from the Higher Education Endowment fund for FY11 was \$6,086,019 which exceeded the the five percent (5%) spending policy amount by \$1,777,636. This amount flowed into the spending policy reserve account at the end of fiscal year 2011. The balance in the reserve account at the end of fiscal year 2011 exceeded 75% of this spending policy amount by \$1,845,259, however, this amount did not spill over to the Higher Ed corpus in accordance with legislation passed during the 2010 legislative 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	Transfer to/from income account	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% spills over to Corpus	Ending Reserve Balance
7/1/05	929,697 (a)	2006		5.000%	0.00	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	58,199	93,417 (d)			1,444,812	2,900,861	0	1,444,812
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
7/1/10	102,674,540	2011	86,167,653	5.000%	4,308,383	6,086,019	1,777,636	(79,026) (f)		0	6,386,974	3,231,287	0	6,386,974

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Total Market Value for FY09 is based on actual market value
- (c) Appropriation - federal mineral royalty diversion - 2009 session, Ch 159, Sec 342
- (d) Reflects transfer of realized earned income from income account
- (e) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012
- (f) Reflects net transfer of shortage in income account needed to make 4th quarter payments due to timing of income distributions and fiscal year realized earned income from income account

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

last update 09/23/11

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 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% 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 FY11, \$5,844,289 was transferred out of the Hathaway reserve to the Hathaway expenditure account to fully fund scholarships awarded during the fiscal year. At the end of FY11, a total of \$19,750,796 was transferred from the Hathaway scholarship expenditure account to the Hathaway scholarship reserve account. No funds were transferred from the Hathaway reserve account to the corpus of the Hathaway Student Scholarship Endowment fund at the end of fiscal year 2011 in compliance with Ch 39, Sec 301(d) 2010 session laws leaving a balance of \$34,389,179 in the Hathaway reserve account at the end of fiscal year 2011.

Projected investment income used to determine the amount available for Hathaway scholarships is based on Jan 2010 CREG estimates while projected expenditures for Hathaway scholarships are based on estimates provided by the the Dept. of Education's Sept. 2, 2009 projections.

HATH as of 7/1	For FY	Total HATH Investments at MARKET	Rolling 5 Year Average	Percentage in Statute <small>21-16-1302 (b)</small>	3.75% of 5 Yr Avg	Statutory Amount	X Greater of the 3.75% or Stat Amt <small>Comparison of statutory amt and</small>	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
2005	FY06	3,397,432 (a)	3,397,432									
2006	FY07	210,027,477 (a)	106,712,454					23,418,453	0	23,418,453	0	23,418,453
2007	FY08	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	FY09	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	FY10	431,076,939	272,162,424	3.75%	10,206,091	12,000,000	12,000,000	8,482,672	0	20,482,672	0 (d)	20,482,672
2010	FY11	467,033,391	364,889,616	3.75%	13,683,361	12,000,000	13,683,361	19,750,796 (e)	(5,844,289)	34,389,179	0	34,389,179

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

- (a) Total Market Value for FY06 - FY08 are based on Hathaway portion of SAP market value
- (b) Total Market Value for FY09 & forward are actual market value as of fiscal year end
- (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
- (e) Reflects transfer of realized earned income on reserve account to general fund

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 \$10,402,500 for FY 11. 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 FY11 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 11. 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 12.

State of Wyoming
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2011

	Actual July 2010	Actual Aug 2010	Actual Sept 2010	Actual Oct 2010	Actual Nov 2010	Actual Dec 2010	Actual Jan 2011	Actual Feb 2011	Actual Mar 2011	Actual Apr 2011	Actual May 2011	Actual Jun 2011	FY 2011 Totals	LSO & CREG FY 11 Estimates Jan 2010
Beginning Balance	548,507,951	551,141,119	254,237,859	309,141,692	71,662,709	100,055,902	169,965,474	292,420,693	60,412,113	31,247,332	20,450,439	35,672,411	548,507,951	8,377,899
Revenues and Transfers														
Auto Tax	711,048	1,799,588	5,411,635	4,657,423	1,912,461	906,219	2,423,376	1,108,137	371,274	445,389	833,283	377,481	20,957,316	20,000,000
Car Company Tax	283,754	5,875	34,866	63,769									388,264	400,000
Property Tax	2,752,339	1,093,474	1,436,759	4,907,444	45,684,668	74,548,580	16,318,888	5,257,673	1,361,042	2,081,458	40,811,884	64,240,309	260,494,518	255,797,732
Penalty-Delinq taxes				1,790	4,350	4,720	4,920	(4,100)	2,462				14,142	
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	88,704,000
FMR (over 200mm)			48,185,890				27,944,636		599,675	76,213,017		77,301,613	230,244,831	272,700,000
Interest - WY Municipalities	78,360	84,264	219,113	47,009	191,268	103,781	58,427	67,940	59,212	160,681	45,244	181,326	1,296,626	1,000,000
Interest - Investments		1,299,126	941,063	703,153	395,135	324,181	395,453	451,910	349,495	122,596	153,736	4,836,119	9,971,968	4,000,000
Recapture				1,483,894			45,617,413	240,321	45,377,094	240,321	45,377,094	44,848,875	183,185,014	182,260,976
Comm School Income Fund (Trsfir from)							24,692,000					191,212,956	215,904,956	135,100,000
Net Capital Gain(Loss)		1,281,971	1,060,870	516,486	133,773	653,442	358,144	215,379	7,058	34,600	(61,472)	(4,200,252)	(0)	
CSPLF Interfund Borrowing					365,000,000	0	0	0	(73,000,000)	(91,250,000)	(73,000,000)	(127,750,000)	0	
Total Revenues and Transfers	11,217,502	12,956,297	64,682,195	19,772,970	420,713,654	83,932,924	125,205,258	14,729,261	(17,480,689)	(4,559,938)	21,551,770	258,440,429	1,011,161,634	879,636,607
Expenditures														
Entitlements - School Districts		(203,950,894)		(236,365,316)				(235,968,466)	(245,439)	9,860			(676,520,256)	(676,681,526)
ECA Entitlements													0	
Entitlement/Audit Adjustments	89,344	50,000	302,177	(120)	(36,259)	679,544	80,378	48,000	70,995	501,411	73,523	1,252,932	3,111,925	(2,500,000)
Combined Incentive Payments				(100,990)									(100,990)	(100,990)
Tax Shortfall Grants				(5,095,869)					318				(5,095,551)	(10,000,000)
Recapture Loan		(76,221,950)										76,221,950	0	
Vocational Education Grants		(39,019)	(54,607)	(201,503)	(43,729)	(77,580)	(25,585)						(442,023)	(250,000)
SF01 & SF70 Summer School	(10,902)	(890,715)	(207,014)	(129,484)	(19,079)	(6,971,851)	(9,574)	4,126	(62,840)	(8,794)	(9,000)	(23,548)	(8,338,675)	(10,000,000)
2010 Budge Bill School Age Blind Summer			(15,000)										(15,000)	(7,500)
SF70 At-Risk		(710)		(23,196)	(221)								(24,126)	
SF70 Distance Education		(3,528)											(3,528)	
SF70 Student Enrichment	(715)	(9,991)											(10,706)	
SF70 Distance Education Grant		(42,743)	(1,494)	(6,750)		(27,386)	(2,395)	(18,443)	(45,833)	(4,548)	(13,006)	(30,800)	(193,397)	(250,000)
COP Payments	(763,440)	(700,048)	(539,323)	(717,723)	(831,112)	(639,057)	(535,949)	(764,275)	(722,250)	(796,750)	(792,159)	(884,190)	(6,886,276)	(11,193,903)
Employer Insurance Contribution				(253,726)	(546,847)	(590,550)	(932,908)	(576,618)	(725,102)	(675,854)	(929,983)	(878,891)	(6,110,480)	(9,574,167)
SF01 & SF70 Instructional Facilitators													(15,813,313)	(16,000,000)
National Bd Certification Payment Reimb		(15,929,055)	315,539	(317,916)				(1,140,000)					(1,140,000)	(1,344,000)
Education Reform	(12,508)	(1,511,288)	(893,426)	(604,170)	(336,327)	(1,907,821)	(66,287)	(491,482)	(3,621,111)	(782,616)	(585,794)	(10,269,830)	(21,082,659)	(15,852,504)
Student Performance Data System	(5,788)	(30,776)	(645,687)	(15,853)	(16,760)	(110,481)	(6,314)	(9,749)	(15,343)	296,443	(310,649)	(62,539)	(933,494)	(1,068,568)
WDE Budget	(104,456)	(809,419)	(831,474)	(649,935)	(120,433)	(483,704)	(239,022)	(151,566)	(391,563)	(204,617)	(162,733)	(282,641)	(4,431,563)	(3,733,130)
WDE - Recalibration			(15,074)	(17,987)	(15,695)	(13,460)	(14,307)	(15,773)	(14,090)	(13,432)	(17,424)		(137,242)	
* Capital Facilities Bond Debt Service (FMR)				(4,547,927)	1,167,000		3,729,500						348,573	
+ C.S. Spending Policy transfer to C.S. Reserve													(14,556,819)	(14,556,819)
National Guard Youth Challenge	(57,196)	(173,328)	97,858	114,628	(162,229)	(58,773)	(35,801)	(171,159)	1,797	(172,348)	44,052	(30,897)	(603,395)	(525,153)
School Funding Equity Litigation	(59,213)	(71,671)	(67,533)	(56,830)	(51,876)	(35,416)	(68,164)	(41,651)	(64,000)	(34,047)	(65,035)	(36,306)	(651,742)	(1,122,745)
Capital Construction	(624,372)	(9,387,882)	(7,088,525)	(7,992,553)	(4,589,285)	(3,726,710)	(4,570,170)	(1,859,061)	(4,020,648)	(2,887,602)	(2,556,794)	(3,519,808)	(52,823,410)	(230,000,000)
Teacher Shortage Loan Repayment	1,186	890	(33,492)	(88,531)	(32,020)	115	227	(100,253)	2,201	2,168	2,784	(55,958)	(300,684)	(300,000)
Trust Land Preservation - OSLI	(17,035)	(21,278)	(37,046)	(111,219)	(3,581)		(13,487)	(554)		(300)		(5,298)	(209,798)	(586,115)
Retirement System Audit									(4,500)				(4,500)	(11,747,500)
LSO		(116,153)	(79,313)	(71,898)	(109,597)	(57,988)	(41,104)	(7,304)		(5,274)	(7,822)	(9,065)	(505,518)	(1,550,000)
Vouchers	(7,137,358)						78	(78)				5,865	(7,131,493)	
09 SF 124 Sec 2 (WS 21-13-306) Foundation					(386,570,122)								(386,570,122)	
Interfund Borrowing Interest Expense					0	0	0	(5,475,000)	(1,825,000)	(1,460,000)	(1,003,750)	(638,750)	(10,402,500)	(6,500,000)
Total Education Expenditures	(8,584,334)	(309,859,557)	(9,778,362)	(257,251,954)	(392,320,462)	(14,023,351)	(2,750,039)	(246,737,841)	(11,684,092)	(6,236,956)	(6,329,797)	46,177,982	(1,219,378,762)	(1,010,887,801)
Ending Balance	551,141,119	254,237,859	309,141,692	71,662,709	100,055,902	169,965,474	292,420,693	60,412,113	31,247,332	20,450,439	35,672,411	340,290,823	340,290,823	(122,873,295)
CSPLF Loan Balance	0	0	0	0	365,000,000	365,000,000	365,000,000	365,000,000	292,000,000	200,750,000	127,750,000	0	0	0

+ W.S. 9-4-719 Spending Policy
* 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 7, 2011 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 46 financial institutions.

All deposits in excess of the federally insured amount 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 11 was set at 0.36%, 0.38%, 0.27% and 0.26%. Therefore, the annualized TDOA rate for FY 11 was actually 0.32%.

TDOA income for FY 11 was \$530,894.

Only 21 of the 46 approved depositories had TDOA funds as of June 30, 2011.

TDOA Deposits in Wyoming Banks as of June 30, 2011 Totaled \$162,100,000

American National Bank	61,700,000	Lusk State Bank	1,000,000
Bank of Jackson Hole	17,000,000	Oregon Trail Bank	2,000,000
Buffalo Fed Savings Bank	2,400,000	Pinnacle Bank	9,200,000
Central Bank and Trust	8,000,000	Platte Valley Bank	2,600,000
Cheyenne State Bank	1,300,000	Points West Community Bank	2,900,000
Commerce Bank of Wyoming	10,000,000	Security First Bank	1,400,000
First Federal Savings	8,000,000	Summit National Bank	300,000
First Nat'l Bank of Gillette	3,500,000	Uinta County Bank	6,000,000
First State Bank	12,000,000	Wyoming Bank and Trust	5,200,000
FirsTier Bank	3,000,000	Wyoming National Bank	1,600,000
Jonah Bank of Wyoming	3,000,000		