

WYOMING STATE TREASURER ANNUAL REPORT



**FOR THE PERIOD
JULY 1, 2017 THROUGH JUNE 30, 2018**

Honorable Mark Gordon, State Treasurer

Patricia O'Brien Arp, Ph.D., Deputy State Treasurer

Patrick D. Fleming, Chief Investment Officer

Erica L. Legerski, Director of Finance

Lachelle L. Brant, Director of Unclaimed Property



Merlin Ranch owned by Mark and Jennie Gordon
Photographic Contribution: Anne Gordon

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning.” – Benjamin Franklin

Message from Treasurer Mark Gordon

In this annual report – my last – you will find the results of six-years of effort by members of a dedicated and capable staff to modernize and upgrade every facet of what has become one of the very best treasury operations in the world. As a Wyoming citizen, you can be justifiably proud of what the Wyoming Treasury has become and how it is now positioned to continue to improve in years to come. That is good because Wyoming’s portfolio now provides one of the top two sources of revenue to the state’s general fund. The more than \$928 million our investments returned over this year equates to over \$1,500 dollars in tax savings for every Wyoming citizen.

Wyoming is now the lowest cost treasury operation of any of our peers in the region. Our management fee stands at just 30 basis points. Yet, we have also built our own internal investment capability with a qualified professional staff. Our work to identify and implement best practices from around the world has not only stood us in good stead among our peers but allowed us to compete on an equal footing with them after we initiated changes in our management posture and refined our statutory limitations. All of this means Wyoming’s portfolio is better positioned for the future than it ever has been.

The Treasurer’s Office also met its obligations to help diversify Wyoming’s economy by reworking the Time Deposits Open Accounts (TDOA) program encouraging more Wyoming lending through the banks that take our deposits. Moreover, we have successfully met our statutory economic diversification mandate responsibly by reforming our lending programs, making tough decisions, and finding better more appropriate ways to provide funding for diversification. Recently, we were able to complete the first Large Project Loan with Atlas

Carbon under the constitutionally authorized revolving economic development loan envisioned in Article 16, Section 12 of the Wyoming Constitution.

But that is not all. Wyoming's Unclaimed Property Division has once again returned over \$6 million dollars of Wyoming citizens' property that, for whatever reason, somehow became separated from its rightful owner. That is a six-fold increase over what we used to be able to do. These dramatic improvements came about because of revamped processes, better technology, and most importantly, people dedicated to customer service and efficiency.

It has been a busy six years and I leave the Treasurer's Office proud to have worked with a remarkable group of men and women who revamped our entire office from technology to approach; who worked to craft and pass an amendment to our constitution which has given Wyoming new tools to fully support trusts like the Wyoming Wildlife and Natural Resource, Cultural Resource, Wyoming Game and Fish, and Children's Trusts; who achieved the highest recognition for transparency in the United States; and who put into place one of the best governance models of any peer fund – thereby assuring stability and increasing performance going forward.

When I was initially sworn in as Treasurer on November 1, 2012, the occasion was a weighty one. Justice William Hill administered my oath of office in the Capitol Rotunda – perhaps the last elected official to have done so in the old Capitol. That year's Annual Report had just been issued. It remembered Joe Meyer who had succumbed to cancer 26 days before. There were several unfinished projects in the works that fall, so it was a challenging time for a new Treasurer to get to know a staff still grieving from the loss of a good friend and mentor.

In 2012, America was just emerging from the Great Recession. It was hard to know if our economy was recovering or not. Growth was muted, interest rates were almost at zero. Our total corpus, including permanent and non-permanent funds, stood a bit above \$15 billion. Today Wyoming's portfolio stands a bit above \$20 billion, interest rates are climbing, and our economy is growing again.

We had more basic processes back then, with fewer technologies. Today, we are leaner, more efficient, and better able to meet the challenges of tomorrow. We have emphasized transparency and governance. Our investment staff has grown from one professional with only limited on-the-job training to four experienced and degreed professionals. Our management has matured to engage the legislature and Wyoming citizenry meaningfully in our objectives, helping to inform budget decisions on a forward-looking basis not in just a "what have you done for me lately" way. The role this office plays in our future prosperity has never been more important. This office has never been more motivated or more capable.

Ben Franklin also pointed out that "Well done is better than well said." To my colleagues in the Office of the State Treasurer, Well done and thank you! Thank you to the leadership team: Pat Arp, Deputy; Erica Legerski, Director of Finance; Patrick Fleming, Chief Investment Officer; Lachelle Brant, Unclaimed Property Director; Betsy Anderson and Lisa Spillman, Counsel to the Treasurer's Office; and all the other wonderful staff of the Office of the Treasurer.

It has been my honor to have served with such a remarkable group of individuals. Herein please find the results of our work for the fiscal year 2018: July 1, 2017 – June 30, 2018.

Sincerely,

A handwritten signature in blue ink that reads "Mark Gordon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Gordon
State Treasurer

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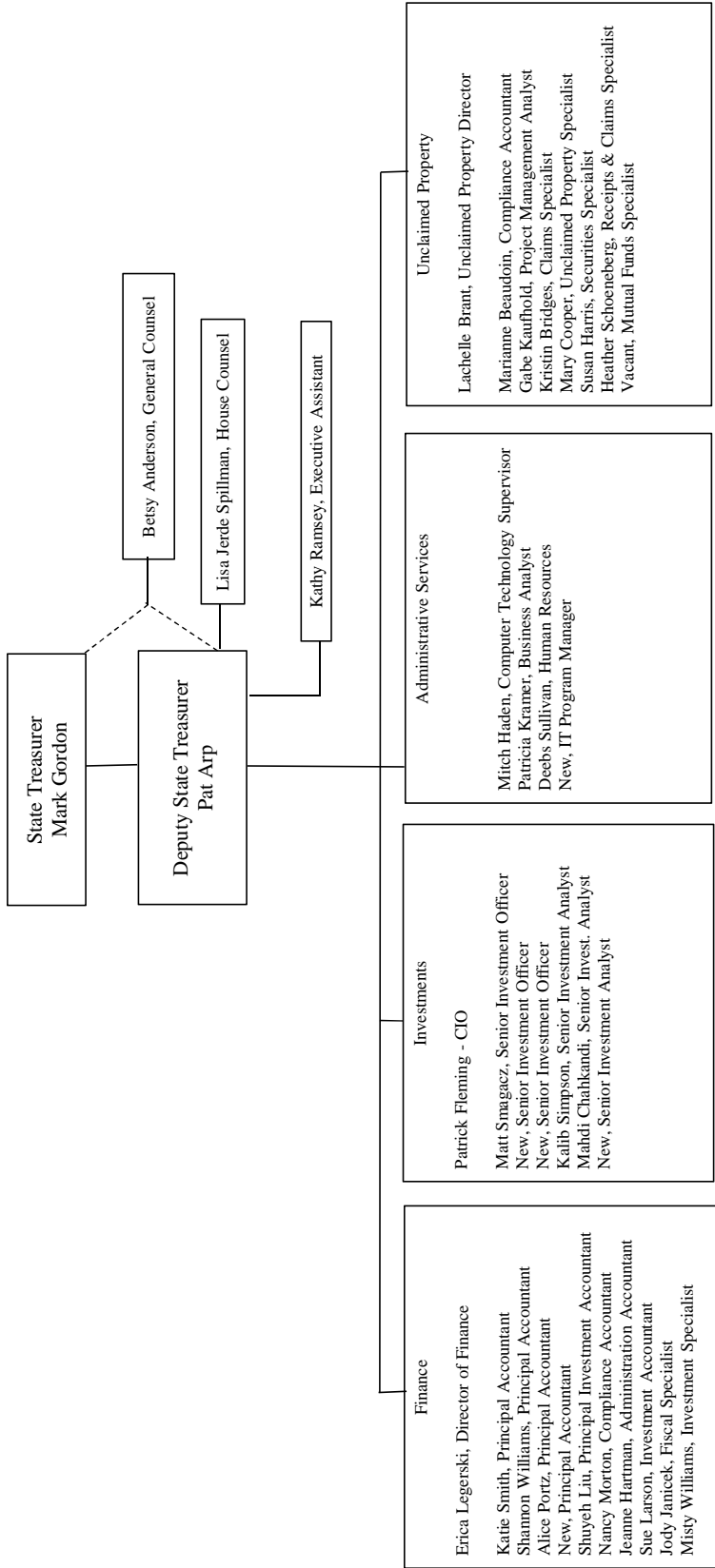
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WYOMING STATE TREASURER'S OFFICE



INVESTMENTS

CIO Annual Letter

Total assets for the fund were \$20.6 billion on June 30, 2018 vs. \$20.8 billion on June 30, 2017. The total fund returned 3.99%, which was 49 basis points (bps) or almost one half of one percent above our benchmark. This compares favorably to our three, five and 10-year performance of plus 15 bps, 12 bps and 25bps above the benchmark respectively. For fiscal year-end, the results of the state's funds show our total return focus permanent funds returned a range from 4.42% to 6.15%. The income focus permanent funds returned a range from 4.27% to 4.99%. The Workers' Compensation Fund returned 3.13% and the State Agency Pool, which is a short duration fixed income account, had a return of 1.37%. Pool A, which we are in the process of changing its allocation to include equities and equity-like assets, returned 1.22%.

Our total fund has approximately 55% in fixed income securities and the remaining in equity-type securities. Since the adoption of Amendment A, we are now able to increase our asset allocation to equities and equity-like investments. In June and July of 2018, we made our first-time investments to preferred securities and master limited partnerships. Both of these asset classes are not as expensive as U.S. stocks from a historical perspective and offer an attractive yield pickup vs. comparable fixed income securities. This investment was executed to reduce risk while increasing yield.

Historically, we have only invested in two asset structures: permanent and non-permanent asset allocations. Segregating the funds allows us to change the asset allocations and reduces the risk for funds that have different liability structures. We are segregating the nine funds that we manage so we will be able to have an asset allocation that matches the liability stream of these funds and long-term objectives. By segregating the funds, we are increasing the number of portfolios we manage internally.

Currently, we manage two portfolios internally, but we are in the process of adding three more: a short duration fund for the SAP, a long duration fund for the Workers' Compensation Fund and a U.S. equity fund. Our goal is to reduce fees and increase returns when compared to external managers. Over the past two years, we have reduced our fees by approximately \$10 million. The majority of this savings has been achieved by managing more funds internally. Our performance has been positive as evidenced by our internal bond fund which has beaten the benchmark by 2.59% over the past two years. This equates to returns in excess of \$51 million over the benchmark. This is an extraordinary performance of which the Treasurer's Office can be proud. This return above the benchmark, or alpha dollars, is more than three times better than all of our other bond managers combined. We will start to manage equities internally this year as we build out our investment and back-office staff. We are hopeful this complex and difficult process will be complete within the next few months.

The investment outlook remains challenging. Both stocks and bonds are expensive when compared with historical valuations. A few examples of this valuation are: the Shiller P/E stands at 33.4%. This implies a future negative return of 3.2% over the next 8-10 years. Tobin's Q ratio (similar to Price/Book Value) is the second most expensive over the past 120 years and is currently 82% above its mean. Warren Buffet's favorite valuation indicator is the Market Cap to GDP ratio. It is forecasting a -2.6% return over the next 10 years. The market Price to Sales ratio is the highest ever at 2.3 times.

These indicators have had the best correlation to long-term returns and all of them are showing the stock market is very expensive. On the bond side, we measure valuation in terms of real yield or the return you are receiving above inflation. Currently, the 10-year real yield is 35 bps. Historically, an investor would receive 2.5% or 250 bps above inflation. According to Bridgewater, 80% of global asset classes have a negative return this year. It is difficult to add value with assets trading at these expensive levels so our focus has been and will continue to be on improving our risk-adjusted returns.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Fleming", with a stylized, flowing script.

Patrick Fleming,
Chief Investment Officer



*Those who are unwilling to invest in the
future haven't earned one. - Harold Lewis*

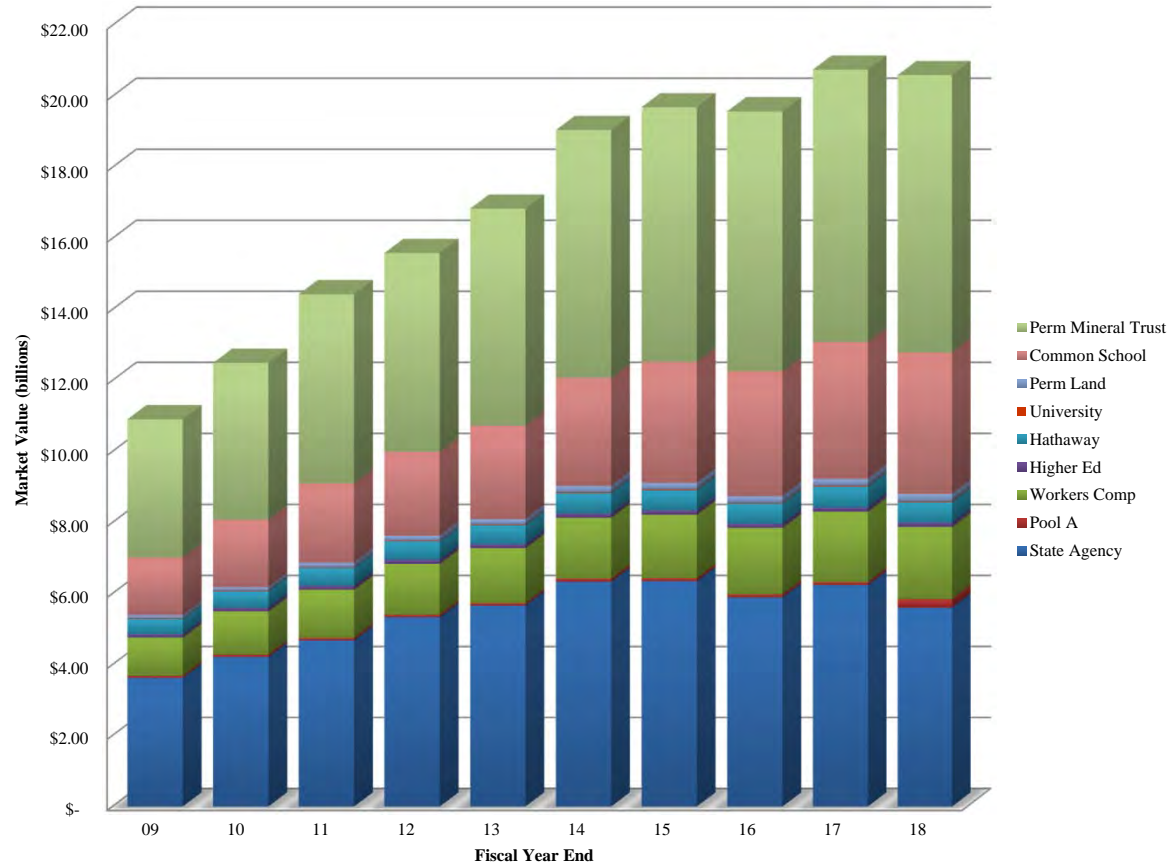
WYOMING STATE INVESTMENT PORTFOLIO

As of June 30, 2018

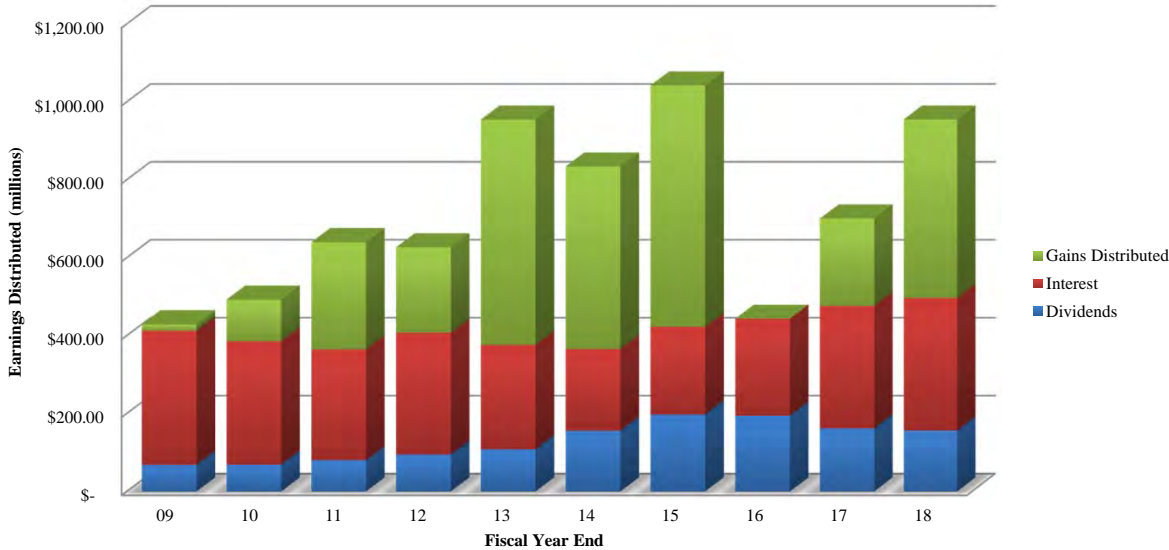
The State Treasurer's Office manages \$20.6 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers' Compensation 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>	<u>MV as a Percent of Total MV</u>
Permanent Wyoming Mineral Trust Fund	\$7,294,935,589	\$7,807,061,216	37.9%
<i>Funded with constitutional and intermittent statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 70 percent of the PWMTF may be invested in equities.</i>			
Permanent Land Funds	3,952,157,338	4,210,543,308	20.4%
<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: \$3.75 billion book/cost, \$3.99 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 70 percent of the Permanent Land Funds may be invested in equities.</i>			
Hathaway Scholarship Endowment Fund	552,564,524	582,413,022	2.8%
<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 70 percent of the Hathaway Scholarship Fund may be invested in equities.</i>			
Excellence in Higher Education Endowment Fund	114,147,274	120,117,913	0.6%
<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 70 percent of the Higher Education Endowment Fund may be invested in equities.</i>			
Workers' Compensation Fund	1,986,614,093	2,035,610,128	9.9%
<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>			
Pool A	236,959,705	238,849,216	1.2%
<i>Pool A is an aggregation of trusts and funds for Culture, Game and Fish, Wyoming Public television and the Tobacco Settlement Fund.</i>			
State Agency Pool	<u>5,642,433,635</u>	<u>5,605,269,757</u>	<u>27.2%</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	\$19,779,812,157	\$20,599,864,561	100.0%

TOTAL STATE PORTFOLIO VALUE



INVESTMENT EARNINGS



INVESTMENT ACCOUNT BALANCES

As of June 30, 2018

FUND/ACCOUNT NAME	CASH & RECEIVABLES (STATE AGENCY POOL INVESTMENTS)	INVESTMENTS (at Cost)	ACCOUNT BALANCE (Corpus)
Common School Permanent Land Fund	\$1,037,653,479	\$2,703,602,526	\$3,741,256,005
Common School II	5,000,000	0	5,000,000
University Permanent Land Fund	3,099,314	17,353,948	20,453,262
Miner's Hospital Permanent Land Fund	11,496,065	54,566,915	66,062,981
Public Buildings At Capitol Permanent Land Fund	2,394,802	11,367,105	13,761,908
Fish Hatchery Permanent Land Fund	979,784	4,650,615	5,630,399
D.D. & B. Asylum Permanent Land Fund	763,256	3,622,851	4,386,108
Carey Act Permanent Land Fund	418,475	1,986,323	2,404,798
Omnibus Permanent Land Fund	9,976,117	47,352,372	57,328,489
State Hospital Permanent Land Fund	505,596	2,399,850	2,905,447
State Training School Permanent Land Fund	801,297	3,803,414	4,604,711
Penitentiary Permanent Land Fund	2,875,303	13,647,838	16,523,141
Agricultural College Permanent Land Fund	2,060,374	9,779,716	11,840,089
Subtotal-Permanent Land Fund	\$1,078,023,863	\$2,874,133,474	\$3,952,157,338
Hathaway Scholarship Endowment	70,762,779	481,801,745	552,564,524
Higher Education Endowment	14,547,706	99,599,567	114,147,274
Permanent Wyoming Mineral Trust Fund	1,170,389,973	6,124,545,616	7,294,935,589
Subtotal-All Permanent Funds	\$2,333,724,321	\$9,580,080,403	\$11,913,804,724
Workers' Compensation	419,666,389	1,566,947,705	1,986,614,093
Total Permanent Funds & Workers' Compensation	\$2,753,390,710	\$11,147,028,107	\$13,900,418,818
Public TV Fund	77,469	2,914,721	2,992,190
Wyoming Tobacco Settlement Fund	2,206,988	83,036,878	85,243,866
Wildlife Trust Fund	2,687,570	101,118,542	103,806,112
Wyoming Cultural Fund	389,147	14,641,475	15,030,622
Trust Fund (Game and Fish)	773,781	29,113,134	29,886,915
State Agency Pool	(2,759,525,666)	8,401,959,300	5,642,433,635
TOTAL	\$0	\$19,779,812,157	\$19,779,812,157

NOTES:
The Cash & Receivables column represents the portion of the State Agency Pool investment attributable to the permanent land funds, the permanent funds, the Workers' Compensation Fund and Pool A, thus it is removed from the State Agency Pool cash and receivables balance.
The State Agency Investment Pool includes the total of the cash and receivable column plus the cash balance of all the other funds for which specific investments have not been made.

PERMANENT WYOMING MINERAL TRUST FUND

Fiscal Years 14 Through 18 Analyzed and Compared

(\$ Millions)

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Beginning Book Value	\$5,888.5	\$6,368.3	\$6,848.9	\$7,066.4	\$7,127.2
Beginning Market Value	6,112.8	6,979.1	7,172.2	7,319.4	7,665.9
- Difference	224.2	610.8	323.3	253.0	538.7
- Percent	3.8%	9.6%	4.7%	3.6%	7.6%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$211.7	\$207.9	\$184.1	\$53.9	\$147.8
- Additional Severance Tax	141.1	138.6	42.8	0.0	0.0
- Additional Legislative Deposits/Diversions	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	127.1	134.2	0.0	0.0	0.0
- Spending Policy for Prior Year Adjustment	0.0	0.0	0.0	0.0	0.0
- Income Distribution Adjustment (\$32K)	0.0	0.0	(0.0)	0.0	23.6
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	(9.4)	6.9	(3.7)
Total Increase to Corpus	\$479.8	\$480.6	\$217.5	\$60.8	\$167.7
Ending Book Value	\$6,368.3	\$6,848.9	\$7,066.4	\$7,127.2	\$7,294.9
Ending Market Value	6,979.1	7,172.2	7,319.4	7,665.9	7,807.1
- Difference	610.8	323.3	253.0	538.7	512.2
- Percent	9.6%	4.7%	3.6%	7.6%	7.0%
Total Distributed Income (Gross of Fees)	\$403.3	\$504.6	\$151.5	\$313.9	\$458.6
- Interest	61.8	61.1	67.1	98.8	117.7
- Dividend	75.4	94.2	93.8	75.0	73.0
- Realized Net Capital Gain	266.1	349.3	(9.4)	140.1	267.9
Change in Book Value	\$479.7	\$480.6	\$217.5	\$60.8	\$167.7
Change in Market Value	866.3	193.1	147.2	346.6	141.1
Cash Yield	6.56%	7.62%	2.31%	4.37%	6.25%
Total Return	12.67%	2.91%	1.07%	8.69%	5.18%

NOTES:

- "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 State Treasurer's Office calculates the "Cash Yield" return above based on average book value. R.V. Kuhns calculates total return based on the time-weighted rate of return.

- The State Treasurer adopted an interpretative policy 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.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts as of June 30, 2018

	<u>JUNE 30, 2017</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2018</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$7,127,236,101		
Severance Tax			
Coal		44,734,009	
Stripper Oil		4,792,170	
Other Valuable Products		(137,894)	
Oil		46,486,748	
Natural Gas		46,282,966	
Condensate-Gas		5,684,346	
Gain (Loss) Income Deferred		(3,709,720)	
Income Distribution Not Transferred		<u>23,566,864</u>	
	TOTAL REVENUE	\$167,699,489	\$7,294,935,589

COMMON SCHOOL PERMANENT LAND FUND

Fiscal Years 14 Through 18 Analyzed and Compared

(\$ Millions)

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Beginning Book Value	\$2,533.4	\$2,782.3	\$3,261.7	\$3,401.1	\$3,596.1
Beginning Market Value	2,630.6	3,046.5	3,405.3	3,520.3	3,859.8
- Difference	97.2	264.2	143.6	119.2	263.7
- Percent	3.8%	9.5%	4.4%	3.5%	7.3%
 Additions to Corpus					
- Sales, Royalties, etc.	\$190.5	\$414.4	\$142.7	\$191.7	\$150.1
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversion	58.4	64.9	0.0	0.0	0.0
- Income Accrued	0.0	0.0	0.0	0.0	0.0
 Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	(3.3)	3.3	0.0
- Reverse Income Accrued	0.0	0.0	0.0	0.0	0.0
 Total Increase to Corpus	\$248.9	\$479.4	\$139.5	\$195.0	\$150.1
 Ending Book Value	\$2,782.3	\$3,261.7	\$3,401.1	\$3,596.1	\$3,746.3
Ending Market Value	3,046.5	3,405.3	3,520.3	3,859.8	3,989.3
- Difference	264.2	143.6	119.2	263.7	243.0
- Percent	9.5%	4.4%	3.5%	7.3%	6.5%
 Total Distributed Income (Gross of Fees)	\$175.9	\$220.4	\$78.4	\$162.1	\$218.8
- Interest	26.9	32.6	39.0	58.0	58.1
- Dividend	32.7	41.1	42.7	35.6	36.3
- Realized Net Capital Gain	116.4	146.7	(3.3)	68.4	124.4
 Change in Book Value	\$248.9	\$479.4	\$139.5	\$195.0	\$150.1
Change in Market Value	415.9	358.8	115.0	339.5	129.5
 Cash Yield	6.57%	7.14%	2.45%	4.59%	5.91%
Total Return	12.52%	2.95%	1.40%	8.87%	4.99%

NOTES:

- "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 State Treasurer's Office calculates the "Cash Yield" return above based on average book value. R.V. Kuhns calculates total return based on the time-weighted rate of return.

- 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.

- "Income Accrued" represents income held in Common School Pool on June 30.

- Includes Common School Permanent Land Fund II.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2018

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$63,327,494		
Bentonite Lease Royalties		93,845	
Oil & Gas Lease Royalties		104,945	
Sodium & Trona Lease Royalties		1,075,131	
Right-of-Way Easements		4,581	
Surface Damage		453	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		1,456,532	
		<u>2,735,487</u>	\$66,062,981
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$12,055,322		
Oil & Gas Lease Royalties		1,225,000	
Sand & Gravel Royalties		1,286	
Right-of-Way Easements		163,053	
Surface Damage		39,974	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		277,272	
		<u>1,706,586</u>	\$13,761,908
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$5,503,811		
Inflation Proofing Income Diversion W.S. 9-4-305(b)		126,588	
		<u>126,588</u>	\$5,630,399
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$3,591,124,743		
Bentonite Lease Royalties		1,192,159	
Coal Lease Royalties		53,393,736	
Miscellaneous Mineral Lease Royalties		33,239	
Oil & Gas Lease Royalties		73,398,112	
Sand & Gravel Royalties		279,294	
Sodium & Trona Lease Royalties		16,700,248	
Right-of-Way Easements		1,319,253	
Uranium Lease Royalties		43,635	
Surface Damage		2,752,703	
Real Estate Sales		1,018,882	
		<u>150,131,262</u>	\$3,741,256,005
<u>L14 COMMON SCHOOL II (1)(2)</u>			
Beginning Balance	\$5,000,000		
		<u>0</u>	
		0	\$5,000,000

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>
<u>L05 DEAF, DUMB & BLIND</u>			
Beginning Balance	\$4,279,123		
Oil & Gas Lease Royalties		3,176	
Surface Damage		5,389	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		98,420	
		<u>106,985</u>	\$4,386,108
<u>L06 CAREY ACT</u>			
Beginning Balance	\$2,322,423		
Oil & Gas Lease Royalties		23,447	
Right-of-Way Easements		5,513	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		53,416	
		<u>82,375</u>	\$2,404,798
<u>L07 OMNIBUS</u>			
Beginning Balance	\$54,647,649		
Oil & Gas Lease Royalties		1,107,193	
Sand & Gravel Royalties		13,647	
Right-of-Way Easements		1,971	
Surface Damage		65,359	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		1,256,896	
Real Estate- Sales		235,774	
		<u>2,680,839</u>	\$57,328,489
<u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	\$2,784,367		
Oil & Gas Lease Royalties		222,799	
Right-of-Way Easements		50	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		64,040	
Per Session Laws 2016, Ch 31, Sec 048		(165,809)	
		<u>121,080</u>	\$2,905,447
<u>L09 WYOMING LIFE RESOURCE CENTER</u>			
Beginning Balance	\$4,484,727		
Oil & Gas Lease Royalties		184,533	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		103,149	
Per Session Laws 2016, Ch 31, Sec 048		(167,697)	
		<u>119,985</u>	\$4,604,711
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	\$15,401,870		
Oil & Gas Lease Royalties		748,927	
Right-of-Way Easements		4,085	
Surface Damage		63,742	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		354,243	
Per Session Laws 2016, Ch 97, Sec 3		(49,726)	
		<u>1,121,271</u>	\$16,523,141

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2018 CORPUS BALANCE</u>
<u>L11 WYOMING STATE AGRICULTURAL COLLEGE (1)</u>			
Beginning Balance	\$11,210,791		
Oil & Gas Lease Royalties		105,154	
Right-of-Way Easements		4,136	
Uranium Lease Royalties		133,125	
Surface Damage		129,035	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		257,848	
		<u>629,298</u>	\$11,840,089
 <u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	\$19,875,901		
Oil & Gas Lease Royalties		85,044	
Right-of-Way Easements		2,698	
Surface Damage		32,473	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		457,146	
		<u>577,361</u>	\$20,453,262
 TOTAL REVENUE		\$160,139,116	\$3,952,157,338

NOTES:

(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, Chapter 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.

FUND MANAGEMENT

RVK's ANNUAL REVIEW

(RVK serves as the investment consultant for the
Wyoming State Loan and Investment Board)

In a year marked by strong performance for risk assets, all of the State's investment pools earned positive absolute returns ranging from 1.2% to 6.2%. Six of the nine investment pools outperformed their respective benchmarks during the year. Relative returns were bolstered by the State's Fixed Income portfolio, which significantly outperformed the Bloomberg US Agg Bond Index amidst a negative return environment for the broad US bond market. The Federal Reserve raised target interest rates to a range between 1.75% and 2.00% during the fiscal year, supported by strengthening economic data in the US. Public equities and alternatives contributed to strong absolute results for the permanent funds with strategic allocations to these asset classes. Despite persistent political divisiveness in the US, a flattening of the yield curve, global trade tensions, weakness in emerging markets, and a range of other international issues, most risk assets produced strong gains over the fiscal year. Although positive economic fundamentals have thus far supported the "risk-on" environment, it is possible that these risks could have a larger influence on markets going forward.

- The Permanent Mineral Trust and Common School Permanent Land Fund ended the fiscal year with returns of 5.2% and 5.0%, respectively. The Permanent Land Fund and University Permanent Land Fund ended the fiscal year with returns of 5.1% and 6.2%, respectively. Of these four Permanent Funds, only Common School Permanent Land Fund outperformed its respective custom benchmark. Hathaway Scholarship Endowment and Higher Education Endowment returned 4.4% and 4.3%, respectively. Both outperformed their custom benchmarks, by one and four bps, respectively. The Workers Compensation Fund returned 3.1%, outperforming its custom benchmark by 0.4%.

- Absolute performance for the Non-Permanent Funds (Pool A and State Agency Pool) was lower than that of the Permanent Funds, while the Non-Permanent Funds outperformed their custom benchmarks to a greater degree due to strong relative performance of the fixed income portfolio. Pool A returned 1.2% versus 0.0% for its custom benchmark, and the State Agency Pool returned 1.4% versus 0.4% for its custom benchmark.

Over the last year, fixed income markets experienced heightened volatility as interest rate hikes (actual and anticipated) affected bond market returns.

- The Total Fixed Income Portfolio (excluding Convertibles) produced a positive fiscal year return of 0.7% compared to the Bloomberg US Aggregate Bond Index return of -0.4%. Diversification away from core US bonds into TIPS, bank loans, and high yield contributed to outperformance, as duration sensitive strategies were negatively impacted by rising interest rates during the period. The Internal Intermediate Gov't Fixed Income Portfolio also contributed meaningfully to outperformance during the year, outperforming its benchmark by 0.7%.

- Non-US fixed income exposures had a mixed impact to relative and absolute returns within the fixed income portfolio. Opportunistic European credit earned 8.1% over the trailing one- year period, while local currency emerging market debt returned -3.1%.

Consistent with global markets, the State's equity and alternative investment managers produced strong absolute results during the fiscal year, but relative results were mixed as shown below:

- The US equity portfolio returned 12.5% compared to 14.8% for the Russell 3000 Index.
- The international equity portfolio returned 6.4% compared to 7.3% for the MSCI ACW Ex US Index.
- The fixed income portfolio returned 0.7%, compared to -0.4% for the Bloomberg US Agg Index.
- The core real estate portfolio returned 8.0%, compared to 7.5% for the NCREIF ODCE Index.
- The diversified hedge funds portfolio returned 3.8%, compared to 5.1% for the HFRI FOF Comp Index.



Annual Asset Class Performance

As of June 30, 2018

	Calendar Year Performance											Annualized Statistics (01/2006 - 06/2018)		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	CYTD (As of 06/18)	Return	Standard Deviation	Sharpe Ratio
Best	5.24	49.13	26.85	15.99	18.64	38.82	14.07	15.02	21.31	27.19	7.66	8.59	13.95	0.59
	3.06	45.12	21.74	14.26	16.83	32.39	13.88	13.33	13.11	21.83	6.29	8.69	13.94	0.59
	-5.22	45.01	16.77	11.11	16.76	32.39	13.69	5.65	12.74	21.13	4.30	8.87	18.56	0.49
	-6.46	32.46	16.36	7.84	16.35	24.96	12.50	5.47	11.96	17.52	3.54	3.69	17.11	0.23
	-10.01	27.17	15.68	3.49	16.00	21.08	11.82	1.38	10.69	15.21	3.22	11.71	9.59	1.08
	-21.37	26.46	15.06	2.11	16.00	15.29	11.22	0.55	10.44	14.65	2.71	6.88	8.29	0.71
	-22.61	26.46	15.06	2.11	14.96	13.94	9.42	0.48	9.94	13.70	2.65	7.69	6.20	1.05
	-33.62	21.98	14.99	0.66	13.36	10.98	5.97	0.18	8.77	9.11	1.26	2.52	5.09	0.29
	-28.11	13.41	13.11	-1.16	10.94	8.96	4.89	-0.27	7.97	7.77	0.74	7.74	11.67	0.60
	-33.79	11.47	10.82	-1.75	10.77	4.22	3.37	-1.47	4.50	7.62	0.70	5.10	17.21	0.31
	-35.73	5.93	9.28	-4.18	10.54	0.12	2.95	-3.24	2.65	6.96	0.68	3.97	3.14	0.89
	-37.00	1.17	6.54	-5.18	4.79	-0.17	0.18	-4.41	1.94	5.20	-1.62	5.36	5.61	0.64
	-37.00	-16.85	5.70	-5.72	4.21	-2.02	-3.87	-5.66	0.51	3.54	-3.77	4.84	12.48	0.35
Worst	-43.06	-29.76	0.73	-13.71	0.26	-8.98	-5.72	-14.92	0.38	0.84	-6.44	1.47	0.57	1.26

The Cambridge US Private Equity Index is shown for informational purposes only. Due to availability of data, current quarter performance assumes a 0.00% return. Calculations are based on a quarterly periodicity.

INVESTMENT PERFORMANCE - TOTAL PERFORMANCE

As of June 30, 2018

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
Wyoming State Total Fund	\$19,779,812,157	\$20,599,864,562	\$497,004,591	\$439,633,248	3.99%	4.00%	4.68%
<i>Wyoming State Actual Allocation Index</i>					<i>3.50%</i>	<i>3.85%</i>	<i>4.56%</i>
US Equity							
State Street All Cap	838,501,734	1,137,708,518	31,737,705	145,838,869	13.71%	11.26%	N/A
State Street All Cap Custom Index					13.73%	11.30%	12.94%
Epoch	218,530,785	269,713,108	4,481,524	19,206,277	11.44%	9.13%	N/A
Russell 3000					14.78%	11.58%	13.29%
UW Portfolio Management Program	1,000,000	1,466,053	18,785	77,563	11.58%	10.60%	12.61%
S&P 500					14.37%	11.93%	13.42%
RBC	167,020,921	170,669,808	2,385,506	51,264,753	10.80%	7.74%	N/A
Total US Equity	\$1,225,053,439	\$1,579,557,486	\$38,623,520	\$216,387,462			
International Equity							
Internal International Equity Portfolio	135,000,000	166,293,614	4,690,456	0	6.71%	N/A	N/A
FTSE All World Ex US					7.28%	5.28%	6.35%
Northern Trust	971,736,341	1,101,957,364	28,844,133	1,455,357	7.70%	5.17%	6.11%
MSCI ACW Ex US					7.28%	5.07%	5.99%
Fisher Investments	358,888,448	437,594,475	9,604,954	3,771,178	5.24%	5.32%	6.90%
MSCI ACW Ex US [4]					7.28%	5.07%	5.99%
Arrowstreet	376,726,080	377,550,696	10,681,007	78,499,384	N/A	N/A	N/A
MSCI ACW					7.75%	5.46%	6.39%
Total International Equity	\$1,842,350,870	\$2,083,396,150	\$53,820,550	\$83,725,919			
Preferred Stock							
Cohen & Steers	85,000,000	85,000,000	0	0	N/A	N/A	N/A
Total Preferred Stock	\$85,000,000	\$85,000,000	\$0	\$0			
Private Equity							
Access Venture Partners II	5,177,175	14,384,623	806	0	See Notes next page		
Cheyenne Capital Fund, L.P.	161,865,366	287,701,522	0	37,908,160	See Notes next page		
Hamilton Lane Nowood Fund, L.P.	125,560,305	147,715,242	3,392,416	4,207,965	See Notes next page		
Neuberger Berman Sanger Fund, L.P.	126,600,000	191,323,146	1,007	4,000,000	See Notes next page		
S&P 500 + 5%					20.09%	17.53%	19.09%
Total Private Equity	\$419,202,846	\$641,124,533	\$3,394,228	\$46,116,125			
Real Estate							
Clarion Lion	266,303,630	342,217,897	10,810,334	0	9.00%	9.41%	10.89%
UBS Trumbull	241,303,630	281,783,741	9,262,044	0	6.87%	7.02%	8.37%
NCREIF ODCE					7.48%	8.38%	10.03%
Core Real Estate	\$507,607,260	\$624,001,639	\$20,072,378	\$0			
Barings (formerly Cornerstone)	4,694,739	4,827,296	360,079	0	See Notes next page		
Heitman	1,764,838	67,199	11,200	7,567	See Notes next page		
M&G	69,890,880	54,156,241	7,967,154	0	See Notes next page		
Northwood	114,958,750	145,919,605	(1,912,211)	6,200,980	See Notes next page		
SC Capital	44,563,765	46,068,794	2,619,172	0	See Notes next page		
TA Realty	4,169,945	2,622,422	13,064	0	See Notes next page		
WestRiver	29,372,420	46,326,863	1,119,105	0	See Notes next page		
NCREIF Property					7.19%	8.25%	9.77%
Value-Added Real Estate	\$269,415,337	\$299,988,420	\$10,177,562	\$6,208,547			
Total Real Estate	\$777,022,597	\$923,990,059	\$30,249,940	\$6,208,547			

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INVESTMENT PERFORMANCE - TOTAL PERFORMANCE

As of June 30, 2018

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
<u>Diversified Hedge Funds</u>							
PAAMCO - Jackalope Fund	499,635,960	511,408,113	0	15,195,235	3.80%	0.79%	2.97%
Grosvenor Diversified Hedge Funds	31,000,000	31,000,000	0	0	N/A	N/A	N/A
Internal Diversified Hedge Funds	44,000,000	44,000,000	0	0	N/A	N/A	N/A
HFN FOF Multi-Strat					5.13%	1.93%	3.46%
Total Diversified Hedge Funds	<u>\$574,635,960</u>	<u>\$586,408,113</u>	<u>0</u>	<u>\$15,195,235</u>			
<u>Convertible Bonds</u>							
Allianz Global Investors	486,668,624	546,160,344	5,385,935	38,509,801	14.60%	7.16%	9.40%
ICE BofAML All Quality Convertible					12.01%	7.63%	9.93%
Total Convertible Bonds	<u>\$486,668,624</u>	<u>\$546,160,344</u>	<u>\$5,385,935</u>	<u>\$38,509,801</u>			
<u>Fixed Income</u>							
C.S. McKee	1,253,496,050	1,239,782,750	32,611,468	(6,602,996)	0.44%	2.01%	2.40%
C.S. McKee Custom Index					0.08%	1.88%	2.37%
JP Morgan Core	1,418,089,331	1,398,403,539	57,542,068	(36,382,494)	-0.35%	1.72%	2.42%
Bloomberg US Aggregate					-0.40%	1.72%	2.27%
PIMCO Core	2,175,304,126	2,160,523,241	64,090,404	1,481,038	0.46%	1.97%	2.38%
PIMCO Custom Index					-0.34%	1.74%	2.28%
Neuberger Berman Credit	928,186,125	922,183,704	41,379,174	(5,172,780)	2.45%	3.36%	3.78%
Seix	943,160,037	948,736,474	41,456,936	0	2.63%	4.21%	4.12%
Credit Custom Index					2.99%	4.22%	4.19%
Grosvenor Silvery Lupine Fund	219,153,805	281,156,865	10,353,504	26,990	8.09%	7.46%	N/A
CS Western European HY					3.14%	6.13%	6.63%
Investec	297,714,010	197,847,664	11,233,536	0	-2.21%	1.02%	-1.95%
Stone Harbor	297,712,381	186,907,000	11,010,913	0	-4.08%	0.65%	-2.90%
JPM GBI-EM Glbl Dvfd					-2.33%	1.96%	-1.40%
State Street TIPS	725,483,802	723,229,173	5,136,698	(420,732)	2.27%	2.01%	1.79%
Bloomberg US Trsy:US IPS (Series B)					2.26%	2.04%	1.81%
Internal Fixed Income Portfolio	1,868,709,205	1,852,289,491	45,610,139	6,262,179	-0.01%	1.20%	1.75%
Bloomberg US Gov't Int. Term Bond Index					-0.73%	0.63%	1.04%
Internal Low Duration Portfolio	1,370,545,229	1,368,821,692	2,534,306	0	N/A	N/A	N/A
Bloomberg US Gov't crdt 1-3 Yr Bond Index					0.03%	0.42%	0.59%
Neuberger Berman Core	0	1	3,592	34,047	N/A	N/A	N/A
Total Fixed Income	<u>\$11,497,554,102</u>	<u>\$11,279,881,593</u>	<u>\$322,962,738</u>	<u>(\$40,774,748)</u>			
<u>Public Purpose Investments</u>							
	<u>\$324,211,740</u>	<u>\$324,211,740</u>	<u>\$6,140,819</u>	<u>\$0</u>	N/A	N/A	N/A
<u>Cash & Cash Equivalents</u>							
JP Morgan Cash Composite	<u>\$2,548,111,979</u>	<u>\$2,550,134,544</u>	<u>\$26,957,230</u>	<u>(\$5,293,764)</u>	1.20%	0.69%	0.49%
JP Morgan Cash Custom Index					1.25%	0.68%	0.49%
<u>Other Income</u>							
Lazard Asset Management	\$0	\$0	\$2,475,702	\$57,276,184	N/A	N/A	N/A
Manning & Napier	\$0	\$0	\$1,104,198	\$22,225,946	N/A	N/A	N/A
Wells Cap Core	\$0	\$0	\$23	\$9,226	N/A	N/A	N/A
WAMCO Corp Profit	\$0	\$0	\$0	\$43,849	N/A	N/A	N/A
Misc Income	\$0	\$0	(\$692)	\$3,468	N/A	N/A	N/A
Security Lending	\$0	\$0	\$5,890,402	\$0	N/A	N/A	N/A

NOTES:

- Returns are stated in traditional total return terms and do not specify realized income.
- State Street All Cap Custom Index consists of 69% R 3000, 24% FTSE RAFI US 1000, 7% MSCI USA Minimum Volatility.
- Fisher Index consists of MSCI EAFE (Gross) through July 2010 and the MSCI ACW Ex US (Net) thereafter.
- Market values for non-core real estate and private equity are as of the most recent valuation, adjusted for subsequent cash flows. Investment (Cost) Values are not lagged.
- Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.
- Market values for M&G are converted from British Pounds using the noon New York City Federal exchange rate. Cost values are converted using the 5pm London WM Benchmark rate.
- The Arrowstreet mandate was converted from global equity to international equity on March 1, 2018.
- Performance shown is net of fees.
- Returns are stated in traditional total return terms and do not specify realized income.
- The Credit Custom Index consists of 20% Bloomberg US Credit, 20% ICE BofAML US HY Master II Constrained, 60% S&P/LSTA Leveraged Loan.
- Internal Intermediate Gov't Fixed Income Portfolio performance excludes distressed securities taken in from dismissed managers (market value includes distressed securities).
- Internal Intermediate Gov't Fixed Income Portfolio Index consists of the Bloomberg US Gov't: Int. Term Bond Index; prior to December 2009 the index consisted of the Bloomberg US Gov't/Credit Bond Index.
- Market values shown for Public Purpose Investments reflect cost value of the investments.
- The C.S. McKee Custom Index consists of the Bloomberg US Agg Bond Index through January 2018 and the Bloomberg US Agg Int Index thereafter.
- The PIMCO Custom Index consists of the Bloomberg US Agg Bond Index through February 2018 and the Bloomberg US Agg Int Index thereafter.
- The Arrowstreet mandate was converted from global equity to international equity on March 1, 2018.



Total Fund - Direct (Mgmt) & Indirect (Incentive) Investment Fees

	FY18			Difference vs. FY17		
	Total Fees	Mgmt Fee	Incentive Fee	Total Fees	Mgmt Fee	Incentive Fee
Wyoming State Total Fund	\$88,701,207	\$59,895,002	\$28,806,204	(\$1,845,573)	(\$4,488,638)	\$2,643,065
<i>% of Beginning WSTO FY Value</i>	<i>0.44%</i>	<i>0.30%</i>	<i>0.14%</i>	<i>-0.02%</i>	<i>-0.03%</i>	<i>0.01%</i>
<i>Percentage of Total Fee</i>	<i>100%</i>	<i>68%</i>	<i>32%</i>	<i>0%</i>	<i>-4%</i>	<i>4%</i>
US Equity	\$4,019,518	\$4,019,518	\$0	(\$643,881)	(\$643,881)	\$0
State Street All Cap	839,538	839,538	0	392,070	392,070	0
Epoch	1,347,642	1,347,642	0	69,905	69,905	0
Lazard	558,478	558,478	0	(1,132,513)	(1,132,513)	0
RBC	1,273,860	1,273,860	0	26,657	26,657	0
Global Equity	\$2,076,405	\$2,076,405	\$0	\$47,807	\$47,807	\$0
Arrowstreet	2,076,405	2,076,405	0	47,807	47,807	0
International Equity	\$2,497,860	\$2,497,860	\$0	(\$949,748)	(\$949,748)	\$0
Internal International Equity Portfolio	119,337	119,337	0	10,451	10,451	0
Northern Trust	324,829	324,829	0	67,465	67,465	0
Manning & Napier	0	0	0	(1,254,063)	(1,254,063)	0
Fisher Investments	2,053,694	2,053,694	0	226,399	226,399	0
The Boston Company	0	0	0	0	0	0
Private Equity	\$24,531,251	\$11,793,432	\$12,737,819	(\$137,063)	\$38,040	(\$175,103)
Access Venture Partners II	(142,209)	86,871	(229,080)	(199,109)	(24,006)	(175,103)
Cheyenne Capital Fund	17,140,141	6,133,524	11,006,617	0	0	0
Hamilton Lane Nowood Fund	3,692,704	2,679,565	1,013,139	(51,426)	(51,426)	0
Neuberger Berman Sauger Fund	3,840,615	2,893,472	947,143	113,472	113,472	0
Real Estate	\$12,731,517	\$8,519,741	\$4,211,777	(\$323,843)	\$3,669	(\$327,512)
Clarion Lion Properties Fund	2,263,185	2,263,185	0	80,090	80,090	0
UBS Trumbull Property Fund	2,126,075	1,964,773	161,301	(303,657)	23,855	(327,512)
Cornerstone Core Mortgage Fund I	31,574	31,574	0	(12,654)	(12,654)	0
Heitman Value Partners II	1,982	1,982	0	(18,055)	(18,055)	0
M&G Real Estate Debt Fund II	767,068	546,578	220,490	(180,243)	(180,243)	0
Northwood Real Estate Partners IV	6,678,247	2,848,262	3,829,985	(185,725)	(185,725)	0
SC Capital Core Fund	252,846	252,846	0	202,437	202,437	0
TA Realty VIII	23,117	23,117	0	(57,961)	(57,961)	0
WestRiver Real Estate Finance Fund	587,424	587,424	0	151,926	151,926	0
Absolute Return	\$12,645,782	\$9,998,434	\$2,647,347	\$293,298	\$293,298	\$0
PAAMCO	12,645,782	9,998,434	2,647,347	293,298	293,298	0
Convertible Bonds	\$4,393,299	\$1,247,619	\$3,145,680	\$1,785,339	(\$1,360,341)	\$3,145,680
Allianz Global Investors	4,393,299	1,247,619	3,145,680	1,785,339	(1,360,341)	3,145,680
Fixed Income	\$24,754,157	\$18,690,576	\$6,063,581	(\$2,353,171)	(\$2,353,171)	\$0
C.S. McKee	1,594,367	1,594,367	0	(10,467)	(10,467)	0
JP Morgan Core	1,974,033	1,974,033	0	(266,404)	(266,404)	0
MacKay Shields	0	0	0	(68,905)	(68,905)	0
Neuberger Berman Core	0	0	0	(811,351)	(811,351)	0
PIMCO Core	2,342,283	2,342,283	0	(36,120)	(36,120)	0
Wells Capital	0	0	0	(1,145,350)	(1,145,350)	0
Neuberger Berman Credit	2,344,287	2,344,287	0	471,399	471,399	0
Seix	2,879,079	2,879,079	0	169,494	169,494	0
Grosvenor Silvery Lupine	11,144,932	5,081,351	6,063,581	(525,436)	(525,436)	0
Investec	1,315,750	1,315,750	0	57,281	57,281	0
Stone Harbor	994,747	994,747	0	(187,997)	(187,997)	0
State Street TIPS	164,679	164,679	0	685	685	0
Internal Fixed Income Portfolio	0	0	0	0	0	0
Cash & Cash Equivalents	\$1,051,417	\$1,051,417	\$0	\$435,689	\$435,689	\$0
JP Morgan Cash Composite	1,051,417	1,051,417	0	435,689	435,689	0

NOTES:

The State Treasurer's Office paid a lump sum payment in the 2nd quarter of FY18 (October-December) that covered calendar year 2016 and calendar year 2017 fees for SS All Cap.

SS All Cap fees reflect the quarterly fee accruals as they were incurred on a quarterly basis.

Current data is unavailable for Private Equity and Value-Added Real Estate Managers, PAAMCO, and Grosvenor SLF. Fees shown reflect estimated fees.

Fees are based on actual quarterly fees paid and were provided by Investment Managers and records of the Treasurer's Office.

Management fees are fees charged for the costs of running the investment. These include both fees paid via explicit invoice and fees paid directly out of the investment itself.

Fund of fund management fees shown include management fees for the fund of fund and underlying fund levels.

Incentive fees are fees that are dependent on the manager's performance over a given period. These fees are typically paid from a portion of investment profits.

INVESTMENT INCOME

As of June 30, 2018

	Total Investment Value	Current Market Value	Gross Dividends	Gross Interest	Funds Diverted for Fees & Other Expenses	Distributed Capital Gains	Net Income Distributed	SAP Participation and Pool A Realized Losses Held Over	Fiscal Year To Date Return	3 Year Return	5 Year Return
Permanent Wyoming Mineral Trust Fund	\$7,294,935,589	\$7,807,061,216	\$73,031,195	\$117,700,444	(\$10,945,655)	\$267,863,933	\$447,649,917	(\$6,257,118)	5.18%	4.80%	5.86%
Common School Permanent Land Fund	3,746,256,005	3,989,288,968	36,322,323	58,129,060	(5,042,059)	124,361,786	213,771,110	0	4.99%	4.91%	5.90%
- Common School	3,741,256,005	3,983,964,600	36,272,678	58,049,611	(5,035,131)	124,192,570	213,479,728	0			
- Common School II	5,000,000	5,324,368	49,644	79,449	(6,928)	169,216	291,382	0			
University Permanent Land Fund	20,453,262	23,206,526	218,588	302,630	(30,493)	800,873	1,291,597	(13,898)	6.15%	5.30%	6.23%
Remaining Permanent Land Funds:	185,448,070	198,047,815	1,746,915	2,964,382	(246,945)	6,360,499	10,824,851	0	5.07%	4.75%	5.75%
- Miner's Hospital Permanent Land Fund	66,062,981	70,551,443	627,091	1,064,126	(88,791)	2,279,684	3,882,110	0			
- Public Buildings @ Cap Permanent Land Fund	13,761,908	14,696,922	122,766	208,324	(17,190)	451,142	765,042	0			
- Fish Hatchery Permanent Land Fund	5,630,399	6,012,941	53,927	91,511	(7,651)	195,782	333,569	0			
- D.D. & B. Permanent Land Fund	4,386,108	4,684,109	42,071	71,391	(5,955)	153,108	260,614	0			
- Carey Act Permanent Land Fund	2,404,798	2,568,185	22,894	38,849	(3,244)	83,210	141,710	0			
- Omnibus Permanent Land Fund	57,328,489	61,223,511	541,456	918,810	(76,573)	1,970,390	3,354,083	0			
- State Hospital Permanent Land Fund	2,905,447	3,102,849	27,486	46,642	(3,881)	99,959	170,207	0			
- State Training School Permanent Land Fund	4,604,711	4,917,565	44,029	74,713	(6,233)	160,069	272,578	0			
- Penitentiary Permanent Land Fund	16,523,141	17,645,759	154,140	261,565	(21,742)	562,237	956,200	0			
- Agriculture College Permanent Land Fund	11,840,089	12,644,531	111,054	188,450	(15,685)	404,918	688,737	0			
Hathaway Scholarship Endowment Fund	552,564,524	582,413,022	5,629,219	9,595,725	(825,260)	17,505,857	31,905,540	(399,819)	4.42%	4.34%	5.20%
Higher Education Endowment Fund	114,147,274	120,117,913	1,171,128	1,968,449	(170,861)	3,563,168	6,531,885	(80,267)	4.27%	4.27%	5.16%
Workers' Compensation Fund	1,986,614,093	2,035,610,128	14,857,478	38,429,421	(2,897,387)	37,212,469	87,601,981	(2,046,822)	3.13%	3.47%	4.19%
Pool A	236,959,705	238,849,216	1,731,095	5,897,543	(278,065)	0	7,350,573	(731,912)	1.22%	2.28%	2.56%
- Public TV Fund	2,992,190	3,016,050	22,043	75,096	(3,542)	0	93,597	(7,821)			
- Wyoming Tobacco Settlement Fund	85,243,866	85,923,598	619,049	2,108,996	(99,483)	0	2,628,562	(341,917)			
- Wildlife Trust Fund	103,806,112	104,633,859	763,418	2,600,835	(122,724)	0	3,241,529	(269,631)			
- Wyoming Cultural Fund	15,030,622	15,150,476	110,519	376,518	(17,764)	0	469,272	(39,032)			
- Trust Fund (Game and Fish)	29,886,915	30,125,233	216,066	736,099	(34,553)	0	917,612	(73,511)			
State Agency Pool (SAP)	5,642,433,635	5,605,269,757	21,554,908	105,754,090	(5,496,825)	0	121,812,172	(35,458,533)	1.37%	2.05%	2.18%
TOTAL	\$19,779,812,157	\$20,599,864,561	\$156,262,848	\$340,741,744	(\$25,933,551)	\$457,668,585	\$928,739,625	(\$44,988,369)	3.99%	4.00%	4.68%

NOTES:

- The State Treasurer adopted an interpretative policy 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 gain 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.
- At the end of FY18 deferred losses were held over in the Pool A as well as the State Agency Pool (SAP). Since all funds participate in the SAP, all funds participate in the losses. Realized gains and losses will differ depending on if they are reported at the manager level or fund level until the S made whole.

PUBLIC PURPOSE INVESTMENTS

As of June 30, 2018

	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
<u>Permanent Mineral Trust Fund</u>					
Aeronautics Commission - Airport Loans (OSLI)	A	5.00%	\$10,000,000	\$2,717,695	\$143,529
Farm Loans (OSLI)	B	4% - 10%	* 275,000,000	21,106,159	706,429
Hot Springs State Park (OSLI)	C	6% - 12%	2,000,000	240,591	14,447
Hydro-Power Development Loans (OSLI)	D	4% -6%	10,000,000	0	0
Industrial Development Bonds (repealed July 1, 2016)	E	5.75%	0	0	0
IDB - Lost Creek				18,692,818	1,244,580
IDB - Uranerz				9,126,784	647,455
Irrigation Loans (OSLI)	F	4% -6%	* 20,000,000	378,726	21,506
Joint Powers Loans (OSLI)	G	5.83%	* 60,000,000	7,049,720	310,083
Reimbursement to Counties for Deferred Taxes	H	0.00%	2,000,000	0	0
Small Business Assistance & FmHA Ag Loans (statute repealed 2008)	I	5.00%	0	12,151	1,070
Water Development - Gillette Madison Pipeline Project	J	4.00%	44,328,358	44,328,358	0
			\$423,328,358	\$103,653,002	\$3,089,100
<u>Common School Permanent Land Fund</u>					
Drainage District Bonds	K	4.00%	0	24,000	0
Wyoming Real Estate-State Land Purchases	L	0.00%	87,693,794	18,335,738	0
			\$87,693,794	\$18,359,738	\$0
<u>State Agency Pool (Pooled Investments)</u>					
Time Deposit Open Account Banking Program	M	1.20%	* UNLIMITED	166,899,000	1,407,396
			\$511,022,152	\$288,911,740	\$4,496,496
<u>Sub-Total</u>					
<u>Other Wyoming Investments from Permanent Mineral Trust Fund</u>					
Basin Electric Power Bond	N	4.69%	0	20,300,000	1,029,690
<u>Appropriations</u>					
Large Project Fund - Accounted for on WOLFS (ending June 2019)	O	Set by SLJB	25,000,000	908,549	0
			\$536,022,152	\$310,120,289	\$5,526,186

* Average Interest Rates

PUBLIC PURPOSE INVESTMENTS

Notes & Statutory References

- (A) Aeronautics Commission, airport construction, development and improvement loans under W.S. 9-12-703;
- (B) Farm loans under W.S. 11-34-129;
- (C) Hot Springs State Park loans under W.S. 36-8-318;
- (D) Hydro-Power Development loans under W.S. 11-34-306(a);
- (E) Industrial Development Bonds, no investment in excess of \$100 million is to be made for any one project without specific legislative authority; expired June 30, 2017 unless extended under W.S. 9-4-715(m)(vii); repealed July 1, 2016;
- (F) Irrigation district loans under W.S. 11-34-302;
- (G) Joint Powers loans under W.S. 16-1-109;
- (H) Deferred Property Taxes under W.S. 9-4-715(j);
- (I) 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 Wyoming Session Laws;
- (J) Water Development - Gillette Madison Pipeline Project under 2009 Wyoming Session Laws, Chapter 103 (\$5,527,500), and 2010 Wyoming Session Laws, Chapter 115 (\$8,085,000), and 2011 Wyoming Session Laws, Chapter 61 (\$15,939,739) and (\$14,776,119). Interest on monies loaned does not begin to accrue until the Water Development Commission determines the project beneficial to the sponsor. Information provided by the Water Development Agency indicates that the benefits accrual date is estimated to occur before July 1, 2018;
- (K) Drainage District Bond Program under W.S. 41-6-201 through 202;
- (L) Wyoming Real Estate-State Land Purchases authorizes the investment of funds received from sale of state trust lands plus up to \$2 million 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 W.S. 9-4-715(k). In addition the State Loan and Investment Board may request that the State Treasurer invest up to \$4 million of the CSPLF. 2005 Wyoming Session Laws, Chapter 191, Section 60;
- (M) Time Deposit Open Account 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 is five percent (5%) of the State Agency Pool assets as of December 31 under W.S. 9-4-803;
- (N) Basin Electric Power Bond under W.S. 37-5-406;
- (O) Large Project Fund under 2014 Wyoming Session Laws, Chapter 46, 2016 Wyoming Session Laws, Chapter 41, and 2017 Wyoming Session Laws, Chapter 130.

INTERFUND LOANS

As of June 30, 2018

<u>Interfund Loans</u>	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
<u>Permanent Mineral Trust Fund</u>					
Capitol Building Rehabilitation and Restoration Account (project completion)	A	0.00%	UNLIMITED **	\$0	\$0
Unemployment Compensation Fund	B	0.00%	20,000,000	0	0
<u>Common School Permanent Land Fund</u>					
School Foundation Interfund Loan (FY17 interest rate changes to 0%)	C	0.00%	UNLIMITED **	0	625,000 *
<u>State Agency Pool (Pooled Investments)</u>					
General Fund Interfund Loan (ending June 2018)	D	0.00%	UNLIMITED **	0	0
Governor Fire Fighting Interfund Loan (ending June 2018)	E	SAP Rate of Rtn***	20,000,000	0	0
Group Health Insurance Loan (ending June 2018)	F	SAP Rate of Rtn***	24,599,000	0	0
Hathaway Scholarship Loan (ending June 2018)	G	SAP Rate of Rtn***	UNLIMITED **	0	0
WYDOT Interfund Loan (ending June 2018)	H	SAP Rate of Rtn***	100,000,000	0	0
WYDOT Interfund Loan (ending June 2018)	I	0.00%	82,000,000	15,000,000	0
		The greater of 2% or			
WYDOT Interfund Loan (effective 7-1-2018)	J	SAP Rate of Rtn***	200,000,000	0	0
<u>General Fund or Budget Reserve Account (Pooled Investments)</u>					
Any other fund or account to meet obligations	K	0.00%	60,000,000	0	0
Group Insurance Plan Coverage & Cost of Discontinuing Coverage	L	0.00%	60,000,000		
<u>Legislative Stabilization Reserve Account (Pooled Investments)</u>					
Facilities Construction	M	0.00%	4,300,000	0	0
Strategic Investment and Projects Account (SIPA) Construction	N	0.00%	150,000,000	0	0
<u>Severance Tax Account (Pooled Investments)</u>					
Budget Reserve Account (on June 30, 2018)	O	0.00%	104,550,000	0	0
<u>Risk Management Pool</u>					
Veterinary Biosafety Level III Laboratory	P	0.00%	UNLIMITED **	0	0
Total Interfund Loans			\$825,449,000	\$15,000,000	\$625,000

NOTES:

* Interest paid on the School Foundation Interfund Loan was residual income from FY17.

** Totals do not include figures for Unlimited Loans as this is unknown.

***The State Agency Pool (SAP) rate of return for FY18 was 2.17%

INTERFUND LOANS

Notes & Statutory References

Permanent Mineral Trust Fund

- (A) Capitol Building Rehabilitation and Restoration Account under 2014 Wyoming Session Laws, Chapter 40, Section 4(c) & 4(d);
- (B) Unemployment Compensation Fund under W.S. 27-3-303(d) & (e);

Common School Permanent Land Fund

- (C) School Foundation Loan under W.S. 21-13-316;

State Agency Pool (SAP) Pooled Investments

- (D) General Fund Loan under 2016 Wyoming Session Laws, Chapter 31, Section 301(a);
- (E) Governor Fighting Wild Land Fires Loan under 2016 Wyoming Session Laws, Chapter 31, Section 318(a);
- (F) Group Health Insurance Loan under 2016 Wyoming Session Laws, Chapter 31, Section 318(b);
- (G) Hathaway Scholarship Loan under 2016 Wyoming Session Laws, Chapter 31, Section 302;
- (H) WYDOT Loan under 2016 Wyoming Session Laws, Chapter 31, Section 301(b);
- (I) WYDOT Loan under 2016 Wyoming Session Laws, Chapter 31, Section 318(c);
- (J) WYDOT Loan under W.S. 9-1-418;

General Fund or Budget Reserve Account

- (K) Any other fund or account can borrow under W.S. 9-1-417;
- (L) Group Insurance Plan Coverage to School Districts under W.S. 9-3-205(e);

Legislative Stabilization Reserve Account (LSRA)

- (M) Facilities Construction under 2017 Wyoming Session Laws, Chapter 78, Section 1(e);
- (N) Strategic Investment and Projects Account (SIPA) under 2016 Wyoming Session Laws, Chapter 97, Section 9;

Severance Tax Account in SAP

- (O) Budget Reserve Account (BRA) under 2016 Wyoming Session Laws, Chapter 31, Section 322;

Risk Management Pool Appropriation

- (P) Veterinary Biosafety Level III Laboratory under 2016 Wyoming Session Laws, Chapter 97, Section 5.

INTERFUND LOAN

School Foundation Program

For several years the state issued Tax and Revenue Anticipation Notes (TRANs), as authorized by Wyoming State Statute 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. The State of Wyoming has not issued any TRANs for almost 10 years. Currently, the School Foundation Program payments are made by a temporary interfund loan from the corpus of the Common School Permanent Land Fund (CSPLF) at 0% interest as allowed by Wyoming State Statute 21-13-316.

The main reason for the lack of liquidity to make the scheduled School Foundation Program payments was due to the timing of the receipt of revenues, primarily from federal mineral royalties and ad valorem taxes.

A cash flow analysis spreadsheet, on the following page, shows the schedule of actual revenue receipts during FY18, the schedule of statutory School Foundation Fund payments and the incorporation of the interfund loan from and repayment to the CSPLF for FY18.

Liquidity needs were built into the State's Investment Asset Allocation Plan for the CSPLF for FY18. To ensure liquidity needs are met, an interfund loan will again be used to fund the cash flow for the School Foundation Program during FY19.

Interest payments from the School Foundation Program for this interfund loan totaled \$625,000 for FY18. This was residual income from FY17. Fiscal Year 2017 was the first year since the inception of the loan that the balance was not paid back prior to the end of the fiscal year.

Historical School Foundation				
FY	Date Borrowed	Date Paid Back	Amount Borrowed	Interest Paid
2018	5/10/2018	6/2018	\$50,000,000	\$625,000
2017	7/29/2016	7/2017	375,000,000	15,133,334
2016	9/1/2015	6/2016	220,000,000	10,693,333
2015	11/1/2014	6/2015	225,000,000	7,100,000
2014	10/1/2013	6/2014	50,000,000	1,547,500
2013	11/1/2012	6/2013	160,000,000	5,147,500
2012	11/1/2011	6/2012	155,000,000	3,947,500
2011	11/1/2010	6/2011	365,000,000	10,402,500
2010	10/1/2009	5/2010	378,000,000	4,460,000
2009	11/1/2008	3/2009	25,000,000	125,000
2008	10/1/2007	6/2008	369,500,000	4,565,834
Source: WDE payment and cash flow records.				

WYOMING DEPARTMENT OF EDUCATION

School Foundation Account - with CSPLF Borrowing Cash Flow

As of June 30, 2018

	1st QTR	2nd QTR	3rd QTR	4th QTR	FY 2018 Totals	LSO & CREG Estimates Jan 2018 CREG LSO Fiscal Profile
Beginning Balance	\$263,548,966	\$280,056,774	\$175,581,992	\$37,637,438	\$263,548,966	\$263,548,966
Revenues and Transfers						
Education Program Revenue	\$15,835,134	\$118,391,865	\$53,315,876	\$110,532,426	\$298,075,300	\$299,814,453
Federal Mineral Royalties - under \$200M	22,176,000	22,176,000	22,176,000	22,176,000	88,704,000	0
Federal Mineral Royalties - over \$200M	26,094,748	0	10,660,573	79,560,156	116,315,477	205,180,080
6404-State Treasurer ¹	20,292,898	0	37,161,359	4,474,451	61,928,707	207,600,000
6404-State Treasurer ⁵	570,874,463	0	0	0	570,874,463	570,874,463
2299-Net Undistributed Capital Gain(Loss)	(41,723)	598,376	(111,362)	(302,686)	142,605	0
CSPLF Borrowing	(375,000,000)	0	0	0	(375,000,000)	0
Total Revenues and Transfers	\$280,231,520	\$141,166,241	\$123,202,446	\$216,440,347	\$761,040,553	\$1,283,468,997
Expenditures by Agency						
School Foundation Program (205)	(\$258,809,022)	(\$240,688,771)	(\$258,256,429)	(\$133,386,989)	(\$891,141,210)	(\$15,914,789)
Borrowing Cost payable to CSPLF	(625,000)	0	0	0	(625,000)	(50,000,000)
Department of Education (005 206)	(471,130)	(1,101,003)	(524,415)	(664,467)	(2,761,016)	(510,667)
State Treasurer (004)	0	0	0	0	0	0
Capital Facilities Bond Debt Service (FMR) ²	0	(552,400)	1,105,500	0	553,100	0
Auto. Appropriation to CSPLF Reserve ³	0	0	0	0	0	0
Transfer to School Capital Construction ⁴	0	0	0	0	0	0
Military Department (007)	(924,842)	(971,458)	(1,077,746)	(1,026,931)	(4,000,977)	0
Attorney General (015)	(130,069)	(121,480)	(121,911)	(129,916)	(503,376)	0
State Parks & Cultural Resources (024)	0	0	0	0	0	0
School Facilities Department (027)	0	0	0	0	0	0
Department of Workforce Services (053)	0	0	0	0	0	0
Community College (057)	(823,157)	(276,050)	(108,868)	(214,402)	(1,422,477)	0
State Lands and Investments (060)	(41,901)	(57,486)	(61,670)	(26,956)	(188,013)	0
Enterprise Technology Services (077)	(1,884,765)	(1,619,024)	(1,895,027)	(1,621,915)	(7,021,331)	0
Legislative Service Office (201)	(10,975)	(256,756)	(205,675)	0	(473,405)	0
Vouchers Payable	763	(241)	(294)	4,638	4,867	0
Accounts Payable	(6,750)	6,780	135	12,247	12,412	0
Deferred Compensation Withheld	3,135	0	0	0	3,135	0
Total Expenditures	(\$263,723,712)	(\$245,637,888)	(\$261,147,000)	(\$137,054,690)	(\$907,563,290)	(\$66,425,456)
Ending Balance	\$280,056,774	\$175,585,127	\$37,637,438	\$117,023,095	\$117,026,230	\$1,480,592,507
CSPLF Loan Balance				\$50,000,000	\$0	\$0

NOTES:
1. W.S. 21-13-301 - Transfer from Common School Income Fund
2. W.S. 9-4-605 - FMR Divert/Repay Cap Fac Bond Debt Service
3. W.S. 9-4-719 - Common School Spending Policy Transfer to Common School Reserve
4. W.S. 21-13-306(c) - Transfer from SPPA to Cap Con
5. 2014 Wyo. Sess. Laws Section 300(k)(iii) - Transfer from PLFHA to SPPA

APPROVED DEPOSITORIES

The Board of Deposits (Board) approves those Wyoming banks and savings institutions that have applied for and are qualified to be an eligible state depositories for the purpose of placing public funds. On April 12, 2018 the Board added an additional institution as an approved depository. Below is an inclusive listing of all 42 approved depositories as of June 30, 2018. Each institution will remain on the list until its authority is revoked by the Board.

FY18 Approved Depository List

ANB	FirstTier Bank
Bank of Bridger	Glacier Bank
Bank of Commerce	Hilltop National Bank
Bank of Jackson Hole	Jonah Bank of Wyoming
Bank of Star Valley	Lusk State Bank
Bank of the West	Pinnacle Bank
Banner Capital Bank	Platte Valley Bank
Big Horn Federal Savings Bank	Points West Community Bank
Buffalo Federal Bank	Rawlins National Bank
Central Bank and Trust	Rocky Mountain Bank
Cheyenne State Bank	Rolling Hills Bank & Trust
Commerce Bank of Wyoming	Security State Bank
Converse County Bank	State Bank
Cowboy State Bank	Summit National Bank
Farmers State Bank	Sundance State Bank
First Federal Bank & Trust	Uinta Bank
First Interstate Bank	US Bank
First National Bank of Gillette	Wells Fargo Bank
First Northern Bank of Wyoming	Western States Bank
First State Bank of Newcastle	Wyoming Bank & Trust
First Western Trust Bank	Wyoming Community Bank

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 bank and its 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.

TIME DEPOSIT OPEN ACCOUNT (TDOA)

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 rates for the four quarters of FY18 were set at 0.89%, 1.13%, 1.24% and 1.55%. Therefore, the annualized TDOA rate for FY18 was actually 1.20%.

TDOA income received in FY18 was \$1,407,396.

Only 26 of the 42 approved depositories had TDOA funds as of June 30, 2018.

TDOA Deposits in Wyoming Banks as of June 30, 2018 Totaled \$166,899,000

ANB	15,900,000	FirsTier Bank	6,000,000
Bank of Bridger	5,600,000	Glacier Bank	2,000,000
Bank of Jackson Hole	29,600,000	Jonah Bank of Wyoming	250,000
Banner Capital Bank	1,400,000	Pinnacle Bank	22,700,000
Big Horn Federal Savings Bank	2,000,000	Platte Valley Bank	14,200,000
Buffalo Federal Bank	4,300,000	Points West Community Bank	3,200,000
Central Bank and Trust	2,650,000	Rocky Mountain Bank	5,000,000
Cheyenne State Bank	1,200,000	Rolling Hills Bank & Trust	200,000
Commerce Bank of Wyoming	6,400,000	Summit National Bank	500,000
Farmers State Bank	249,000	Uinta Bank	3,000,000
First Federal Bank & Trust	9,200,000	Western States Bank	7,400,000
First National Bank of Gillette	5,400,000	Wyoming Bank & Trust	250,000
First Northern Bank of Wyoming	14,700,000	Wyoming Community Bank	3,600,000

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.

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 has positioned the WYO-STAR portfolio defensively. With liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on 24 hours' notice.

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

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.

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 RVK.

As of June 30, 2018, there were 177 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2018, was \$666,028,700.

Participants earned \$8,525,533 in FY18.

WYO-STAR yields realized in FY18 are as follows:

07/17	0.951 %	01/18	1.168%
08/17	0.993 %	02/18	1.349%
09/17	1.013 %	03/18	1.306%
10/17	1.016%	04/18	1.570%
11/17	1.062%	05/18	1.657%
12/17	0.800%	06/18	1.545%

The annualized yield for FY18 was 1.203%.

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

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

**SPENDING POLICIES
&
RESERVE ACCOUNTS**

SPENDING POLICY for FY18

PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)

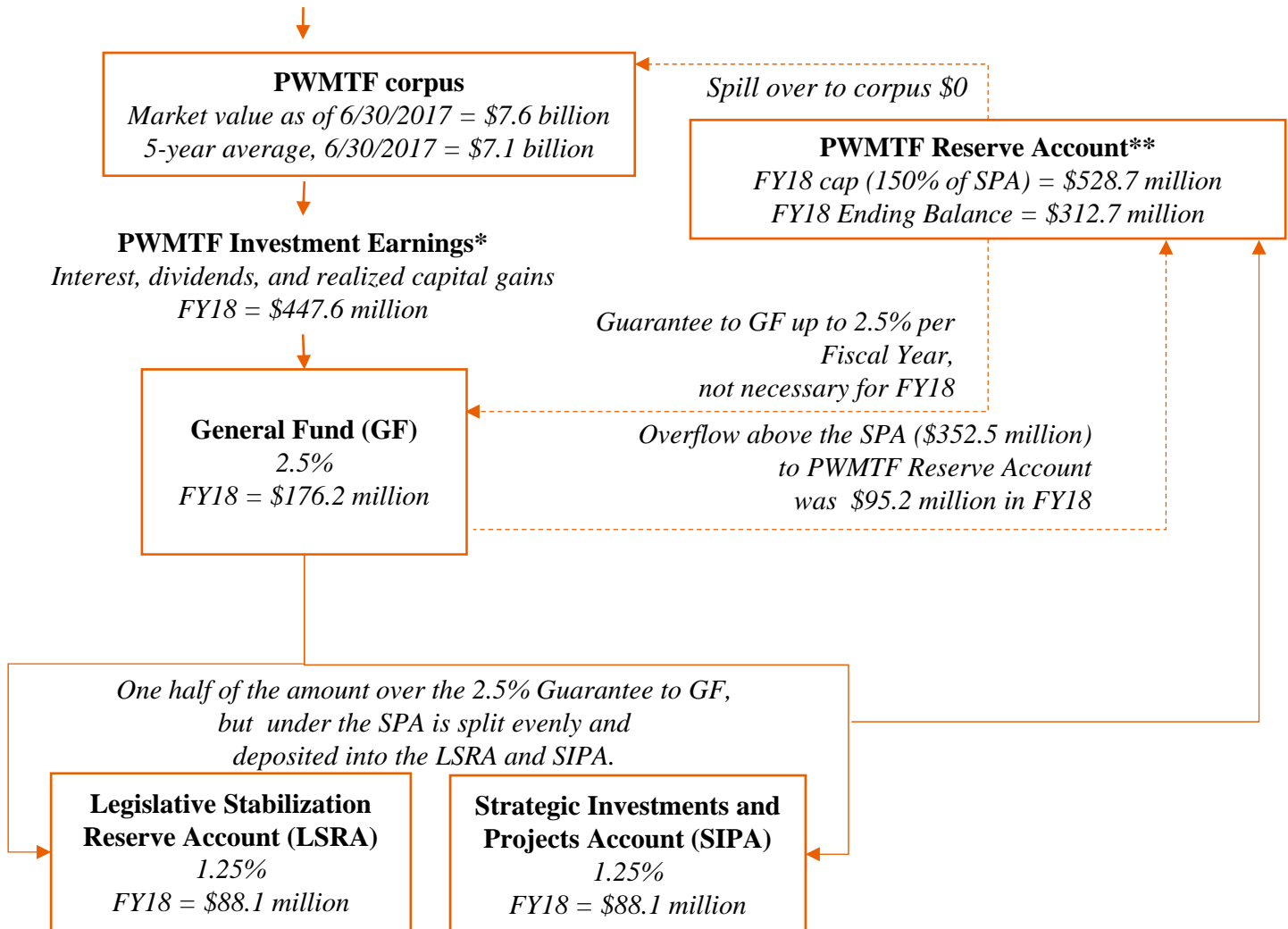
W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY18 is 5% of the 5-year average market value of the PWMTF corpus.* Wyoming State Statute 9-4-719(a) outlines the purpose of the spending policy as:

(a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:

- (i) Consistent, sustainable flow of earnings for expenditure over time;
- (ii) Protection of the corpus of the permanent funds against inflation; and
- (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.

Severance Taxes



Notes:

* For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

**Excess over 150% of the SPA in the PWMTF Reserve Account goes back to the PWMTF corpus.

PWMTF Reserve Account had out flows of \$7.5 million and \$40.8 million per 2018 Wyoming Session Law, Chapter 136, Section 4 and 2018 Wyoming Session Law, Chapter 134, Section 300 (g), respectively.

SPENDING POLICY for FY18

COMMON SCHOOL PERMANENT LAND FUND (CSPLF)

W.S. 9-4-719

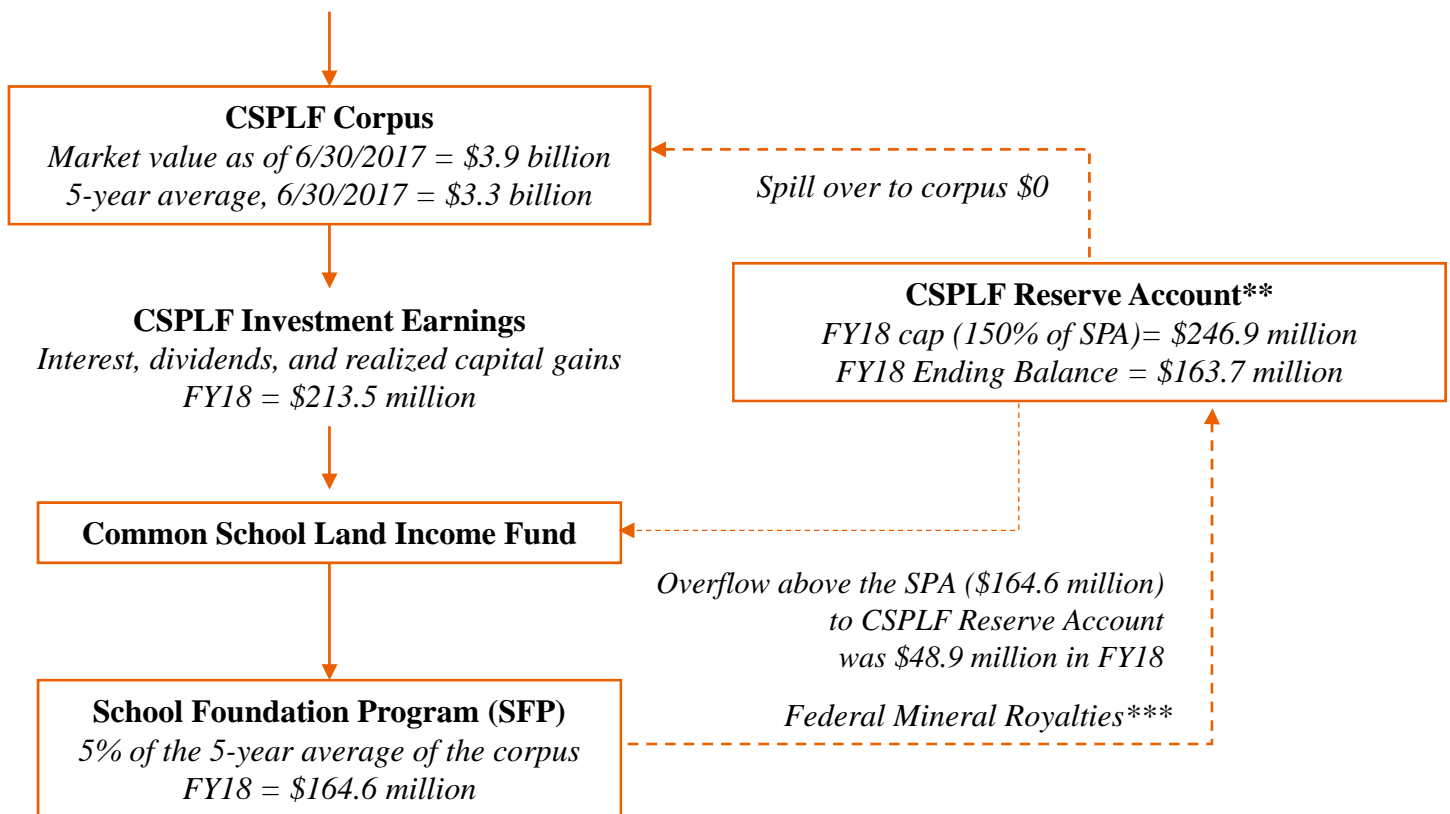
The **Spending Policy Amount (SPA)** for FY18 is 5% of the five-year average of the value of the corpus.*

Wyoming State Statute 9-4-719(a) outlines the purpose of the spending policy as:

(a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:

- (i) Consistent, sustainable flow of earnings for expenditure over time;
- (ii) Protection of the corpus of the permanent funds against inflation; and
- (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.

Sale of school lands, 2/3 of production and sale of state mineral royalties, easements, surface damage payments, etc.



Notes:

* For future years, the SPA will change as follows: FY2020 = 5%, FY2021 = 4.75%, FY2022 = 4.5%

**The SPA is “guaranteed” from the CSPLF Reserve Account to the Common School Land Income Fund. The excess within the CSPLF Reserve Account over 150% of the SPA is directed to the CSPLF corpus (automatic appropriation).

***There is an automatic appropriation to the CSPLF Reserve Account for amounts exceeding \$200 million that would otherwise be deposited in the SFP.

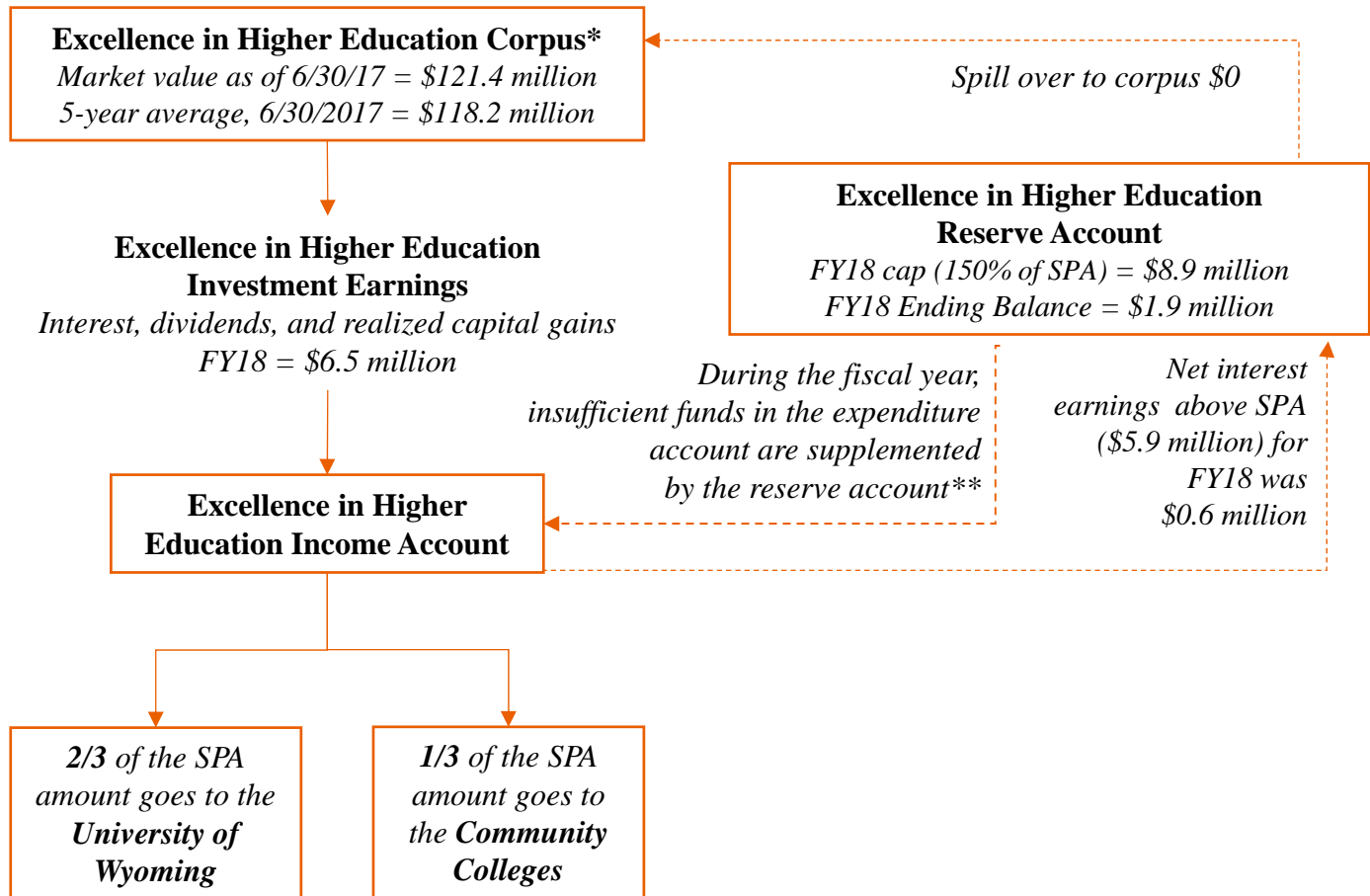
SPENDING POLICY for FY18

EXCELLENCE in HIGHER EDUCATION ENDOWMENT PROGRAM

W.S. 9-4-719

The **Spending Policy Amount (SPA)** for FY18 is 5% of the 5-year average market value of the Excellence in Higher Education corpus. Wyoming State Statute 9-4-719(a) outlines the purpose of the spending policy as:

- (a) The purpose of this section is to establish a spending policy for earnings on permanent fund investments to provide, in descending order of importance:
- (i) Consistent, sustainable flow of earnings for expenditure over time;
 - (ii) Protection of the corpus of the permanent funds against inflation; and
 - (iii) To the extent practicable, increases in earnings available for expenditure to offset the effects of inflation.



Notes:

*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account was deposited in the Excellence in Higher Education fund (corpus) until the maximum of \$105 million was achieved. It was fully funded in FY2008.

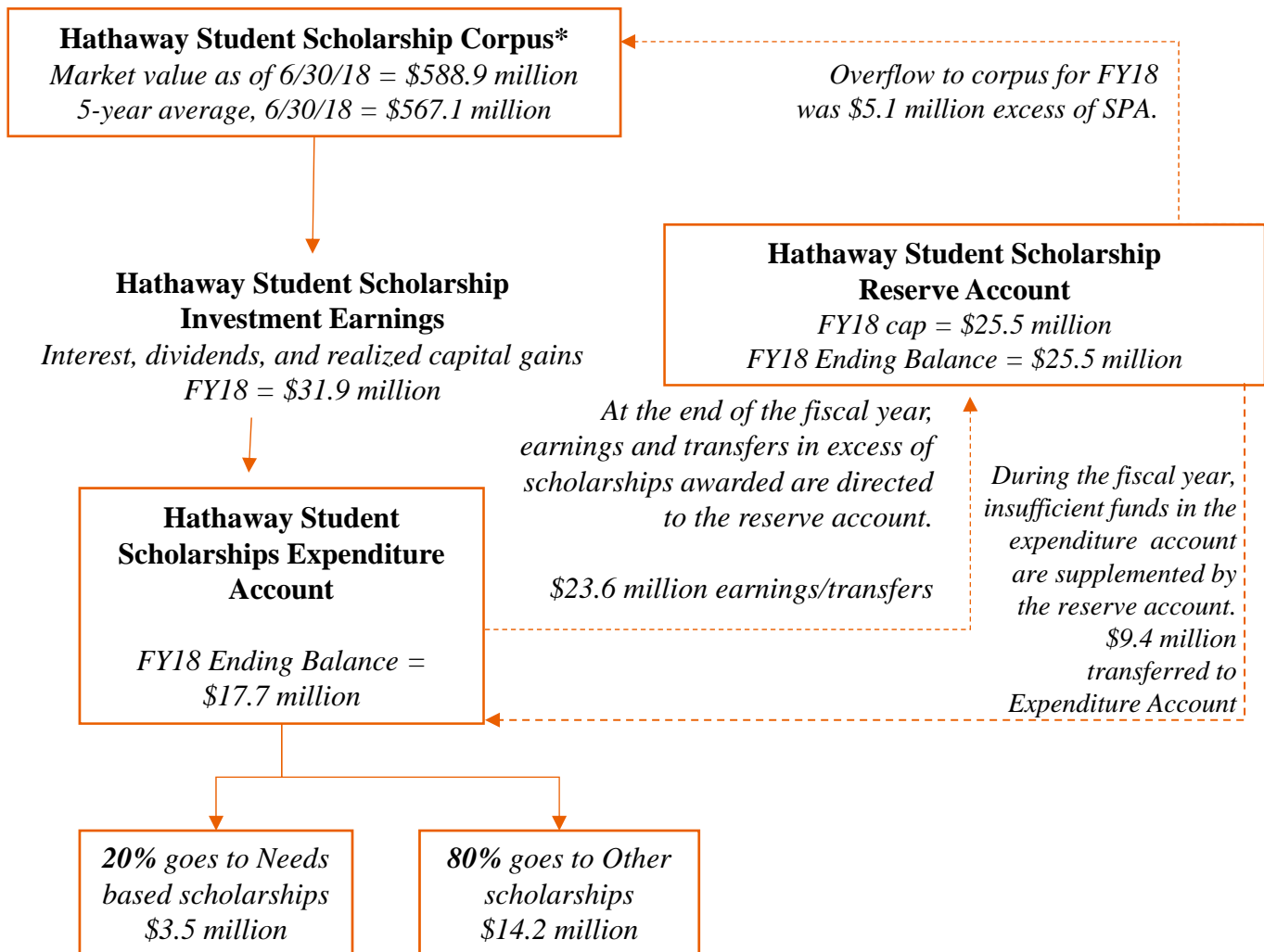
** Pursuant to W.S. 9-4-719(n) the supplement for insufficient funds from the Excellence in Higher Education Reserve Account is limited to one-half of the difference between the investment income earned and the SPA.

SPENDING POLICY for FY18

HATHAWAY STUDENT SSHOLARSHIP ENDOWMENT PROGRAM

W.S. 21-16-1302

The **Spending Policy Amount (SPA)** for this account is established at the amount necessary to fund scholarships for Wyoming students to attend the University of Wyoming and community colleges, if students meet legislatively established criteria, pursuant to Wyoming State Statute 21-16-1303 through 1306.



Notes:

*A portion of the federal mineral royalties over the \$200 million cap that would have been deposited in the School Foundation Program Account was deposited in the Hathaway Student Scholarship fund (corpus) until the maximum of \$400 million was achieved. It was fully funded in FY07. Pursuant to 2008 Session Laws, Chapter 48, Section 3, Section 027, Footnote 2, an additional \$50 million was appropriated from the federal coal lease bonus sales to the Hathaway Student Scholarship fund (corpus).

DISTRIBUTIONS

DISTRIBUTIONS TO COUNTIES **Quarterly Distributions** **As of June 30, 2018**

Counties	Railroad Car Tax W.S. 39-13-104	Veterans Exemption W.S. 39-13-105	US Forest Reserve W.S. 39-4-501	Taylor Grazing Act W.S. 9-4-401	Severance Tax Distribution W.S. 39-14-711	Livestock Predatory Animal Control Fees W.S. 11-6-210	Fines & Penalties W.S. 8-1-109	Native American Exemption W.S. 31-3-101	Lottery Funds W.S. 9-17-111	Total
Albany	\$134,316	\$239,379	\$317,299	\$42,929	\$368,120	\$51,097	\$52,148	\$0	\$15,416	\$1,220,705
Big Horn	46,384	114,109	324,990	25,967	151,638	29,725	33,063	0	10,104	735,978
Campbell	185,802	230,042	0	41,708	444,497	81,129	79,416	0	82,543	1,145,138
Carbon	113,424	118,760	382,288	60,723	166,655	92,542	176,621	0	15,045	1,126,059
Converse	204,045	118,082	48,999	27,058	139,538	57,395	38,473	0	30,908	664,498
Crook	20,764	81,091	139,697	17,039	113,639	57,219	10,376	0	17,921	457,746
Fremont	30,935	372,762	714,894	35,482	397,668	67,397	99,722	299,626	63,108	2,081,594
Goshen	107,400	160,313	0	3,993	169,319	46,962	19,031	0	21,727	528,745
Hot Springs	18,574	71,807	25,129	20,124	110,796	14,306	17,673	4,768	6,264	289,441
Johnson	0	120,593	224,119	59,809	101,168	63,583	17,293	0	18,500	605,065
Laramie	202,518	1,572,752	0	20,014	887,295	15,217	139,170	0	161,014	2,997,980
Lincoln	60,186	120,943	632,957	12,157	185,562	43,964	45,652	0	39,704	1,141,124
Natrona	51,908	575,819	3,375	114,070	730,750	48,217	121,199	0	62,817	1,708,156
Niobrara	67,830	26,959	0	19,646	105,011	48,444	5,949	0	5,228	279,067
Park	29,166	354,545	761,092	23,693	283,882	28,042	46,060	0	42,263	1,568,744
Platte	72,273	136,349	829	13,714	122,947	13,886	12,451	0	19,103	391,553
Sheridan	64,625	387,867	184,599	4,984	299,551	44,850	41,829	0	46,425	1,074,730
Sublette	0	65,624	627,048	13,841	102,341	11,972	18,880	0	31,188	870,895
Sweetwater	219,143	305,254	52,671	57,617	424,044	18,844	110,293	0	55,129	1,242,994
Teton	0	48,841	299,223	262	210,037	0	35,092	0	49,442	642,896
Uinta	98,841	158,856	32,805	13,254	224,340	52,104	32,939	0	176,050	789,189
Washakie	17,040	88,628	26,204	23,586	146,461	30,080	23,839	0	9,859	365,696
Weston	71,686	84,429	5,091	29,308	128,743	31,758	10,575	0	12,363	373,953
Grand Total	\$1,816,860	\$5,553,805	\$4,803,309	\$680,978	\$6,014,000	\$948,734	\$1,187,744	\$304,394	\$992,121	\$22,301,946

DISTRIBUTIONS TO CITIES & TOWNS
Quarterly Distributions
As of June 30, 2018

City/Town	Severance Tax W.S. 39-14-211	Federal Mineral Royalty W.S. 9-4-601	Lottery Funds W.S. 9-17-111	Total
Afton	\$71,125	\$144,636	\$8,530	\$224,292
Albin	6,719	20,073	952	27,744
Alpine	30,737	71,022	3,686	105,445
Baggs	16,334	29,829	3,082	49,245
Bairoil	3,935	16,460	809	21,203
Bar Nunn	82,150	97,047	12,282	191,479
Basin	47,701	94,893	3,084	145,678
Bear River	19,266	40,559	18,964	78,789
Big Piney	20,862	61,163	2,665	84,690
Buffalo	170,203	237,323	22,795	430,321
Burlington	10,691	29,906	691	41,288
Burns	11,174	25,425	1,583	38,182
Byron	22,013	51,869	1,423	75,305
Casper	2,053,459	2,065,925	306,999	4,426,383
Cheyenne	2,214,567	2,675,508	313,758	5,203,833
Chugwater	7,870	21,245	1,186	30,301
Clearmont	5,234	18,062	661	23,957
Cody	353,398	446,687	33,459	833,545
Cokeville	19,860	51,198	2,382	73,440
Cowley	24,315	55,724	1,572	81,610
Dayton	28,175	47,576	3,556	79,307
Deaver	6,608	23,067	427	30,102
Diamondville	27,359	64,865	3,281	95,505
Dixon	3,601	15,269	679	19,549
Douglas	226,962	311,285	40,213	578,461
Dubois	36,453	73,655	3,192	113,300
East Thermopolis	9,429	21,075	1,092	31,595
Edgerton	7,239	19,230	1,082	27,551
Elk Mountain	7,090	18,437	1,338	26,865
Encampment	16,705	30,166	3,152	50,023
Evanston	459,826	625,010	452,622	1,537,459
Evansville	94,103	108,985	14,069	217,157
Fort Laramie	8,538	21,463	917	30,918
Frannie	5,828	21,442	398	27,668
Gillette	1,106,931	1,584,413	169,655	2,860,999
Glendo	7,610	20,940	1,147	29,697
Glenrock	95,700	139,893	16,954	252,547
Granger	5,160	17,848	1,061	24,069
Green River	464,578	541,540	95,493	1,101,610
Greybull	68,564	129,835	4,433	202,831
Guernsey	42,579	65,018	6,418	114,014
Hanna	31,219	43,344	5,890	80,454
Hartville	2,302	14,704	347	17,352
Hudson	17,113	42,535	1,499	61,147
Hulett	14,180	41,299	1,703	57,182
Jackson	356,405	519,831	40,622	916,857
Kaycee	9,763	24,753	1,308	35,823
Kemmerer	98,595	194,704	11,825	305,124
Kirby	3,415	15,287	396	19,098
La Barge	20,454	52,281	2,453	75,188
La Grange	16,631	33,432	1,786	51,849

(Continued on Next Page)

DISTRIBUTIONS TO CITIES & TOWNS

Quarterly Distributions

As of June 30, 2018

City/Town	Severance Tax W.S. 39-14-211	Federal Mineral Royalty W.S. 9-4-601	Lottery Funds W.S. 9-17-111	Total
Lander	282,013	466,979	24,695	773,688
Laramie	1,143,904	723,995	90,672	1,958,571
Lingle	17,373	34,254	1,866	53,494
Lost Springs	148	12,194	26	12,369
Lovell	87,607	161,730	5,664	255,001
Lusk	58,170	165,778	10,152	234,099
Lyman	78,104	118,614	76,880	273,598
Manderson	4,232	19,088	274	23,593
Manville	3,527	21,141	615	25,283
Marbleton	40,166	103,876	5,131	149,173
Medicine Bow	10,543	21,572	1,989	34,103
Meeteetse	12,139	29,828	1,149	43,116
Midwest	14,997	29,978	2,242	47,218
Mills	128,701	143,501	19,240	291,442
Moorcroft	37,456	84,420	4,498	126,374
Mountain View	47,887	78,527	47,137	173,551
Newcastle	131,151	164,483	16,962	312,596
Opal	3,564	18,495	427	22,486
Pavillion	8,649	25,917	757	35,324
Pine Bluffs	41,910	65,355	5,938	113,203
Pine Haven	18,190	48,712	2,184	69,086
Pinedale	75,208	181,417	9,607	266,233
Powell	234,386	301,310	22,191	557,888
Ranchester	31,813	51,782	4,015	87,610
Rawlins	343,709	327,055	64,851	735,615
Riverside	1,930	13,753	364	16,047
Riverton	400,654	658,166	35,065	1,093,885
Rock River	9,095	17,637	721	27,453
Rock Springs	855,135	984,187	175,771	2,015,093
Rolling Hills	16,259	36,226	2,881	55,366
Saratoga	62,736	71,958	11,837	146,530
Sheridan	647,773	763,945	81,751	1,493,469
Shoshoni	24,092	53,765	2,110	79,966
Sinclair	16,074	29,593	3,033	48,700
Superior	12,399	29,073	2,549	44,021
Star Valley Ranch	55,794	116,693	6,692	179,178
Sundance	43,878	96,322	5,269	145,470
Ten Sleep	9,652	24,273	920	34,844
Thayne	13,587	39,763	1,629	54,979
Thermopolis	111,699	122,501	12,936	247,136
Torrington	241,328	282,464	25,922	549,714
Upton	40,834	61,542	5,281	107,657
Van Tassell	557	13,443	97	14,097
Wamsutter	16,742	33,975	3,441	54,158
Wheatland	134,640	173,164	20,295	328,099
Worland	203,687	273,998	19,417	497,102
Wright	67,079	110,110	10,281	187,470
Yoder	5,605	18,212	602	24,420
GRAND TOTAL	\$14,337,500	\$18,562,500	\$2,477,598	\$35,377,598

FEDERAL MINERAL ROYALTY DISTRIBUTIONS

	UNDER \$200 MILLION %	DISTRIBUTIONS MADE IN FY18	OVER \$200 & OVER \$500 MILLION DISTRIBUTION FY18	TOTAL FY18 ROYALTY MONEY DISTRIBUTED
Mineral Royalty:				
Cities & Towns	9.375%	\$18,562,500	\$0	\$18,562,500
University Of Wyoming	6.750%	13,365,000	0	13,365,000
School Foundation Fund	44.800%	88,704,000	115,672,223	204,376,223
Highway Fund-redirect to the General Fund	30.375%	60,142,500	0	60,142,500
Highway Fund State Roads	2.250%	4,455,000	0	4,455,000
Cities, Counties & Special Districts Capital Const.	3.750%	7,425,000	0	7,425,000
School Districts - Grants	2.700%	5,346,000	0	5,346,000
1% General Fund		2,000,000	0	2,000,000
UW Bond Coverage		0	0	0
Budget Reserve Account			231,275,057	231,275,057
TOTAL	100.00%	\$200,000,000	\$346,947,280	\$546,947,280
Coal Lease Bonus:				
Cities, Counties & Special Districts Capital Const.		\$0	\$0	\$0
School Capital Construction	37.50%	0	0	0
Community College Commission	40.00%	0	0	0
Highway Funds	10.00%	0	0	0
	12.50%	0	0	0
TOTAL	100.00%	\$0	\$0	\$0
FY18 GRAND TOTAL DISTRIBUTIONS		\$200,000,000	\$346,947,280	\$546,947,280
FY18 GRAND TOTAL COLLECTIONS				\$546,947,280

NOTES:

- The "over \$200 and over \$500 million FY18" distribution was completed October 2018.
- Mineral Royalties are distributed quarterly to Cities & Towns and State Agencies, but monthly to the School Foundation Program.
- In October 2017 the State received a payment in the amount of \$5,309,756 for return of sequestration. As of June 30, 2018 there were no more Coal Lease Bonus deposits.

CAPITAL FACILITIES REVENUE BONDS

Wyoming State Statute 9-4-605 authorizes the State Loan and Investment Board to borrow up to \$105 million through the issuance of revenue bonds for capital construction purposes. Funds for the payment of principal and interest on these bonds is restricted to the federal mineral royalties distributed to the School Foundation Program or to the Highway Construction Funds.

SERIES	AMOUNT ISSUED	INTEREST RANGE %	BONDS OUTSTANDING JULY 1, 2017	PRINCIPAL PAYMENTS FY18	YEAR OF MATURITY	BALANCE JUNE 30, 2018
1992	\$28,750,000	3.0-6.25	\$6,390,000	\$1,745,000	2020	\$4,645,000
2012	\$16,905,000	0.5-2.0	\$15,085,000	\$900,000	2024	\$14,185,000
				Total Outstanding Revenue Bonds		<u>\$18,830,000</u>

Future minimum payments for revenue bonds are as follows:

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST
2019	\$2,745,000	\$723,444
2020	\$2,860,000	\$591,594
2021	\$2,685,000	\$456,194
2022	\$2,810,000	\$338,900
2023	\$2,925,000	\$224,200
2024-2025	\$4,805,000	\$118,350

BOND GUARANTEE AND BOND SUPPLEMENTAL COVERAGE PROGRAMS

The Wyoming State Legislature established a bond guarantee program for school districts during the 1994 legislative session and they established a bond supplemental coverage program for the University of Wyoming bonds during the 2011 legislative session as described on the following page.

School District Bond Guarantee Program

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

The State Treasurer is authorized to pledge up to \$300 million from the Common School Permanent Land Fund to guarantee the school district bonds. The program is intended to benefit school districts by guaranteeing payment of bonded indebtedness of creditworthy districts by reducing the interest rate at which the bonds may be issued.

If a district fails to deposit sufficient debt service monies with the State Treasurer, funds will be advanced from the Common School Permanent Land Fund. Repayment to the Common School Permanent Land Fund will be made from the district's next payments from the School Capital Construction account and the School Foundation Fund.

As of June 30, 2018, the State Loan and Investment Board approved guaranteeing school district bonds issues with original amounts totaling \$169,639,000. Of these, 28 issues have now been called or paid off completely and \$810,000 is still outstanding.

University of Wyoming Revenue Bond Supplemental Coverage Program

Wyoming State Statute 9-4-1003 authorizes the State Loan and Investment Board to provide supplemental coverage for repayment of revenue bonds issued by the University of Wyoming (University) under Wyoming State Statutes 21-17-402 through 21-17-450 on or before November 1, 2015, only. This program is intended to benefit the University by reducing the interest rate at which the bonds may be issued.

University of Wyoming Revenue Bond Supplemental Coverage Program (cont.)

If the University fails to deposit sufficient debt service monies with the State Treasurer within a certain time period, funds necessary to make the revenue bond payments will be advanced from Federal Mineral Royalty revenue received in excess of \$200 million which would otherwise be distributed to the Budget Reserve account. Repayment to the Budget Reserve account is to be made from the University's general fund.

As of June 30, 2011, the State Loan and Investment Board had approved supplemental coverage for one bond issued by the University for facility improvements and for refunding revenue bonds in the amount of \$16,740,000. As of October 26, 2016, the 2011A Bond was defeased through an advance refunding. The 2011B Bond remains with an outstanding amount of \$4,910,000 as of June 30, 2018.

As of June 30, 2012, the State Loan and Investment Board approved another supplemental coverage for one bond issued by the University for facility improvements and for refunding revenue bonds in the amount of \$39,655,000. Of this amount, \$30,905,000 remains outstanding as of June 30, 2018.

ENDOWMENT CHALLENGE FUND MATCHING PROGRAMS

There were five endowment challenge fund matching programs administered by the State Treasurer's Office as of June 30, 2018, involving 33 eligible institutions.

These matching programs are incentive based to encourage donations to the institutions. When the institution receives a pledge of an endowment gift it submits a commitment form to the State Treasurer's Office to encumber funds within the endowment fund. When the institution collects on the pledge or receives a qualifying contribution, it submits a request to the State Treasurer's Office for a distribution of matching funds from the endowment fund associated with that institution.

Upon receiving the match, the institution transfers the gift and match to its foundation, where it is invested and held inviolate. Only the earnings may be spent for the purposes of the endowment specified, with the exception of the University of Wyoming's Athletic program and Academic Facilities program. The University of Wyoming programs may spend all of the funds for the costs of establishing new or renovating existing university facilities as approved by the university president and the board of trustees.

The initial appropriation to an endowment challenge fund matching program occurred in fiscal year 2001. The Wyoming State Legislature has appropriated matching funds totaling \$278.4 million as of June 30, 2018.

The following is a list of the endowment challenge fund matching programs authorized by the state statutes as of June 30, 2018 that are to be administered by the State Treasurer:

- The University of Wyoming (UW) Endowment Challenge Program
W.S. 21-16-901 through 21-16-904 established in fiscal year 2001
- The University Athletics Challenge Account
W.S. 21-16-1001 through 21-16-003 established in fiscal year 2004
- The University Academic Facilities Challenge Account
W.S. 21-16-1401 through 21-16-1403 established in fiscal year 2006
- The Community College Challenge Programs, seven (7) in total
W.S. 21-16-1101 through 21-16-1104 established in fiscal year 2004
- The Wyoming Public Library Endowment Challenge Program, twenty-three (23) in total
W.S. 18-7-201 through 18-7-205 established in fiscal year 2009

The community college challenge program has a statutory provision (W.S. 21-16-1004(f)(ii)(iv)) that allows colleges to enter into an agreement permitting one college to encumber and collect funds in excess of the amount within their challenge account by using unencumbered funds from another college. The statute does stipulate, however, that the match disbursed by the State Treasurer must be divided equally between the colleges participating in the agreement.

The following tables display the appropriations, commitments and payments for the University and Community College, and the Public Library Endowment Challenge Program since their inception.

UNIVERSITY AND COMMUNITY COLLEGE ENDOWMENT CHALLENGE PROGRAM				
Inception through June 30, 2018				
Institution	Total Appropriation	Unfunded Commitments	Payments	Remaining Appropriation
UW	\$105,197,598	\$7,539,077	\$97,658,521	\$0
UW Athletics	49,000,000	265,000	48,735,000	0
UW Academic Facilities	42,329,880	0	42,329,880	0
Casper	12,047,619	0	12,047,619	0
CWCC	6,964,286	0	6,964,286	0
EWCC	4,314,839	0	4,086,095	228,744
LCCC	10,031,536	0	9,929,508	102,028
NWCC	11,297,619	49,135	11,248,484	0
Sheridan	11,879,816	274,459	11,605,357	0
WWCC	6,964,286	0	6,753,788	210,498
TOTAL	\$260,027,478	\$8,127,671	\$251,358,537	\$541,270

PUBLIC LIBRARY ENDOWMENT CHALLENGE PROGRAMS				
Inception through June 30, 2018				
County Library	Total Appropriation	Unfunded Commitments	Payments	Remaining Appropriation
Natrona	\$1,030,032	\$0	\$1,030,032	\$0
Laramie	1,042,406	0	1,042,406	0
Sheridan	976,082	0	976,082	0
Sweetwater	651,488	0	584,158	67,330
Albany	797,826	0	797,826	0
Carbon	797,826	0	797,826	0
Goshen	797,826	0	797,826	0
Platte	752,826	0	716,453	36,373
Big Horn	694,528	0	694,528	0
Fremont	797,826	0	480,594	317,232
Park	797,826	0	797,826	0
Lincoln	712,570	0	712,570	0
Converse	528,209	0	528,209	0
Niobrara	864,161	0	864,161	0
Hot Springs	797,826	0	797,826	0
Johnson	762,826	0	762,826	0
Campbell	901,124	0	901,124	0
Crook	797,826	0	797,826	0
Uinta	797,826	0	797,826	0
Washakie	767,826	0	767,826	0
Weston	665,659	0	665,659	0
Teton	877,826	0	877,826	0
Sublette	739,826	0	739,826	0
TOTAL	\$18,349,996	\$0	\$17,929,061	\$420,934

UNCLAIMED PROPERTY

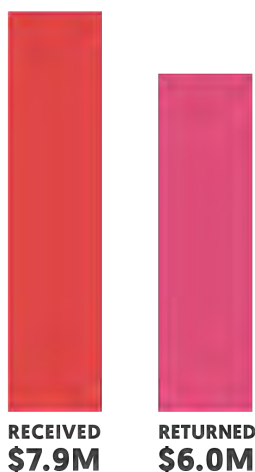
WYOMING UNCLAIMED PROPERTY

Wyoming enacted the Uniform Unclaimed Property Act (W.S. 34-24-101 through 34-24-139) in 1993. This law requires banks, insurance companies, and many other types of entities, known as holders, to transfer to the Wyoming State Treasurer's Office personal property considered abandoned by owners. These "unclaimed" properties include everything from utility security deposits to savings or checking accounts, stocks or mutual funds, uncashed dividends or payroll checks, refunds, traveler's checks, trust distributions, unredeemed money orders, insurance payments or refunds, life insurance policies, annuities, certificates of deposit, customer overpayments, and mineral royalty payments.

TYPES OF PROPERTY REPORTED



The Unclaimed Property Division takes custody of these unclaimed properties and maintains an indefinite obligation to reunite the property with the rightful owners and/or heirs. In essence, the state acts as the custodian and/or fiduciary of the funds and stands in the shoes of the owner. The state makes a concerted effort to locate and refund all property at no cost.



Each year, the division receives approximately 20,000 new properties. The division currently maintains records for approximately 360,000 owners/accounts, totaling more than \$82 million.

In FY18, \$7.9 million was received and over \$6 million returned. Since 1993 the division has received \$133 million. To date, \$51 million has been returned to the rightful owner or heir.

One of the division's greatest accomplishments of FY18 was the completion of a monumental securities liquidation project, which resulted in a banner year in the number of properties returned to owners/heirs. For the past 25 years, the state has routinely received stocks and mutual funds. Without a broker, the Unclaimed Property Program lacked the ability to liquidate shares and a stockpile of securities and accounts grew.

This year, the Treasurer's Office obtained a broker and staff worked diligently with transfer agents to convert physical stock certificates and liquidate all securities. This increased the cash by over \$19 million in the Unclaimed Property Fund. After all the shares were liquidated, staff used new data analytic software to locate over 4,000 owners and successfully returned over \$6 million.

SECURITY LIQUIDATION (\$19M)



Many improvements in technology, including a new website and the purchase of data analytics software, have been implemented in the division over the past two years contributing to the successes of the Unclaimed Property Division. Additional improvements are now underway, with the approval of funding in FY18 by the Legislature for an improved and far more advanced software data management program.

This new software program will allow for paperless, online filing of claims as well as a fully-automated and more efficient system for holders to report their unclaimed properties. Once the new technology is fully implemented, new processes will be implemented and Wyoming citizens will continue to greatly benefit from Wyoming's Unclaimed Property Program.

**LEGISLATIVE REPORTS
&
STATUTORY AUTHORITY**

Wyoming State Treasurer

Mark Gordon

SPENDING POLICY RECOMMENDATIONS

Report to the Legislature

MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon, State Treasurer

Due: November 1, 2018

Re: Spending Policy Modification Recommendations

In accordance with Wyoming State Statute 9-4-719(p), the State Treasurer is to provide by November 1 of each year recommendations to the Select Committee on Capital Financing & Investments regarding modifications to the spending policy for the earnings on the Permanent Wyoming Mineral Trust Fund (PMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Endowment Fund (Higher Ed Fund).

As you recall, I made several recommendations regarding modifications to the spending policies two years ago. I appreciate the consideration given to those recommendations by the members of this committee, some of which were implemented by the legislature.

At this time, I have no further recommendations for changes to the spending policies.

For detailed information regarding the spending policies and the balances of the various PMTF, CSPLF and Higher Ed Fund accounts, please refer to the “Spending Policy” tab in this Annual Report.

Wyoming State Treasurer

Mark Gordon

EXCELLENCE IN HIGHER EDUCATION ENDOWMENT FUND RESERVE ACCOUNT Report to the Legislature

MEMORANDUM

To: The Honorable Matthew H. Mead
Joint Appropriations Committee
Joint Education Committee
Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon, State Treasurer

Due: November 1, 2018

Re: Excellence in Higher Education Endowment Fund Reserve Account

In accordance with Wyoming State Statute 9-4-719(n), the State Treasurer, in consultation with the University of Wyoming and the Community College Commission, is to report to the Governor, the Joint Appropriations Committee, the Joint Education Committee and the Select Committee on Capital Financing and Investments no later than November 1st of any year in which funds have been or are anticipated to be distributed from the Excellence in Higher Education Endowment Fund (Higher Ed Fund) Reserve Account. Since the investment income exceeded the Higher Ed Fund spending policy amount for fiscal year 2018, no funds were distributed from the Higher Ed Fund Reserve Account. For this reason, this report is not required. Nevertheless, I am providing it as this information may be helpful to you.

Total investment income earned on the Higher Ed Fund during the fiscal year amounted to \$6,531,884.73 which was above the spending policy amount of \$5,912,062.38. The spending policy for the Higher Ed Fund requires that, if the investment income falls below the spending policy amount, then the amount of the shortfall shall be transferred from the Higher Ed Fund Reserve Account to the income account. But since investment income exceeded the spending policy amount for fiscal year 2018, no monies were transferred from the reserve account. The balance of the reserve account did not exceed 75% of the spending policy amount and thus no funds were transferred to the Higher Ed Fund corpus. The balance in the reserve account at the end of fiscal year 2018 was \$1,927,979.36.

For detailed information showing the previous five years cash flow for the Higher Ed Fund and the ending cash balance in the Higher Ed Fund Reserve Account, please refer to the "Spending Policy" tab in this Annual Report.

Wyoming State Treasurer

Mark Gordon

HATHAWAY STUDENT SCHOLARSHIP RESERVE ACCOUNT Report to the Legislature

MEMORANDUM

To: Joint Education Committee
Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon, State Treasurer

Due: November 1, 2018

Re: Hathaway Student Scholarship Reserve Account

In accordance with Wyoming State Statute 21-16-1302(b), the State Treasurer is to report to the Select Committee on Capital Financing & Investments and the Education Committee by November 1 each year on the amount of funds within the Hathaway Student Scholarship Reserve Account at the end of the previous fiscal year and as of July 1 of the current fiscal year.

The balance in the reserve account on June 30, 2018 and on July 1 of the current fiscal year was \$30,620,364.33. Since this amount was higher than the statutory cap (4.5%) of the previous five year average market value of the corpus (which was \$25,522,243.23), \$5,098,121.11 was transferred to the corpus of the Hathaway Endowment Fund.

For detailed information showing the previous five years cash flow for the Hathaway Student Scholarship Fund and the ending cash balance in the Hathaway Student Scholarship Reserve Account, please refer to the “Spending Policy” tab in this Annual Report.

Wyoming State Treasurer

Mark Gordon

COLLEGE SAVINGS PROGRAM

Report to the Legislature

MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon, State Treasurer

Due: December 31, 2018

Re: Wyoming Family College Savings Program

In accordance with Wyoming State Statute 21-16-813(c)(ix), the State Treasurer is required to report annually to the Select Committee on Capital Financing & Investments on the performance of the Wyoming Family College Savings Program Trust Fund.

The Wyoming Family College Savings Program was established by Chapter 71 of the 2000 Legislative Session pursuant to Section 529 of the Internal Revenue Code (W. S. 21-16-809 through 21-16-818). Legislation was passed during the 2006 legislative session (Senate File 0062, Chapter 46) which now allows, but does not require, the State Treasurer to have a 529 college savings program.

At this time, Wyoming does not offer a state-sponsored 529 college savings program nor does it participate in any other state's 529 plan.

Wyoming State Treasurer

Mark Gordon

PUBLIC PURPOSE INVESTMENTS AND LOANS

Report to the Legislature

MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon, State Treasurer

Due: November 1, 2018

Re: Public Purpose Investments and Loans

In accordance with Wyoming State Statute 9-4-715(n), by November 1 of each calendar year, the State Treasurer, in consultation with the State Loan and Investment Board, the Wyoming Water Development Office, the Wyoming Business Council and the Office of State Lands and Investments, shall provide a report to the Select Committee on Capital Finance & Investments on all state funds invested for the specific public purpose authorized or directed by the Legislature. The report shall include:

- i) A list of all investment or loan requests made in the previous year, the amount loaned or invested and the status of all investments and loans, including those which are delinquent as to the payment of any installment of principal or interest due;
- ii) Recommendations for future legislation, including recommendations for adjustments to the amount allocated by this subsection and recommendations for adjustments to the amounts allocated under applicable state law for individual investments authorized or directed by the Legislature for a specific purpose; and
- iii) The cost of the investment to the people of Wyoming in terms of (a) forgone earnings that could have been obtained if the funds had been invested by the State Treasurer with the permanent funds of the State and (b) any administrative and other costs associated with each investment.

In response to this required report, we have provided the following information:

- The Office of State Lands and Investments has provided attachments regarding a variety of loans.
- The Wyoming Business Council provided a memo with an update on the large project loan program and the status of all approved large project loans. This memo is attached.
- The Water Development Office provided a memo regarding water development loans that has been attached.
- The State Treasurer's Office has attached a memo and spreadsheet which is a summary of all outstanding public purpose investments.

Attachments

Office of State Lands & Investments
Public Purpose Investment Loan Information
Fiscal Year 2018
July 1, 2017 - June 30, 2018
W.S. 9-4-715(n)

W.S. 9-4-715(n)(i)
Loan Requests during FY18

Loan Program	SLIB Board Date	Requested Loan Amount	Approved Loan Amount	Interest Rate
Beginning Agricultural Producer	August 2017	\$ 283,500	\$ 283,500	2.33% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	December 2017	\$ 255,025	\$ 255,025	2.35% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	April 2018	\$ 791,000	\$ 791,000	N/A Applicant withdrew request after board approval
Beginning Agricultural Producer	June 2018	\$ 156,550	\$ 156,550	approx 2.5% 1st Ten Years then 8% for the following Twenty Years- Loan not closed as of 6/30/18
Beginning Agricultural Producer	June 2018	\$ 995,000	\$ 995,000	approx 2.5% 1st Ten Years then 8% for the following Twenty Years- Loan not closed as of 6/30/18
Joint Powers Act	October 2017	\$ 2,500,000	\$ 2,500,000	5.38%
Joint Powers Act	October 2017	\$ 392,000	\$ 392,000	5.38%

W.S. 9-4-715(n)(ii)
Recommendations for future legislation

OSLI administers these PPI Programs under the statutory requirements set out by the legislature and does not have an opinion on how the limits set forth in W.S. §11-34-117 could be adjusted to reflect current program usage patterns or to promote better or more efficient administration.

W.S. 9-4-715(n)(iii)(B)
OSLI's Administrative & Other Costs for FY18

\$42,610

Office of State Lands & Investments

Status of Individual Loans

Fiscal Year 2018

July 1, 2017 - June 30, 2018

Program	Loan ID	Interest Rate	Principal Balance	Status	Comment
Aeronautics	AER1403	5.00%	296,498.11	Current	
Aeronautics	AER1405	5.00%	274,737.30	Current	
Aeronautics	AER1406	5.00%	306,364.05	Current	
Aeronautics	AER1407	5.00%	1,285,268.50	Current	
Aeronautics	AER1408	5.00%	271,011.53	Current	
Aeronautics	AER1409	5.00%	283,815.30	Current	
Beginning Agriculture Producer	B00001	8.00%	289,214.61	Current	
Beginning Agriculture Producer	B00002	8.00%	56,431.96	Current	
Beginning Agriculture Producer	B00004	8.00%	49,097.32	Current	
Beginning Agriculture Producer	B00007	8.00%	25,375.73	Current	
Beginning Agriculture Producer	B00029	8.00%	137,040.01	Current	
Beginning Agriculture Producer	B00033	8.00%	496,746.71	Delinquent	Initiated Foreclosure-waiting on Bankruptcy Court
Beginning Agriculture Producer	B00049	3.79%	249,942.25	Current	
Beginning Agriculture Producer	B00052	3.41%	143,428.47	Current	
Beginning Agriculture Producer	B00054	3.34%	574,909.32	Current	
Beginning Agriculture Producer	B00055	3.34%	115,072.53	Current	
Beginning Agriculture Producer	B00057	3.35%	656,864.67	Current	
Beginning Agriculture Producer	B00061	3.20%	650,888.55	Current	
Beginning Agriculture Producer	B00064	3.58%	628,100.61	Current	
Beginning Agriculture Producer	B00069	3.52%	337,773.52	Current	
Beginning Agriculture Producer	B00072	3.22%	242,582.91	Current	
Beginning Agriculture Producer	B00073	3.45%	36,003.68	Current	
Beginning Agriculture Producer	B00077	3.06%	259,463.28	Delinquent	Repayment Plan approved 4/1/18 (3 year plan)
Beginning Agriculture Producer	B00084	1.93%	372,996.72	Current	
Beginning Agriculture Producer	B00087	1.85%	434,489.77	Current	
Beginning Agriculture Producer	B00088	1.81%	456,565.19	Current	
Beginning Agriculture Producer	B00095	1.74%	176,176.93	Current	
Beginning Agriculture Producer	B00097	1.95%	157,000.07	Current	
Beginning Agriculture Producer	B00099	1.90%	310,714.12	Current	
Beginning Agriculture Producer	B00100	2.46%	601,515.46	Current	
Beginning Agriculture Producer	B00101	2.14%	669,900.04	Current	
Beginning Agriculture Producer	B00102	2.14%	261,953.83	Current	
Beginning Agriculture Producer	B00103	2.24%	270,544.40	Current	
Beginning Agriculture Producer	B00104	1.95%	635,643.74	Current	
Beginning Agriculture Producer	B00105	2.19%	718,856.27	Current	
Beginning Agriculture Producer	B00107	2.49%	151,574.18	Current	
Beginning Agriculture Producer	B00110	2.60%	417,854.96	Current	
Beginning Agriculture Producer	B00111	2.48%	482,371.63	Current	
Beginning Agriculture Producer	B00112	2.63%	264,833.03	Current	
Beginning Agriculture Producer	B00113	2.68%	123,785.40	Current	
Beginning Agriculture Producer	B00114	2.65%	199,038.90	Current	
Beginning Agriculture Producer	B00116	2.57%	276,374.73	Current	
Beginning Agriculture Producer	B00117	2.57%	650,460.36	Current	
Beginning Agriculture Producer	B00118	2.57%	650,288.57	Current	
Beginning Agriculture Producer	B00120	2.30%	454,635.28	Current	
Beginning Agriculture Producer	B00122	2.14%	622,104.45	Current	
Beginning Agriculture Producer	B00123	2.14%	457,325.79	Current	
Beginning Agriculture Producer	B00124	2.14%	337,113.07	Current	
Beginning Agriculture Producer	B00127	2.14%	508,019.11	Current	
Beginning Agriculture Producer	B00129	2.10%	278,901.74	Current	
Beginning Agriculture Producer	B00130	2.87%	596,145.74	Current	
Beginning Agriculture Producer	B00131	2.04%	587,558.87	Current	
Beginning Agriculture Producer	B00132	1.87%	431,177.60	Current	
Beginning Agriculture Producer	B00133	1.92%	251,814.42	Current	
Beginning Agriculture Producer	B00134	2.07%	631,186.08	Current	
Beginning Agriculture Producer	B00135	2.33%	283,500.00	Current	
Beginning Agriculture Producer	B00136	2.35%	255,025.00	Current	
Farm Loan	F07657	8.00%	5,491.91	Current	
Farm Loan	F07996	8.00%	26,628.83	Current	
Farm Loan	F08022	8.00%	96,311.13	Current	
Farm Loan	F08081	8.00%	16,176.87	Current	
Farm Loan	F08113	8.00%	124,352.75	Current	
Farm Loan	F08129	8.00%	17,899.16	Current	
Farm Loan	F08201	8.00%	54,490.02	Current	
Farm Loan	F08359	8.00%	88,230.88	Current	
Farm Loan	F08411	8.00%	31,929.64	Current	
Farm Loan	F08439	9.00%	61,820.15	Current	
Farm Loan	F08486	8.00%	75,852.55	Current	
Farm Loan	F08535	8.00%	33,568.79	Current	
Farm Loan	F08619	8.00%	21,764.23	Current	
Farm Loan	F08663	8.00%	68,497.01	Delinquent	Repayment Plan approved 6/2/16 (5 year plan)
Farm Loan	F08710	8.00%	478,449.52	Current	
Farm Loan	F08713	8.00%	444,883.42	Current	

6/30/2018					
Program	Loan ID	Interest Rate	Principal Balance	Status	Comment
Farm Loan	F08722	8.00%	533,430.19	Current	
Hot Springs	S00006	6.00%	240,591.03	Current	
Joint Powers Act	JPA09289	8.50%	15,031.55	Current	
Joint Powers Act	JPA09303	8.50%	2,596.33	Current	
Joint Powers Act	JPA09320	8.50%	5,035.59	Current	
Joint Powers Act	JPA09453	7.25%	104,231.38	Current	
Joint Powers Act	JPA09489	7.25%	28,690.86	Current	
Joint Powers Act	JPA09504	7.25%	29,362.27	Current	
Joint Powers Act	JPA09538	6.00%	79,822.83	Current	
Joint Powers Act	JPA09550	6.00%	264,439.43	Current	
Joint Powers Act	JPA09552	6.00%	216,753.88	Current	
Joint Powers Act	JPA09563	5.31%	69,238.40	Current	
Joint Powers Act	JPA11565	5.06%	58,955.84	Current	
Joint Powers Act	JPA11567	5.17%	229,195.74	Current	
Joint Powers Act	JPA11570	4.94%	88,926.24	Current	
Joint Powers Act	JPA11572	4.94%	140,141.09	Current	
Joint Powers Act	JPA11573	4.94%	228,471.17	Current	
Joint Powers Act	JPA11574	4.94%	335,212.36	Current	
Joint Powers Act	JPA11575	4.94%	89,613.70	Current	
Joint Powers Act	JPA13576	4.89%	100,574.83	Current	
Joint Powers Act	JPA13577	4.89%	91,431.64	Current	
Joint Powers Act	JPA13579	4.89%	31,181.86	Current	
Joint Powers Act	JPA13580	4.13%	166,556.91	Current	
Joint Powers Act	JPA13581	4.62%	71,324.09	Current	
Joint Powers Act	JPA15582	4.62%	422,903.20	Current	
Joint Powers Act	JPA15583	4.62%	347,871.51	Current	
Joint Powers Act	JPA15584	4.62%	808,030.23	Current	
Joint Powers Act	JPA17587	5.38%	248,067.62	Current	
Joint Powers Act	JPA17588	5.38%	2,384,059.75	Current	
Joint Powers Act	JPA17589	5.38%	392,000.00	Current	
Small Water/Irrigation	I00746	4.00%	39,594.88	Current	
Small Water/Irrigation	I00818	5.00%	333,468.10	Current	
Small Water/Irrigation	I00835	6.00%	5,663.18	Current	

TO: Erica Legerski, State Treasurer's Office
FROM: Josh Keefe, Economic Development Finance Manager, Wyoming
Business Council (WBC)
DATE: September 11, 2018
SUBJECT: Current Public Purpose Investments of the WBC

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Business Council (WBC) assists the State Treasurer's Office with the Large Project Economic Development Fund. This fund was originated in 2014 with an initial allocation of \$25,000,000. There was little to no interest until FY 17, when three applications were received in July and August of 2016 by the WBC from Standard Alcohol Company of America, Inc. (SACA), Atlas Carbon, LLC (Atlas Carbon), and Cody Laboratories, Inc (Cody Labs). All three projects were approved by the WBC at the September 2016 Board of Directors meeting in Worland, WY. All three projects were then presented and approved by the State Lands and Investment Board (SLIB) at the October 2016 meeting. A status update for each request is below:

- Standard Alcohol Company of America (Cheyenne, WY) – The SLIB approved a loan to SACA for \$15M on October 6, 2016. The company then began working with the Treasurer's office to finalize rate and term(s) of the loan. SACA then formed a new entity (Big Horn Technologies, Inc.), however, the approved loan funds were intended for SACA. A new application was requested from Big Horn Technologies, but has not been received. The original application for SACA was formally denied by the Treasurer's office on March 6, 2017.
- Atlas Carbon, LLC (Gillette, WY) – The SLIB approved a loan to Atlas Carbon for \$15M on October 6, 2016. The company began working with the Treasurer's office to finalize rate and term(s) of the loan. The loan was closed, becoming the State's first, utilizing the Large Project Economic Development Fund on May 30, 2018. This loan was used to purchase and install a production line for turning Powder River Basin coal into activated carbon. This value-added product is being sold internationally by Atlas Carbon.
- Cody Laboratories, Inc. (Cody, WY) – The SLIB approved a loan to Cody Labs for \$11M on October 6, 2016. The company began working with the Treasurer's office to finalize rate and term(s) of the loan. Cody Labs then requested an amendment to their original application as construction costs for the project have increased. The WBC Board of Directors approved an amended request by Cody Labs on September 14, 2018 to increase the loan amount to \$23M. This amendment was approved by SLIB on October 5, 2017. In June of 2018, it was announced by Lannett Company Inc, they would halt expansion in Cody, WY at Cody Labs and layoff 50 positions. There have been layoffs at the manufacturing

facility. The company's next steps are unknown. The Large Loan was not funded/closed and no money was disbursed to the borrower.

The WBC has received inquiries from two other projects. However, one project was scaled down and no longer met the minimum threshold. The other project is being reviewed for qualification of the program. Please contact me with any questions/concerns.





WYOMING WATER DEVELOPMENT OFFICE

6920 Yellowtail Road
Cheyenne, WY 82002

Phone: (307) 777-7626
wwdc.state.wy.us

Matthew H. Mead

Governor

Commissioners

Nick Bettas	Kellen K. Lancaster
Karen Budd-Falen	Sheridan Little
David Evans	Jeanette Sekan
Gerald E. Geis	Larry Suchor
Clinton W. Glick	Rodney Wagner

Harry C. LaBonde, Jr., P.E.
Director

TO: Elizabeth T. Anderson, State Treasurer's Office

FROM: Andrea Odell, Wyoming Water Development Office (WWDO)

DATE: September 10, 2018

SUBJECT: Current Public Purpose Investment Projects of the WWDO

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Water Development Office administers one active public purpose investment (PPI) project, the Gillette Madison Pipeline Project. The state of Wyoming legislature appropriated loan dollars to the City of Gillette from the permanent mineral trust fund (PMTF) through the Wyoming Water Development Commission. The total PMTF loan is for \$44,328,358.00 and has been fully transferred to the Gillette Madison pipeline account. The last transfer occurred in June of 2015. Thus, no loan requests were made from the State Treasurer's Office (STO) in the previous fiscal year (FY 2018). These PMTF loan dollars are for thirty-three percent (33%) of the actual development costs of the project. The remaining sixty-seven percent (67%) of the actual development costs were appropriated from several sources as grant dollars.

As of June 30, 2018, the WWDO disbursed all \$44,328,358.00 in PMTF loan dollars to the City of Gillette. The City of Gillette is now responsible for the remaining thirty-three percent (33%) of the actual project development costs. Interest on the PMTF loan dollars will not be charged until the benefits accrual date is set by the WWDO. The benefits accrual date is estimated to occur within the next year. The project has been delayed due to water quality concerns. The term of the loan is five (5) years at an annual interest rate of four percent (4%).

In response to W.S.9-4-715(n)(ii) and W.S.9-4-715(n)(iii), the WWDO has no recommendations for future legislation. The STO may calculate the forgone earnings for the above mentioned PPI projects as the STO invests the PMTF dollars. Lastly, for the WWDO, there are no additional administrative or other costs associated with each investment. Please contact me if you have any additional questions.

Wyoming State Treasurer

Mark Gordon

State of Wyoming Treasurer's Office
Public Purpose Investments (PPI) Loan Information
For Fiscal Year 2018
W.S. 9-4-715 (n)

i) Loan Requests:

Please see attached spreadsheet.

ii) Recommendations:

The State Treasurer's Office does not have any recommendations at this time.

iii) Costs:

(a) Forgone earnings that the State would have received is difficult to ascertain without knowing the credit quality of each borrower.

Total Return in FY18:

Permanent Mineral Trust Fund	5.18%
Common School Permanent Land Fund	4.99%
State Agency Pool	1.37%

For borrowings where the interest rate is below the stated returns above, the State would suffer an opportunity loss.

For loans for Wyoming projects, such as the Large Project Loan Program, the Industrial Development Bond Program or the Farm Loan Program, an approximation would be the high yield index. On June 30, 2018, it yielded 6.35%. This is a generic yield and each entity would borrow at different rates. Many high yield credits are currently borrowing at yields well above 8%.

(b) Administrative costs associated with PPIs in FY18 are difficult to estimate. Costs can seriously fluctuate over time depending on the work needed by the PPI program with costs of initiating a PPI significantly greater than on-going maintenance of the loan. Because two large project program loans had been previously approved and were pending in FY18, the Treasurer's Office and the Attorney General's Office have spent a significant amount of time on PPIs this fiscal year. As a measure of reference, the amount of the two approved large project loans equals approximately 0.18% of the State's overall \$20 billion portfolio. The time spent, however, on these loans during FY18, between the Treasurer's Office and the Attorney General's Office combined, has equaled approximately two half time employee positions (estimated hours).

STATE OF WYOMING TREASURER'S OFFICE
Public Purpose Investments Loan Information
As of June 30, 2018
W.S. 9-4-715 (n)

PPI - LDI	Balance Forward as of June 30, 2017	Amount Loaned In FY18	Principal Payments	Interest Payments	Loan Balance as of June 30, 2018	Current Loan Status
Permanent Mineral Trust Fund (PMTF)						
Airport Loans	\$2,907,190	\$0	\$189,495	\$143,529	\$2,717,695	Administered by OSLI
Basin Electric	22,498,000	0	2,198,000	1,029,690	20,300,000	Current
Farm Loans	21,742,001	1,195,025	1,830,868	706,429	21,106,159	Administered by OSLI
Special Loans - Hot Springs State Park	244,125	0	3,534	14,447	240,591	Administered by OSLI
Hydro-Power Development Loans	0	0	0	0	0	N/A
Industrial Development Bonds (repealed July 1, 2016)	35,826,969	0	8,007,367	1,892,035	27,819,602	Current
Irrigation Loans	446,818	0	68,092	21,506	378,726	Administered by OSLI
Joint Powers Authority Loans (JPA)	4,956,088	2,892,000	798,368	310,083	7,049,720	Administered by OSLI
Reimbursement to Counties for Deferred Taxes	0	0	0	0	0	N/A
Small Business Assistance & FraHA Ag Loans (statute repealed 2008)	29,189	0	17,037	1,070	12,151	Current
Water Development - Gillette Madison Pipeline	44,328,358	0	0	0	44,328,358	Payments will not start until Water Commission deems project beneficial
Water Development Loans	0	0	0	0	0	Administered by Water Development
Total PMTF	\$132,978,738	\$4,087,025	\$13,112,761	\$4,118,790	\$123,953,002	
Common School Permanent Land Fund (CS)						
Drainage District	\$24,000	\$0	\$0	\$0	\$24,000	Delinquent 1974 - Last Payment 2009
School Foundation Interfund Borrowing	375,000,000	50,000,000	425,000,000	625,000	0	Paid Off June 28, 2018
Wyoming Real Estate - Land	18,335,738	0	0	0	18,335,738	N/A
Total CS	\$393,359,738	\$50,000,000	\$425,000,000	\$625,000	\$18,359,738	
State Agency Pool (SAP)						
TDOA	\$138,499,000	\$45,700,000	\$17,300,000	\$1,407,396	\$166,899,000	Current
General Fund Borrowing	100,000,000	100,000,000	200,000,000	0	0	Paid Off June 30, 2018
Governor Fire Fighting Interfund Borrowing	0	0	0	0	0	N/A
Group Health Insurance Borrowing	0	0	0	0	0	N/A
Hathaway Scholarship Borrowing	0	0	0	0	0	N/A
WYDOT Borrowing (\$100M)	0	0	0	0	0	N/A
WYDOT Borrowing (\$82M)	46,982,136	0	31,982,136	0	15,000,000	N/A
Total SAP	\$285,481,136	\$145,700,000	\$249,282,136	\$1,407,396	\$181,899,000	
Sub-Total PPI's	\$811,819,612	\$199,787,025	\$687,394,897	\$6,151,186	\$324,211,740	
Large Project Funding - Tracked in WOLFS	\$0	\$908,549	\$0	\$0	\$908,549	Current
Total PPIs	\$811,819,612	\$200,695,574	\$687,394,897	\$6,151,186	\$325,120,289	

STATUTORY AND LEGISLATIVE REFERENCES

W.S. 8-1-109	Distribution of Fines and Penalties
W.S. 9-1-401; 9-1-409 through 9-1-418	State Treasurer - Duties Generally
W.S. 9-1-507	Distributions Held for Cities, Towns and Counties Not Complying with Required Reporting
W.S. 9-3-303	Agreements with Federal Security Administrator to Extend Benefits to Employees
W.S. 9-3-306	Promulgation of Rules and Regulation for Administration of the State Treasurer's Duties
W.S. 9-4-206	Disposition of Revenue-Petty Cash Accounts
W.S. 9-4-217	Assist State Auditor with Internal Control Procedures for Assets and Accounting Entries
W.S. 9-4-219	Legislative Stabilization Reserve Account
W.S. 9-4-220.1	Wyoming State Penitentiary Capital Construction Account
W.S. 9-4-305	Distribution-Inflation Proofing-Permanent Land Fund Accounts
W.S. 9-4-401	Distribution of Taylor Grazing Funds
W.S. 9-4-501 through 9-4-503	Distribution of U.S. Forest Reserve Funds
W.S. 9-4-601 through 9-4-607	Distribution of Federal Mineral Royalties
W.S. 9-4-605	Bond Issues - Capital Facilities
W.S. 9-4-714 through 9-4-719 & 9-4-831	Investment of State Funds
W.S. 9-4-720 through 9-4-721	Investment Funds Committee
W.S. 9-4-801 through 9-4-829	Deposits in Wyoming Banks & S&L
W.S. 9-4-831	Second Local Government Investment Pool; Education for Political Subdivision Treasurers
W.S. 9-4-901 through 9-4-904	Refunding Bonds
W.S. 9-4-1001	Guarantee Program for School District Bonds
W.S. 9-4-1003	Supplemental Coverage Program for University of Wyoming Revenue Bonds
W.S. 9-4-1101 through 9-4-1105	Tax & Revenue Anticipation Notes
W.S. 9-4-1203	Investment of Tobacco Settlement Fund
W.S. 9-5-111 through 9-5-112	State Capitol Building Rehabilitation and Restoration Project Oversight Group
W.S. 9-15-103	Investment of Wildlife/ Natural Resource Trust Account
W.S. 9-17-111	Disposition of Lottery Proceeds
W.S. 11-6-210	Distribution of Livestock Predatory Animal Control Fees
W.S. 11-10-118	State Fair Endowment Account
W.S. 11-34-103, 105 and 129	Wyoming Investment in Farm Loans
W.S. 11-34-201 through 203	Authority to Issue Nonnegotiable Debentures; Acceptance by Treasurer
W.S. 11-34-301	Wyoming Investment in Small Water Development Project Loans
W.S. 13-4-703	Unclaimed Dividends and Deposits
W.S. 16-1-107 through 111	Wyoming Investment in Joint Powers Board Loans
W.S. 18-7-201 through 18-7-205	County Libraries Endowment Challenge Account/Invest & Distribute Match
W.S. 21-13-301 and 303	Levy of State Tax; Disposition of Funds; Reduction of Mill Levy
W.S. 21-13-304	State Treasurer to Keep Separate Account for School Purposes
W.S. 21-13-316	Interfund Borrowing for Common School Account
W.S. 21-16-703	Wyoming Higher Education Assistance Authority
W.S. 21-16-714	Student Loan Standby Commitment
W.S. 21-16-809 through 21-16-818	Family College Savings Program
W.S. 21-16-901 through 21-16-904	UW Endowment Challenge Account/Invest & Distribute Matching Funds

STATUTORY AND LEGISLATIVE REFERENCES (cont.)

W.S. 21-16-1001 through 21-16-1003	UW Athletic/Academic Challenge Account/Invest & Distribute Matching Funds
W.S. 21-16-1101 through 21-16-1104	Community College Endowment Challenge Account/Invest & Distribute Match
W.S. 21-16-1201 through 21-16-1204	Investment & Distribution of Higher Education Endowment Fund
W.S. 21-16-1301 through 1311	Investment & Distribution of Hathaway Student Scholarship Fund
W.S. 21-16-1401 through 21-16-1403	UW Academic Facilities Challenge Account/Invest & Distribute Match
W.S. 21-22-101 and 102	Investment of Wyoming Education Trust Fund
W.S. 21-23-201 and 202	Wyoming Public Television Endowment/Distribute Match
W.S. 24-8-101 through 105	Notice of Intention to Issue Bonds; Acceptance/Rejection of Bids
W.S. 27-3-201 through 211	Unemployment Compensation Fund Administration
W.S. 27-14-701	Investment of Worker's Compensation Funds
W.S. 31-3-101	Distribution of Reimbursement for Indian Motor Vehicle Tax Exemptions
W.S. 34-24-101 through 140	Unclaimed Property
W.S. 36-8-319	Wyoming Investment in Hot Springs State Park Loans
W.S. 37-5-206	Investment in Natural Gas Pipeline Authority Bonds
W.S. 37-5-406	Investment in Wyoming Infrastructure Authority Bonds
W.S. 39-13-104	Distribution of Railroad Car Tax
W.S. 39-13-102 and 105	Distribution of Reimbursements for Veteran Tax Exemptions
W.S. 39-13-107	Deferred Tax Loans to Counties
W.S. 39-13-109	Taxpayer Remedies
W.S. 39-14-108, 111, 208, 211, 308, 311, 408, 411, 508, 511, 608, 611, 708, 711 and 801	Distribution of Severance Tax
W.S. 39-17-111	Distribution of Gas Tax Refund
W.S. 39-17-211	Diesel Fuel Taxes; Distributions
W.S. 39-17-311	Alternative Fuel Taxes; Distributions
W.S. 41-2-124	Distribution of Water Development Funds
2009, ch 103; 2010, ch 115	Investment in Gillette Madison Pipeline
2014, ch 46; 2016, ch 41	Large Project Loan Program
2017, ch 78	Health Facility Funding
2017, ch 150	Economic and Fiscal Analysis for Economic Development Projects
2018, ch 136	State Funded Capital Construction
2018, ch 132	Retirement Income Security Task Force

APPENDIX

BALANCE SHEET

As of June 30, 2018

ASSETS

Treasurer's Cash	\$125,005,196	
WYO-STAR Cash	0	
Cash with Fiscal Agent	<u>72,254,765</u>	197,259,961
Income Receivable		
WYO-STAR Income Receivable	<u>52,593,042</u>	52,593,042
State Investments @ Cost		
WYO-STAR Investments @ Cost	<u>19,779,812,157</u>	
	<u>665,417,840</u>	
Total Investments @ Cost		<u>20,445,229,997</u>

TREASURER'S TOTAL ASSETS

\$20,695,083,000

LIABILITIES

Due to Local Government Entities (WYO-STAR income)

\$0

EQUITY

State Investment Equity	\$19,904,817,353	
Bond Funds with Fiscal Agent	72,254,765	
Unapportioned Income	<u>52,593,042</u>	
Total State Equity		20,029,665,160
WYO-STAR Participation		<u>665,417,840</u>
TREASURER'S TOTAL LIABILITY & FUND EQUITY		<u><u>\$20,695,083,000</u></u>

STATEMENT OF CASH FLOWS

As of June 30, 2018

Cash flows from operating activities:

Receipts (1)	\$5,783,560,496
Less return items	<u>(1,509,352)</u>
Net Cash receipts	5,782,051,144
Increase (Decrease) in Petty Cash	(2,550)
Expenses	
Warrants redeemed (2)	<u>(6,686,323,807)</u>

Net Cash provided (used) by operating activities (\$904,275,213)

Cash flow from investment operations:

Cash Investment income received (3)	\$497,004,592
Deferred Income (Gain/Loss)	439,633,249
Net increase in investments & loans receivable	<u>43,832,925</u>

Net Cash provided (used) by investment activities 980,470,766

Net increase (decrease) in Cash 76,195,553

Beginning Cash: July 1, 2017 48,809,643

Ending Cash: June 30, 2018 \$125,005,196

NOTES:

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

(2) The "warrants redeemed" total represents the amount paid by the State Treasurer to redeem warrants presented for payment during the fiscal year. Warrants redeemed cannot be equated to total expenditures as warrants may be written in one fiscal year and not presented for payment until the following fiscal year. Internal transfers between agencies, funds, or accounts are not included in this total.

(3) "Investment income received" represents the investment income actually received by the State Treasurer during the fiscal year. Distributions do not normally exactly equal earnings because some income earned and received in one fiscal year may actually be distributed in the following fiscal year. This figure excludes non-cash items, but does include all state trading profits.