

# ANNUAL REPORT of the Treasurer

of the  
State of Wyoming



**For the Period**

**July 1, 1992 through June 30, 1993**

*Stan Smith, State Treasurer*

*Glenn A. Shaffer, Deputy State Treasurer*



# WYOMING STATE TREASURER

STATE CAPITOL (307) 777-7408 CHEYENNE, WYOMING 82002

FAX (307) 777-5411  
TDD MESSAGES (307) 777-5351

STAN SMITH  
STATE TREASURER

GLENN A. SHAFFER  
DEPUTY STATE TREASURER

The Honorable Mike Sullivan  
Governor of Wyoming  
State Capitol  
Cheyenne, Wyoming 82002

Sir:

In accordance with the provisions of Wyoming Statutes, I have the honor to transmit the **Annual Report of the State Treasurer.**

The following detailed statements contain a general account of the financial and investment transactions of this office during the 12-month period ending June 30, 1993.

Yours very truly,

A handwritten signature in black ink that reads "Stan Smith".

Stan Smith  
State Treasurer

November, 1993

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## FOREWORD

### Budgeting Pinch Continues Into 1994

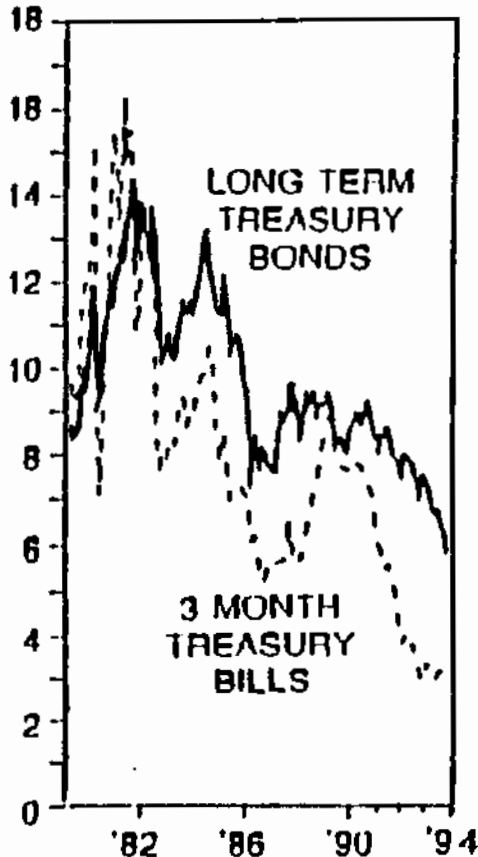
In response to a request from the Governor to all departments of government, further reductions in spending were implemented by the Treasurer's Office. An additional reduction was asked which was on top of the cut-backs that were already built into the budget. To comply, the Treasurer's Office eliminated a paid investment advisor with a consequent 3.5% annual reduction in the special services category, and we were also able to make a 4.5% reduction in administration (custodial bank servicing charges and transaction costs).

### Record Low Interest Rates - Investment Income At All Time High. How Can This Be?

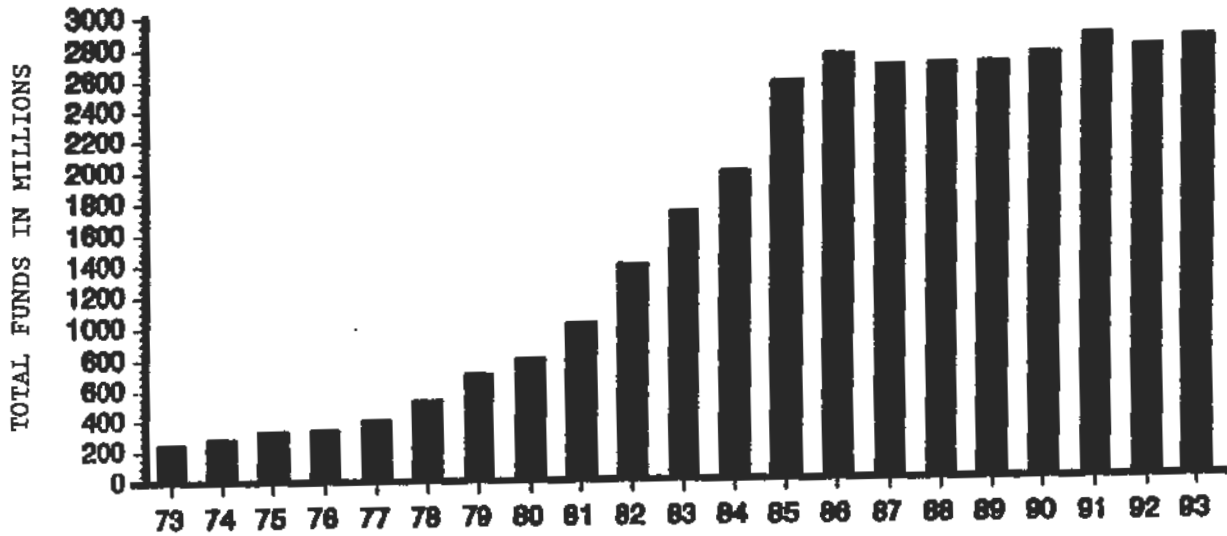
The answer is: By having an actively managed portfolio which takes full advantage of trading profits. Our four-person, in-house investment team was able to achieve additional income from the gain on securities transactions amounting to \$17.5 million (as reported on page 19). Added to that amount was another \$14.6 million from our two investment managers. Without the resulting \$32.1 million of additional income, this annual report would have shown a substantial reduction of interest income rather than an all time high.

It took four legislative sessions for the legislature to pass a bill that is now W.S. 9-4-707 (funds management authority), and this year's trading profits would not be possible without this authority. I hope that the legislature will remember this as just one example of the need for and the benefits to be derived from keeping our investment laws up-to-date and not lagging behind the times. The following charts show what we are talking about:

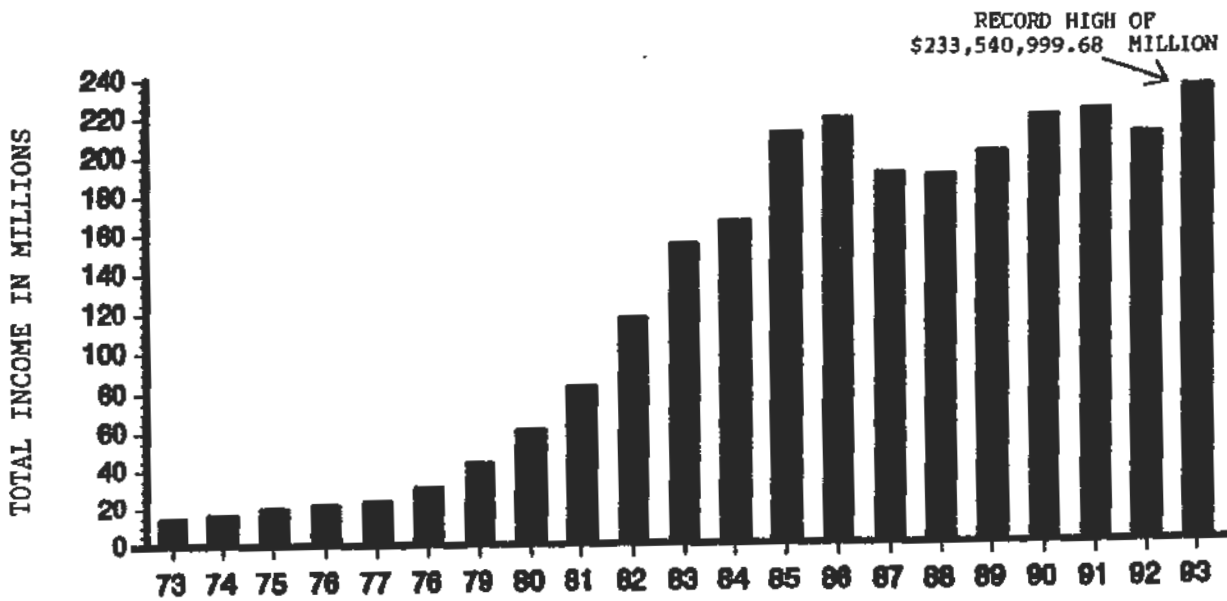
#### INTEREST RATES



## HISTORY OF INVESTABLE FUNDS



## ANNUAL INVESTMENT INCOME



## Believe It Or Not, Bonds Are Risky

Contrary to a common public perception that bonds are inherently safe, all bond investors face a huge risk at the present time that stems from the eventual turn-around in interest rates. Bond prices move inversely to yields, which have been on a ten-year decline from 15.2% in the early 1980's to a present level at this writing of below 6%. When interest rates eventually rise, the resulting drop in the value of a bond portfolio will be larger than many investors expect. The reason is that rates are so low now that only a 1% rise in interest rates is a huge 16 2/3% increase, and could trigger that amount of decrease in portfolio value. If 30-year treasury-bond yields rise just one percentage point, a bond investor could lose one-sixth of his principal, which would be about the same as a 600 point drop in the Dow-Jones Industrial Average!! An additional reason is that many bond investors will undoubtedly resort to panic selling, thus worsening the effect on the overall bond market.

Now, the news is not all bad. A balanced portfolio will have some short term securities that can be re-invested at higher yields as rates increase. If the increase comes about slowly, coupons from the long term instruments can be continually invested at the higher rates. And a good manager will constantly look over the entire fixed income market for aberrations which he can use by trading to his advantage.

The good times of the last decade have spoiled many investors who now expect unrealistic returns from a bond portfolio. Trading profits such as we have obtained recently will be much, much harder to obtain in the scenario of rising interest rates. This discussion makes it clear that an investment manager needs to have the option of placing a part of his assets in other securities such as international bonds or in common stocks if he is to do a really effective job of managing risk. This is just as true of the state of Wyoming as it is of any institutional investor.

## The Problem of the Abstaining Wyoming Voters

In spite of passing by a two-thirds vote of both houses of our legislature, and even while receiving 5,074 more "yes" votes than "no", a constitutional amendment to allow a portion of our permanent funds to be invested in common stocks failed. Why? Simply because 19,536 voters came to the polls in 1992 and did not cast a vote on this amendment. Members of the legislature, school teachers, administrators, and informed citizens must all work and help educate the voters on this issue so that next time they will understand its importance and cast a vote. It's passage can help all of the taxpayers in Wyoming.

## Link Deposits - Will there be a Replacement Program through the Initiative Process?

With interest rates approaching a 20-year low, the legislature apparently felt the link deposit program was no longer needed, and it was allowed to expire with this fiscal year. The proponents of a similar measure are collecting signatures to put an initiative on the ballot in 1994 for what has become known as the Watt/Donley proposal. This idea allocates \$500 million, a great deal more than link deposits, and provides low interest money for new purposes such as auto purchases and student loans, with no job creation or other requirements necessary to get a loan. Advocates say it will stimulate Wyoming business, while opponents say it is not needed, that it will cost too much, and that citizens should be clearly informed when they sign the initiative petition that the costs could run as high as \$40 million annually. If the initiative becomes law, two more positions in the Treasurer's Office will be required to implement it.

## Steady Progress - Looking to the Future

Although changes in government came slowly, we are making progress. Recent examples are:

1. A securities lending program with new income as a result.
2. Streamlining the agricultural gas tax refund program to reduce paperwork and costs.
3. An unclaimed property program which will produce substantial income eventually.
4. Requiring participants in the local government investment pool (called WYO-STAR) to pay for investment services. (This was per the request of the Wyoming Bankers Association).

Further legislative changes are needed, and we must never stand still. The laws of the state must keep up with the rapid changes that occur continually in the investment world. International investments must be authorized next, for it is no longer a U.S. scene alone, but has become a global picture for institutional investors, and the portfolio of permanent funds of Wyoming is no exception. Just as is the case with common stocks, international bonds can add diversity and reduce risk.

Stan Smith  
State Treasurer

## DUTIES OF THE OFFICE

The principal duty of the State Treasurer is to safeguard and to invest all the funds of the state, including the local government investment pool. The total investable funds at year-end was \$3,022,003,037.24. However, the State Treasurer has many other additional duties and currently serves on many boards and commissions as follows: 1) Farm Loan Board, 2) Board of Land Commissioners, 3) Capitol Building Commission, 4) Wyoming Community Development Authority, 5) Liquor Commission, 6) Group Health Insurance Board, 7) Board of Deposits, 8) State Canvassing Board and 9) Wyoming Retirement System Board of Directors.

The Treasurer also presides over the meetings of the Deferred Compensation Board and the Wyoming Investment Advisory Council, which are both statutory bodies whose function is to advise the State Treasurer.

Daily receipts from state agencies are acknowledged by official receipts and deposited for the agency. State warrants are redeemed from the bank each day and filed for reference. All funds remaining over current expenditures are invested daily down to the compensating balance kept in our one demand bank account. A composite investment account composed of funds from the agencies, called the cash pool, is invested daily with interest income going, for the most part, to the general fund but with certain exceptions where, by law, the interest income must go back to the account that created the income. Interest on Permanent Land Funds goes either to an income fund or to the general fund and Permanent Mineral Trust Fund earnings go to the general fund. Legislation passed in 1989 assigned to the State Treasurer the general responsibility for the management of the state's cash resources including developing information to forecast the cash needs of the state.

The 1993 Wyoming Legislature replaced the Escheat Property Law with the Wyoming Unclaimed Property Law. The Treasurer's Office is now in the process of implementing this new comprehensive statute (see page 40 of this report).

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

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

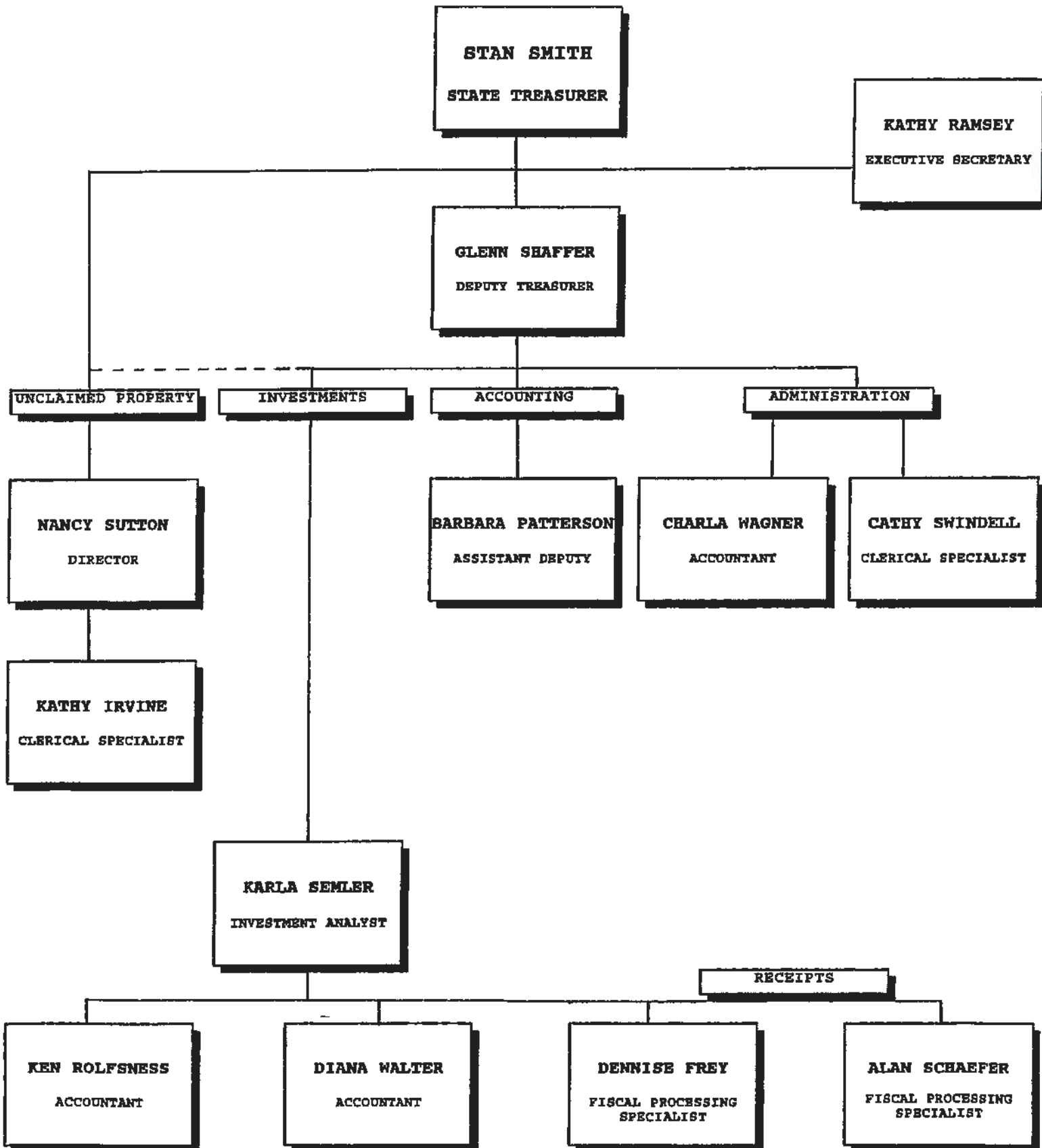
Distributions of various state and federal monies are made as prescribed by law to cities, towns, counties, and state agencies, as well as refunds to individuals for agricultural gas tax use. In FY 94 the agricultural gas tax refund program will be changed to a system of at-the-pump discounts through the Department of Transportation.

A comprehensive program of deferred compensation for state employees is administered under the direction of the State Treasurer. Through this program our state, university, school district and municipal employees may defer some of their pay into an account to be invested at their direction in a number of options available to that employee. Taxes are deferred until retirement on both the principal and the investment earnings.

The only automobiles assigned to the office are S-4 and S-195.



# ORGANIZATIONAL CHART OF STATE TREASURER'S OFFICE



**BALANCE SHEET  
AS OF JUNE 30, 1993**

Assets

Treasurer's Cash	\$ 16,832,567.05	
WYO-STAR Cash	590.28	
Petty Cash with Agencies	213,875.00	
Due from Other Funds	<u>651,095.01</u>	\$ 17,698,127.34
Receivable from Inv Mgrs		
Interest	2,925,301.77	
Net Disc/Prem/Profit*	<u>0.00</u>	2,925,301.77
Outstanding Purchased Accrued Interest		
Treasurer	1,079,134.61	
WYO-STAR	<u>0.00</u>	1,079,134.61
State Investments @ Par*	2,907,954,396.79	
Unamortized Premium	12,699,275.55	
Unamortized Discount	<u>(5,398,006.32)</u>	
Total State Investments @ Cost		2,915,255,666.02
WYO-STAR Investments @ Par	85,081,000.00	
Unamortized Premium	0.00	
Unamortized Discount	<u>(36,192.50)</u>	
Total WYO-STAR Investments @ Cost		<u>85,044,807.50</u>
<b>TREASURER'S TOTAL ASSETS</b>		<b><u>\$ 3,022,003,037.24</u></b>

Liabilities

Unposted Redeemed Warrants	(752,982.87)
Due to Local Government Entities (WYO-STAR)	2,195,730.36

Equity

State Investment Equity	2,930,051,770.20	
Unrecognized Income	<u>5,463,121.77</u>	2,935,514,891.97
WYO-STAR Participation		<u>85,045,397.78</u>

**TREASURER'S TOTAL LIABILITY AND FUND EQUITY** **\$ 3,022,003,037.24**

NOTE:

\*On August 1, 1993, \$23,860,005.54 in net discount/premium/profit from the Investment Managers was distributed to the participating funds (\$14,581,843.16 as FY 93 income and the remainder as prior year income). On the same day that exact amount was also reinvested with the Investment Managers on behalf of the Common School Permanent Land Fund.

**STATEMENT OF CASH FLOWS  
FOR YEAR ENDED JUNE 30, 1993**

Cash flows from operating activities:

Receipts <sup>1</sup>		\$ 1,766,235,121.11
Less return items		<u>(1,446,999.67)</u>
Net cash receipts		1,764,788,121.44
Increase in petty cash		(11,940.00)
Warrants redeemed <sup>2</sup>		<u>(1,895,474,628.10)</u>

Net cash provided (used) by operating activities \$ (130,698,446.66)

Cash flows from investment operations:

Investment income distributed <sup>3,4</sup>		236,224,646.03
Increase in outstanding purchased accrued interest		(408,194.90)
Net proceeds from investments		<u>(94,712,984.52)</u>

Net cash provided (used) by investment activities 141,103,466.61

Net increase in cash 10,405,019.95

Beginning cash: July 1, 1992 6,427,547.10

Ending cash: June 30, 1993 16,832,567.05

NOTES:

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

In Fiscal Year 1993 receipts increased 4.6% compared to FY 92.

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

In Fiscal Year 1993 warrants redeemed decreased 2.5% compared to FY 92.

<sup>3</sup> The "income distributed" represents the investment income actually distributed to participating funds 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.

<sup>4</sup> Of the investment income received, \$4,090,432.69 was income to the municipal investment pool (WYO-STAR). This was subsequently remitted to the participants and is not included in income available for state use.

## INCOME EARNINGS RECEIVED ON INVESTMENTS

WIN FUND	INVEST FUND	REGULAR	CASH POOL	MANAGERS' "PROFIT"		TOTAL
		INVESTMENT INCOME	INTEREST 7/1-6/30	FROM 10/89 (INCEPTION) REGULAR INV.	THRU 6/93 CASH POOL	INVESTMENT INCOME REC'D
501	Employment Security Commission	0.00	194,634.06		19,524.82	214,158.88
504	Workers' Compensation	454,649.93	799,384.16	53,045.22	67,639.56	1,374,718.87
423	GNMA Fund	207,123.21	408,779.67		32,773.81	648,676.69 **
004	1989 Bonds - Construction Account	202,334.61	338,969.56		34,168.44	575,472.61
079	1990 Bonds - Construction Account	1,457,211.96	340,025.95		31,379.18	1,828,617.09
083	1991 Bonds - Construction Account	575,702.67	148,058.48		30,681.86	754,443.01
L01	Miners' Hospital PLF	1,622.62	1,544,235.97	189.74	144,344.22	1,690,392.55
L02	Public Buildings @ Cap PLF	12,818.73	20,173.62	1,498.95	697.32	35,188.62 **
L03	Fish Hatchery PLF	1,947.15	14,426.28	227.69	697.32	17,298.44
L04	Common School PLF	49,702,423.65	5,967,870.80	14,888,128.07	199,432.11	70,757,854.63
L05	D. D. & B. PLF	17,118.68	34,786.04	2,001.76	2,789.26	56,695.74 **
L06	Carey Act PLF		190,285.45		17,432.88	207,718.33 **
L07	Omnibus PLF	3,732.03	921,113.96	436.40	83,677.81	1,008,960.20 **
L08	State Hospital PLF		375,225.84		34,168.44	409,394.28 **
L09	State Training School PLF	34,432.34	12,941.47	33,903.43	1,394.63	82,671.87 **
L10	Penitentiary PLF		718,122.34		62,061.04	780,183.38 **
L11	Agriculture College PLF	8,795.28	393,697.60	7,955.48	35,563.07	446,011.43
L12	University PLF	330,857.08	769,593.36	325,774.68	69,034.19	1,495,259.31
M01	Perm Mineral Trust Fund	79,092,403.93	8,598,458.05		651,292.27	88,342,154.25 (2)
	Other Funds		<u>57,360,731.06</u>		<u>5,454,398.44</u>	<u>62,815,129.50 **</u>
		<u>132,103,173.87</u>	<u>79,151,513.72</u>	<u>15,313,161.42</u>	<u>6,973,150.67</u>	<u>233,540,999.68</u>
				(3)	(3)	
				<u>233,540,999.68</u>		

Total Income--Treasurer's Investments  
(includes both Treasurer's & Managers' Investments)

### NOTES:

(1) Total Investment Income transferred to General Fund (excluding Perm Min Trust Fd) = \$26,054,629.22  
(this includes \$2,335,326.21 from the Managers' "Profit" brought back on 8/2/93)

\*\* All or a portion of the investment income from these funds ultimately goes to the General Fund:  
these totals are already included in the General Fund total in (1) above

(2) Permanent Mineral Trust Fund includes \$2,881,145.69 which has yet to be distributed to the General Fund

(3) Of the Managers' "Profit", \$7,704,468.93 was actually earned prior to FY 93

**STATEMENT OF INVESTMENTS AT PAR  
AS OF JUNE 30, 1993**

Treasurer's Investments	(Schedule I - page 10)	2,275,458,437.62
Deposits in Wyoming Banks	(Schedule II - page 11)	50,437,000.00
Deposits in Savings & Loans	(Schedule III - page 12)	9,390,000.00
Link Deposit Program	(Schedule IV - page 14)	<u>51,361,094.35</u>
Total Treasurer's Investments		2,386,646,531.97
Managers' Investments		<u>521,307,864.82</u>
Total State Investments		2,907,954,396.79
WYO-STAR Investments		<u>85,081,000.00</u>
		<u>2,993,035,396.79</u>

**Schedule I STATE TREASURER'S INVESTMENTS BY FUND**  
**(including loans authorized by state statute)**

Cash Pool . . . . .		\$713,131,843.19
(This fund represents the cash balance of all funds and accounts for which specific investment have not been made.)		
GNMA Account . . . . .		1,359,302.89
Workers' Compensation Fund . . . . .		15,000.00
Common School Permanent Land Fund		
State Building Revenue Bonds . . . . .	32,033,438.00	
Other Investments . . . . .	<u>419,413,110.63</u>	451,446,548.63
Permanent Wyoming Mineral Trust Fund		
Shoshone Water Development Project . . . . .	16,500,000.00	
Sheridan Area Water Treatment Project . . . . .	6,750,000.00	
City of Laramie, Albany County		
Territorial Park . . . . .	10,000,000.00	
Mortgage Loan Program . . . . .	26,445,941.96	
Farm Loans . . . . .	188,973,462.96	
Irrigation Loans . . . . .	22,116,701.66	
Joint Powers Loan . . . . .	33,672,210.51	
Other Investments . . . . .	<u>805,047,425.82</u>	<u>1,109,505,742.91</u>
<b>Total Treasurer's Fixed Income Investments @ Par . . . . .</b>		<b><u>\$2,275,458,437.62</u></b>

## REPORT OF THE STATE BOARD OF DEPOSITS

The State Board of Deposits, consisting of the Governor, Secretary of State, and State Treasurer, met on March 4, 1993, to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law.

The Board of Deposits meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter. All deposits in excess of the federally insured amount of \$100,000 are protected by a pledge of securities or mortgage loans to the State Treasurer as prescribed by statute.

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

Fiscal year 1993 found no Wyoming banks reported closed.

### Schedule II DEPOSITS IN WYOMING BANKS

Star Valley State Bank, Afton . . . . .	\$ 751,000.00
Security State Bank, Basin . . . . .	606,000.00
First National Bank, Buffalo . . . . .	656,000.00
Wyoming Bank & Trust, Buffalo . . . . .	539,000.00
Norwest Bank Wyoming Casper, N.A. . . . .	5,736,000.00
Equality State Bank, Cheyenne . . . . .	1,345,000.00
Key Bank, Cheyenne . . . . .	18,818,000.00
Frontier Bank of Laramie County, Cheyenne . . . . .	200,000.00
Western Bank, Cheyenne . . . . .	100,000.00
Shoshone First Bank, Cody . . . . .	1,313,000.00
Western Bank, Cody . . . . .	369,000.00
Converse County Bank, Douglas . . . . .	938,000.00
Hulett National Bank . . . . .	259,000.00
Bank of Jackson Hole . . . . .	100,000.00
Jackson State Bank . . . . .	2,816,000.00
First National Bank, Kemmerer . . . . .	258,000.00
American National Bank, Laramie . . . . .	814,000.00
Bank of Laramie . . . . .	250,000.00
Lingle State Bank . . . . .	259,000.00
Norwest Bank Wyoming Lovell, N.A. . . . .	603,000.00
Lusk State Bank . . . . .	281,000.00
First State Bank, Newcastle . . . . .	874,000.00
First Security Bank, Newcastle . . . . .	435,000.00
First National Bank, Pinedale . . . . .	280,000.00
Ranchester State Bank . . . . .	300,000.00
Bank of Commerce . . . . .	447,000.00

Rawlins National Bank . . . . .	1,617,000.00
American National Bank, Rock Springs . . . . .	679,000.00
First Security Bank, Rock Springs . . . . .	1,162,000.00
Rock Springs National Bank . . . . .	500,000.00
First Interstate Bank, Sheridan . . . . .	4,620,000.00
Sheridan National Bank . . . . .	427,000.00
Sundance State Bank . . . . .	913,000.00
Union State Bank, Upton . . . . .	456,000.00
Stockgrowers State Bank, Worland . . . . .	<u>716,000.00</u>
	<b><u>\$50,437,000.00</u></b>

**Schedule III DEPOSITS IN WYOMING SAVINGS AND LOAN INSTITUTIONS**

Rocky Mountain Federal Savings Bank, Cheyenne . . . . .	\$ 5,722,000.00
Security First Savings and Loan, Cheyenne . . . . .	808,000.00
First Federal Savings and Loan, Sheridan . . . . .	2,028,000.00
Tri-County Savings and Loan, Torrington . . . . .	<u>832,000.00</u>
	<b><u>\$ 9,390,000.00</u></b>

## HISTORY OF INTEREST RECEIVED FROM DEPOSITS IN WYOMING FINANCIAL INSTITUTIONS AS SET BY STATE BOARD OF DEPOSITS

A total of \$2,168,892.13 was earned in Fiscal Year 1993. A historical summary of interest rates being charged banks and savings and loan institutions follows:

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

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

Year	Amount		Rate			
	Banks	S&L	January	April	July	October
1981	\$59,860,000	\$19,675,000	11.50%	11.75%	12.50%	13.50%
1982	63,995,000	20,005,000	10.25%	12.50%	12.75%	9.75%
1983	67,760,000	20,500,000	9.25%	8.00%	8.25%	8.25%
1984	67,750,000	20,500,000	8.25%	8.50%	9.25%	9.25%
1985	67,950,000	20,500,000	8.50%	8.25%	7.25%	7.25%
1986	65,110,000	15,705,000	7.00%	6.75%	6.00%	5.00%
1987	59,210,000	16,075,000	5.00%	5.00%	5.75%	5.90%
1988	56,215,000	16,075,000	6.00%	5.75%	6.50%	7.50%
1989	44,241,000	16,112,000	8.00%	9.25%	8.70%	8.125%
1990	40,360,000	14,929,000	7.65%	7.60%	7.50%	7.50%
1991	39,182,000	9,516,000	7.25%	6.10%	5.70%	5.50%
1992	50,193,000	10,364,000	5.00%	4.50%	4.25%	3.75%
1993	50,437,000	9,390,000	3.25%	3.00%	3.00%	3.00%



## LINK DEPOSIT PROGRAM

The Wyoming Link Deposit Program became operational during October, 1986. The purpose of the program is twofold: to provide impetus for economic development and to provide assistance for presently existing businesses so that they can remain viable participants in the state's economy. Link deposit loans must either create new jobs or preserve jobs already existing.

The program is a partnership between the state and Wyoming financial institutions providing a lower rate for Wyoming borrowers both business and agriculture. The state places up to a three-percent rate reduction on the deposit placed with a financial institution which passes an equal reduction to the borrower's market loan rate to which the deposit is "linked". The maximum amount is \$750,000 with a maximum term of five years. All the risk of making the loans is assumed by the banks in the program, as the state deposits are always 100% collateralized.

Legislation for 1988 requires that a link deposit not be made if an unfair business advantage would be gained against an existing local business engaged in a similar business. The State Treasurer and Department of Audit published rules and regulations allowing publication of notice in the local paper prior to issuance of a link deposit asking for competitors to respond if they object to the issuance and believe an unfair business advantage is being obtained. The treasurer investigates the facts and rules on the matter, thereby approving or disapproving the link deposit.

Legislation for 1989 added \$25 million and approved clean-up, removal or replacement of leaking underground storage tanks to the program up to that amount. All rules continued for this use with the exception of the unfair business advantage portion. Additional rules were promulgated to assure proper use and safeguards. By statute, this program terminates on July 1, 1993, and no further link deposits will be made. Outstanding links will be serviced until pay-off or maturity.

### Schedule IV DEPOSITS IN FINANCIAL INSTITUTIONS--LINK DEPOSITS

Star Valley State Bank, Afton . . . . .	\$ 514,356.75
Security State Bank, Basin . . . . .	4,546,408.23
First National Bank, Buffalo . . . . .	450,732.00
Wyoming Bank & Trust, Buffalo . . . . .	143,915.99
Farmers State Bank, Burns . . . . .	194,594.76
First Interstate Bank, Casper . . . . .	881,461.89
Hilltop National Bank, Casper . . . . .	408,852.23
Norwest Bank Wyoming Casper, N.A. . . . .	3,156,846.42
Equality State Bank, Cheyenne . . . . .	1,460,906.26

Key Bank, Cheyenne . . . . .	19,268,968.14
Shoshone First Bank, Cody . . . . .	1,742,633.90
Western Bank, Cody . . . . .	423,230.09
Converse County Bank, Douglas . . . . .	696,606.52
First National Bank, Evanston . . . . .	89,098.80
First National Bank, Gillette . . . . .	576,847.16
National Bank, Glenrock . . . . .	71,971.25
Oregon Trail Bank, Guernsey . . . . .	30,117.18
Jackson State Bank . . . . .	748,188.44
First National Bank, Kemmerer . . . . .	72,615.34
American National Bank, Laramie . . . . .	1,609,490.96
Bank of Laramie . . . . .	24,575.30
Lingle State Bank . . . . .	79,605.68
Lovell National Bank . . . . .	49,394.52
Norwest Bank Wyoming Lovell, N.A. . . . .	83,535.35
First State Bank, Newcastle . . . . .	471,714.35
First Security Bank, Newcastle . . . . .	168,061.27
First National Bank, Powell . . . . .	770,494.24
Bank of Commerce, Rawlins . . . . .	146,400.62
Rawlins National Bank . . . . .	2,171,937.21
Riverton State Bank . . . . .	189,041.57
American National Bank, Rock Springs . . . . .	212,632.15
First Interstate Bank, Sheridan . . . . .	2,902,246.51
Sheridan National Bank . . . . .	133,127.80
Sundance State Bank . . . . .	82,953.02
First National Bank, Thermopolis . . . . .	1,472,578.17
First State Bank, Thermopolis . . . . .	1,083,362.50
Citizens National Bank, Torrington . . . . .	608,250.44
First National Bank, Torrington . . . . .	1,034,900.72
Union State Bank, Upton . . . . .	504,388.76
First State Bank, Wheatland . . . . .	84,065.53
First National Bank, Worland . . . . .	488,462.38
Stockgrowers State Bank, Worland . . . . .	207,975.35
Buffalo Federal Savings & Loan . . . . .	285,343.85
Rocky Mountain Federal Savings Bank, Cheyenne . . . . .	898,111.62
Security First Savings, Cheyenne . . . . .	120,093.13

**\$51,361,094.35**

(In addition to the listed deposits, the State Treasurer has made an investment at a reduced rate of interest in a security of the farm credit system, making the total in the program (\$76,361,094.35)

**STATE FUNDS INVESTED BY TREASURER  
BY MAJOR TYPE AT COST  
AS OF JUNE 30, 1993**

<u>TYPE</u>	<u>AMOUNT AT COST</u>	<u>PERCENT OF TOTAL</u>
<b><u>Discretionary Investments</u></b>		
U.S. Treasury Obligations	\$ 144,858,773.80	6.05%
U.S. Government Agencies	925,701,906.37	38.68%
Corporate Securities	688,040,581.57	28.74%
Day-To-Day Repurchase Agreements	165,548,000.00	6.92%
Term Repurchase Agreements	13,400,000.00	0.56%
<b><u>Program Loans Authorized by State Statute</u></b>		
Farm Loan & Special Loans	190,663,041.72	7.96%
Irrigation Loans	22,116,701.66	0.92%
Drainage Districts	96,510.00	0.00%
Joint Powers Loans	33,672,210.51	1.41%
Mortgage Loan Pass-Thru Certificates	26,442,851.50	1.10%
Community College Bonds	1,948,000.00	0.08%
Agricultural Loans	6,090,636.63	0.25%
Small Business Assistance Act Loans	8,871,190.20	0.37%
School District Loans	1,359,302.89	0.06%
Clean Coal Technology	20,700,000.00	0.86%
Shoshone Water Development Project	16,500,000.00	0.69%
Sheridan Area Water Treatment Project	6,750,000.00	0.28%
Laramie-Albany County Territorial Park	10,000,000.00	0.42%
<b><u>Deposits with Financial Institutions</u></b>		
Deposits in Wyoming Banks	50,437,000.00	2.11%
Deposits in Wyoming Savings & Loans	9,390,000.00	0.39%
Wyoming Link Deposit Program	<u>51,361,094.35</u>	<u>2.15%</u>
	<b><u>\$2,393,947,801.20</u></b>	<b><u>100.00%</u></b>

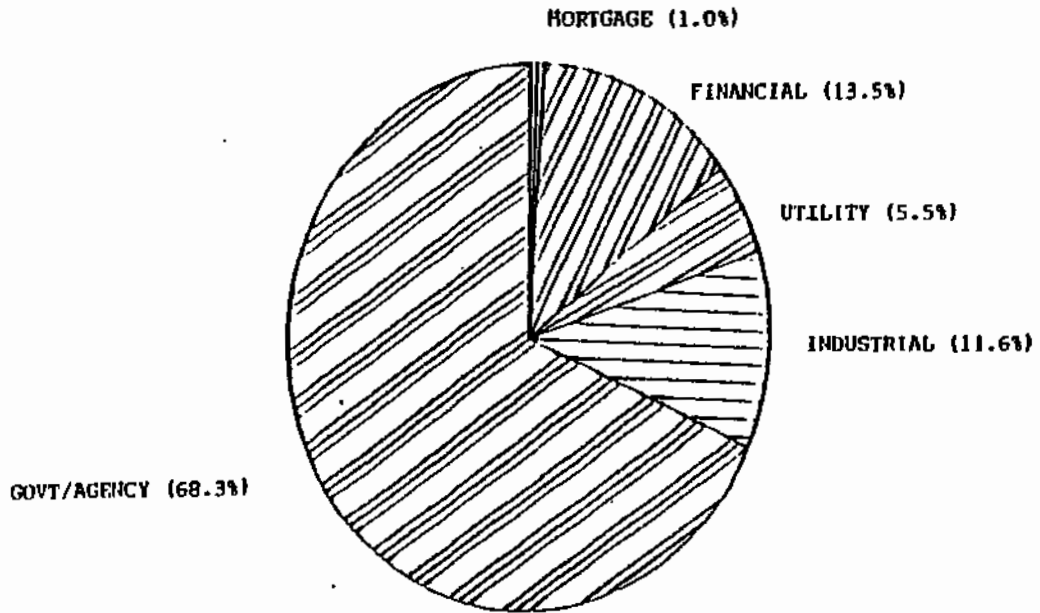
Current Yield on June 30, 1993, was 6.27%

Realized yield for FY 93 was 7.92% based on income received versus cost (excluding WYO-STAR investments).

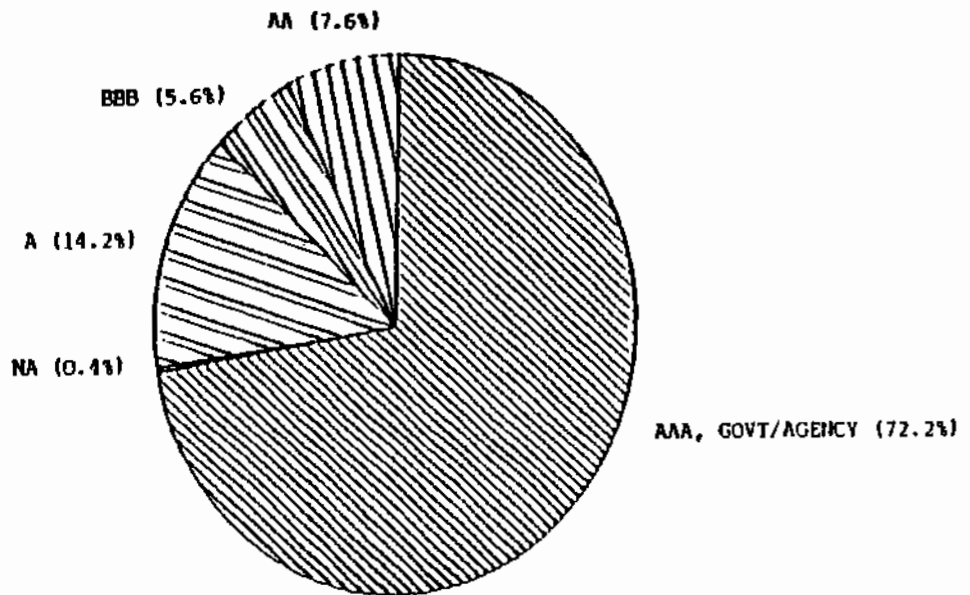
If we use the total of \$233.5 million of interest income received in FY 93 (which included some prior-year earnings) versus total state investments of \$2,908 million, the rate of return is 8.03%. For accounting purposes, the official figure is 7.92% realized yield for the fiscal year.

# DISCRETIONARY PORTFOLIO ANALYSIS

## SECTORAL BREAKDOWN



## CREDIT RATING BREAKDOWN



**NOTE:**

Includes all investments which are not mandated by the legislature - except for repurchase agreements and investment managers.

**INVESTMENT MANAGERS' SUMMARY  
AND NET BENEFIT ANALYSIS  
AS OF JUNE 30, 1993  
(CASH BASIS)**

	<u>CURRENT FUND BALANCE</u>	<u>CURRENT CORPUS</u>
Cash on Hand	\$ 0.00	
Investments		
Bonds-Public Is	388,956,026.00	
Bonds-Direct Pl	4,183,199.29	
US Govt Agency	117,914,642.50	
Temp Invest	<u>13,179,298.80</u>	
	524,233,166.59	
Funds to be sent to Treasurer:		
Interest (transferred 7/1/93)	<u>(2,925,301.77)</u>	
Ending Balance 6/30/93	<u>521,307,864.82</u>	<u>521,307,864.82</u>
<b><u>INCOME EARNED AND NET BENEFIT:</u></b>		
Interest earned & remitted to Treasurer last 12-month period		40,409,733.07
Net profit not yet remitted to Treasurer last 12-month period (SEE NOTE BELOW)		<u>14,581,843.16</u>
Total Income Earned:		<u>54,991,576.23</u>
Average monthly balance available to the managers for investment		<u>513,232,329.70</u>
Realized yield for 12-month period (includes both interest and net profit)	10.71%	

The investment managers are not required to keep any portion of their managed funds available for conversion to cash which creates a substantial advantage in producing higher yields. In addition, other than the requirements of good portfolio management, the managers are not limited to the term of their investments, and longer term investments have recently been markedly higher in return than short term.

The return earned by the managers is 10.71% and the approximate return of all state investments is 7.92%. (See page 16).

Therefore the net percentage return is:  $10.71 - 7.924 = 2.79\%$   
 Times the average balance is:  $.0279 \times \$513,232,330 = \$14,319,182$   
 Less the annual cost of managers  $(-) 500,000$

**ANNUAL NET BENEFIT OF USING MANAGERS \$13,819,182**

NOTE: All net discount/premium/profit earned by the managers since inception was returned to the Treasurer's Office and is included in investment income.

## REPORT ON PROFITS REALIZED FROM ACTIVE PORTFOLIO MANAGEMENT

The state of Wyoming investment portfolio that is managed in-house is no longer a "buy-and-hold" list of securities. Instead the entire portfolio of discretionary investments (those that are not subsidy investments mandated by the legislature) is monitored on a regular basis. Securities that have a market value in excess of book value (the adjusted price) are considered eligible for sale if the proceeds can be re-invested to the advantage of the overall portfolio. Sometimes the advantage may be in the form of increased yield, or it may be in the form of better liquidity or better quality. The bond market is constantly fluctuating, and bond swaps can be made to take advantage of the markets fluctuations, aberrations and trends. This has been made possible by the use of market information received minute by minute on the Bloomberg Financial System.

The benefits of active portfolio management are not free, however, but have a real cost in terms of paying for staff time and expertise. At times, the state of Wyoming has not been able to take full advantage of possible bond swaps because there was not enough accounting/investment staff in the treasurer's office to handle the transactions.

The following is a monthly summary of profitable transactions made in FY 93. The dollar amounts listed do NOT include the additional income that results from substituting a new security with a better yield.

MONTH	TOTAL (excl WYO-STAR)	CASH POOL FUND	PERMANENT MINERAL TRUST FUND	COMMON SCHOOL PERMANENT LAND FUND	WYO-STAR INVESTMENT POOL
July '92	\$ 947,407.55	\$ 578,980.64	\$ 119,062.50	\$ 249,364.41	\$ 75,221.36
August	934,058.29	200,973.21	577,159.12	155,925.96	125,000.00
September	1,372,132.78	799,767.26	572,365.52	0.00	60,937.50
October	987,008.33	621,768.75	271,489.58	93,750.00	0.00
November	1,628,999.71	259,082.29	837,975.68	531,941.74	4,687.50
December	248,461.14	81,414.58	115,996.56	51,050.00	22,656.25
January '93	906,581.48	522,422.27	49,996.43	334,162.78	40,625.00
February	1,212,530.48	528,989.58	151,290.34	532,250.56	36,881.25
March	1,404,906.67	697,075.00	357,651.67	350,180.00	25,000.00
April	1,435,736.40	261,550.33	869,536.67	304,649.40	110,156.25
May	2,995,218.75	2,879,662.50	115,556.25	0.00	78,125.00
June '93	<u>2,788,986.99</u>	<u>101,070.62</u>	<u>1,940,175.25</u>	<u>747,741.12</u>	<u>109,843.75</u>
	<u>16,862,028.57</u>	<u>7,532,757.03</u>	<u>5,978,255.57</u>	<u>3,351,015.97</u>	<u>689,133.86</u>

## INVESTMENT POLICY & RISK DISCLOSURE

It is the policy of the Wyoming State Treasurer to invest funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the state and conforming to all statutes governing the investment of public funds.

Wyoming legislation provides a "legal list" of permissible investments and custody requirements for those investments; however, Generally Accepted Accounting principles require all deposits and investments of any government entity to be categorized according to the associated level of risk. The deposit risk categories and the investment risk categories used on the following page are as follows:

### DEPOSITS:

Description: Deposit accounts in banks and savings & loans; such as demand deposits (checking accounts), savings, and TDOA's (time deposit open accounts).

#### Risk Categories:

Category 1) Deposits that are insured or collateralized with securities held by the state (component unit) or by its agent in the state's (component unit's) name.

Category 2) Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the state's (component unit's) name.

Category 3) Deposits that are collateralized with securities held by the pledging financial institution or by its agent but not in the state's (component unit's) name or uncollateralized deposits.

### INVESTMENTS:

Description: Securities acquired primarily for the purpose of obtaining income or profit.

#### Risk Categories:

Category 1) Investments that are insured or registered, or securities held by the state (component unit), or its agent in the state's (component unit's) name.

Category 2) Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the state's (component unit's) name.

Category 3) Investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the state's (component unit's) name. (Uncollateralized).

### INTEREST-BEARING RECEIVABLES:

Description: Program loans authorized by state statute; Guaranteed Investment Contracts, while not program loans, are included in this category.

#### Risk Categories:

Interest-bearing receivables are not categorized according to risk.

# RISK DISCLOSURE AND MARKET VALUE ANALYSIS

AS OF JUNE 30, 1993

DEPOSITS	DEPOSIT RISK CATEGORY			BANK	TREASURER
	1	2	3	balance	amount
DEMAND DEPOSITS	\$ 16,833,157.33			\$ 2,693,780.73	\$ 16,833,157.33
WYOMING BANKS	50,437,000.00			50,437,000.00	50,437,000.00
WYOMING SAVINGS & LOAN	9,390,000.00			9,390,000.00	9,390,000.00
LINK DEPOSITS	51,361,094.35			51,361,094.35	51,361,094.35
Total	128,021,251.68	0.00	0.00	113,881,875.08	128,021,251.68

INVESTMENTS	INVESTMENT RISK CATEGORY @ COST			CARRIED AT	MARKET
	1	2	3	amount	value
US TREASURY SECURITIES	\$ 340,373,779.80				\$ 359,550,792.00
GVMT AGENCY SECURITIES	1,077,678,442.69				1,048,352,839.00
REPURCHASE AGREEMENTS	227,629,000.00				227,896,837.00
TERM REPO AGREEMENTS	13,400,000.00				13,799,856.00
CORPORATE SECURITIES	615,654,357.33				684,633,233.00
BANKERS' ACCEPTANCES	75,898,675.44				N/A
COMMERCIAL PAPER	118,081,021.94				N/A
Total	2,468,715,277.20	0.00	0.00	0.00	2,334,233,557.00

INTEREST-BEARING RECEIVABLES	INVESTMENT RISK CATEGORY @ COST			CARRIED AT	MARKET
	1	2	3	amount	value
AGRICULTURE LOANS				\$ 6,090,636.63	
COMMUNITY COLLEGE BDS				1,948,000.00	
CLEAN COAL TECHNOLOGY				20,700,000.00	
CITY/TOWN LOANS				33,250,000.00	
DRAINAGE DISTRICT BONDS				96,510.00	
FARM LOANS				190,663,041.72	
GUARANTEED INVEST CONTRACTS				75,186,656.86	
IRRIGATION LOANS				22,116,701.66	
JOINT POWERS LOANS				33,672,210.51	
MORTGAGE PURCHASE PROGRAM				26,442,851.50	
SMALL BUSINESS ASSISTANCE				8,871,190.20	
SCHOOL DISTRICT LOANS				1,359,302.89	
Total	0.00	0.00	0.00	420,397,101.97	N/A



**INVESTMENT ACCOUNT BALANCES  
AS OF JUNE 30, 1993**

Name	Adjusted Cash	Investments @ Par	O/S Purchased Accrued Interest	Net Disc/Prem Purchased	Income to be Transferred to Income Account	Account Balance (Corpus)
Miners' Hospital	18,697,861.19	20,117.55 *			0.00	18,717,978.74
Public Buildings at Capitol	152,836.90	158,270.52 *			0.00	311,107.42
Fish Hatchery	166,652.69	24,117.55 *			0.00	190,770.24
Common School	15,579,897.62	730,781,789.20 *	279,094.22	6,745,888.64	0.00	753,386,669.68
D.D. & B. Asylum	403,410.40	211,000.00 *			0.00	614,410.40
Carey Act	2,249,363.87	0.00				2,249,363.87
Omnibus	10,843,235.99	46,170.62 *			0.00	10,889,406.61
Insane Asylum	4,392,646.74	0.00				4,392,646.74
State Training School	193,989.98	426,262.51 *			0.00	620,252.49
Penitentiary	8,067,415.30	0.00				8,067,415.30
Agricultural College	4,606,406.50	108,785.18 *			0.00	4,715,191.68
University	<u>8,866,898.36</u>	<u>4,102,264.83 *</u>			0.00	<u>12,969,163.19</u>
Subtotal - Permanent Land Funds Only	74,220,615.54	735,878,777.96	279,094.22	6,745,888.64	0.00	817,124,376.36
Mineral Trust Fund	<u>134,816,688.67</u>	<u>1,109,505,742.91</u>	<u>507,256.23</u>	<u>(1,589,349.89)</u>	<u>(2,881,145.69)</u>	<u>1,240,359,192.23</u>
Subtotal - All Permanent Funds	209,037,304.21	1,845,384,520.87	786,350.45	5,156,538.75	(2,881,145.69)	2,057,483,568.59
GNMA Account	3,915,805.33	1,359,302.89				5,275,108.22
1989 Bonds: Construction Account	4,136,937.99	0.00				4,136,937.99
1990 Bonds: Construction Account	3,732,914.83	0.00				3,732,914.83
1991 Bonds: Construction Account	3,342,939.41	0.00				3,342,939.41
Employment Security	2,548,198.57	0.00				2,548,198.57
Workers' Compensation Fund	<u>8,293,502.33</u>	<u>5,596,003.27 *</u>				<u>13,889,505.60</u>
	<u>235,007,602.67</u>	<u>1,852,339,827.03</u>	<u>786,350.45</u>	<u>5,156,538.75</u>	<u>(2,881,145.69)</u>	<u>2,090,409,173.21</u>

\* All or a portion of the investments for these funds have been transferred from the Treasurer's Office to the Investment Managers

## PERMANENT LAND FUNDS

FUND	JULY 1, 1992 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1993 CORPUS BALANCE
<u>L01 MINERS' HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 17,424,801.31		
Oil & Gas Lease Royalties		\$ 57,587.71	
Sodium & Trona Lease Royalties		1,235,139.72	
Surface Damage Lease		<u>450.00</u>	
		\$ 1,293,177.43	<u>\$ 18,717,978.74</u>
<u>L02 PUBLIC BUILDINGS AT CAPITOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 443,015.13		
Miscellaneous Mineral Lease Royalties		\$ 1,040.00	
Oil & Gas Lease Royalties		645.45	
Right-of-Way & Easement Lease		1,166.84	
Surface Damage Lease		240.00	
Capital Construction Appropriation		<u>(135,000.00)</u>	
		(\$ 131,907.71)	<u>\$ 311,107.42</u>
<u>L03 FISH HATCHERY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 190,345.23		
Oil & Gas Lease Royalties		<u>\$ 425.01</u>	
		\$ 425.01	<u>\$ 190,770.24</u>
<u>* L04 COMMON SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 725,967,855.72		
Bentonite Lease Royalties		\$ 50,804.17	
Coal Lease Royalties		558,770.10	
Miscellaneous Mineral Lease Royalties		123,351.55	
Oil & Gas Lease Royalties		20,851,796.17	
Sand & Gravel Royalties		422,020.34	
Sodium & Trona Lease Royalties		2,324,518.08	
Right-of-Way & Easement Lease		184,542.88	
Taylor Grazing		15,946.46	
Uranium Lease Royalties		52,907.87	
Surface Damage Lease		129,773.43	
Real Estate Sales		2,602,075.00	
Capital Construction Bonds		<u>(1,565,000.00)</u>	
Escheats to State		102,307.91	
Permanent Land Fund		<u>1,565,000.00</u>	
		\$ 27,418,813.96	<u>\$ 753,386,669.68</u>

FUND	JULY 1, 1992 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1993 CORPUS BALANCE
<u>L05 DEAF, DUMB &amp; BLIND PERMANENT LAND FUND</u>			
Beginning Balance	\$ 609,349.56		
Sand & Gravel		\$ 9.00	
Oil & Gas Lease Royalties		4,825.30	
Right-of-Way & Easement Lease		<u>226.54</u>	
		\$ 5,060.84	<u>\$ 614,410.40</u>
<u>L06 CAREY ACT PERMANENT LAND FUND</u>			
Beginning Balance	\$ 2,177,862.43		
Bentonite Lease Royalty		\$ 36.00	
Oil & Gas Lease Royalties		60,465.44	
Surface Damage		1,000.00	
Right-of-Way & Easement Lease		<u>10,000.00</u>	
		\$ 71,501.44	<u>\$ 2,249,363.87</u>
<u>L07 OMNIBUS PERMANENT LAND FUND</u>			
Beginning Balance	\$ 10,525,884.39		
Oil & Gas Lease Royalties		\$ 867,108.85	
Sand & Gravel Lease Royalties		9,009.37	
Right-of-Way & Easement Lease		4,122.70	
Surface Damage		1,212.50	
Real Estate Sales		157,068.80	
Capital Construction Appropriation		<u>(675,000.00)</u>	
		\$ 363,522.22	<u>\$ 10,889,406.61</u>
<u>L08 WYOMING STATE HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 4,299,746.85		
Oil & Gas Lease Royalties		<u>\$ 92,899.89</u>	
		\$ 92,899.89	<u>\$ 4,392,646.74</u>
<u>L09 WYOMING STATE TRAINING SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 541,194.21		
Oil & Gas Lease Royalties		<u>\$ 79,058.28</u>	
		\$ 79,058.28	<u>\$ 620,252.49</u>
<u>L10 WYOMING STATE PENITENTIARY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 8,925,250.32		
Oil & Gas Lease Royalties		\$ 346,220.93	
Surface Damage		1,759.05	
Real Estate Sales		3,000.00	
Capital Construction Appropriation		<u>(1,208,815.00)</u>	
		(\$ 857,835.02)	<u>\$ 8,067,415.30</u>

FUND	JULY 1, 1992 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1993 CORPUS BALANCE
<b>* L11 WYOMING STATE AGRICULTURAL COLLEGE</b>			
Beginning Balance	\$ 4,623,691.40		
Sand & Gravel Royalties		\$ 260.00	
Oil & Gas Lease Royalties		89,580.75	
Right-of-Way & Easement Lease		1,140.53	
Surface Damage		275.00	
Bentonite Lease Royalties		<u>244.00</u>	
		\$ 91,500.28	<u>\$ 4,715,191.68</u>
<b>* L12 WYOMING STATE UNIVERSITY PERMANENT LAND FUND</b>			
Beginning Balance	\$ 12,919,220.63		
Oil & Gas Lease Royalties		\$ 48,011.30	
Surface Damage		185.00	
Right-of-Way & Easement Lease		<u>1,746.26</u>	
		\$ 49,942.56	<u>\$ 12,969,163.19</u>
<b>TOTAL REVENUE ADDED TO CORPUS OF PERMANENT LAND FUNDS:</b>		<b>\$28,476,159.18</b>	

NOTES:

\*These funds are not available for appropriation.

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

## PERMANENT WYOMING MINERAL TRUST FUND

Beginning Balance	\$ 1,186,977,925.66		
Severance Tax:			
Coal		\$ 17,324,610.08	
Stripper Oil		2,585,509.68	
Oil		14,244,893.80	
Gas		14,778,355.84	
Condensate-Gas		1,270,856.75	
Tertiary Oil		3,111,771.18	
Wildcat Oil		50,768.09	
Wildcat Gas		6,617.15	
Collection-Oil		<u>7,884.00</u>	
<b>TOTAL REVENUE ADDED TO CORPUS OF MINERAL TRUST FUND:</b>		<b>\$ 53,381,266.57</b>	<u><b>\$ 1,240,359,192.23</b></u>

## LEGISLATIVE ALLOCATION OF THE PERMANENT FUNDS

<u>Program</u>	<u>See Notes Below</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
Farm Loans	A	\$275,000,000	\$188,973,463	\$86,026,537
Irrigation Loans	A	60,000,000	21,711,369	38,288,631
Joint Powers Loans	A, B	80,000,000	33,672,210	46,327,790
Cheyenne--Stage II	C	35,360,965	33,199,168	2,161,797
Student Loans (District)	D	15,000,000	-0-	15,000,000
Small Business Assistance Act & FHA	D	35,000,000	8,871,190	26,128,810
Mortgage Loans	E	60,000,000	26,442,852	33,557,148
Hot Springs State Park	G	2,000,000	1,497,557	502,443
Clean Coal Investments	F	30,000,000	20,700,000	9,300,000
Shoshone Municipal Pipeline Treatment Plant	C	16,500,000	16,500,000	-0-
Sheridan Area Water Treatment Project	C	6,750,000	6,750,000	-0-
Laramie Territorial Park Loan	H	10,000,000	10,000,000	-0-
Student Loan Stand-By Commitment	D, I	125,000,000	-0-	125,000,000
Industrial Development Bonds		<u>25,000,000</u>	<u>-0-</u>	<u>25,000,000</u>
		<u>\$775,610,965</u>	<u>\$368,317,809</u>	<u>\$407,293,156</u>
		(100%)	(47.49%)	(52.51%)

The statutory allotments identified above have been designated from the Permanent Wyoming Mineral Trust Fund (PMTF). The total funds available in the PMTF are \$1,240,359,192, leaving an unallotted balance of \$464,748,227.

**NOTES:**

- A. Completed loans are purchased from the Farm Loan Board (FLB), which has the responsibility for approving, processing and servicing these loans.
- B. Portions of these loans have been sold by the FLB to investors with the proceeds of the sale placed in guaranteed investment contracts (GICs) which are not liquid but reduce risk in default almost completely and are involved in a trust arrangement.

(continued next page)

- C. These loans are disbursed and serviced by the Wyoming Water Development Commission.
- D. These loans are guaranteed by an agency of the Federal Government.
- E. These loans carry private insurance.
- F. The principal of these loans is guaranteed by Guaranteed Investment Contracts; only the interest income is at risk.
- G. These investments have been transferred from the Common School Permanent Fund to the Permanent Wyoming Mineral Trust Fund (PMTF).
- H. This loan was reviewed and recommended by the Wyoming Investment Fund Committee and approved by the Governor.
- I. The current outstanding commitment is \$75.0 million.

**REPORT OF APPROXIMATE AMOUNT OF ANNUAL LOST EARNINGS  
DUE TO LEGISLATIVE DIRECTED SUBSIDY INVESTMENTS**

<u>PROGRAM</u>	<u>CURRENT (COUPON) YIELD</u>	<u>APPROXIMATE AMOUNT OUTSTANDING (MILLIONS)</u>	<u>ANNUAL OPPORTUNITY COST BASED ON COUPON</u>	<u>ANNUAL OPPORTUNITY COST BASED ON REALIZED YIELD</u>
Link Deposits	3.97%	\$ 76.361	\$ 1,756,303	\$ 3,016,260
Bank Deposits (Board of Deposits)	3.00%	59.827	1,956,343	2,943,488
Farm Loans	8.27%	188.973	(3,779,460)	(661,405)
Irrigation Loans	4.54%	22.117	382,624	747,555
Mortgage Loans	10.00%	26.442	(986,287)	(549,994)
Joint Powers Act Loans	7.96%	33.672	(569,057)	(13,469)
Cheyenne Stage II <sup>1</sup>	6.50%	33.199	(76,358)	471,426
Small Business Assistance Act	6.26%	8.871	887	147,259
Hot Springs Park	6.37%	1.498	(1,498)	23,219
Clean Coal <sup>2</sup>	7.00%	20.700	(151,110)	190,440
Sheridan Water Project <sup>3</sup>	0.00%	6.750	423,225	534,600
Shoshone Water Project <sup>4</sup>	4.00%	16.500	374,550	646,800
Laramie-Territorial State Park	6.00%	10.000	<u>27,000</u>	<u>192,000</u>
Current (Coupon) Yield Difference			<u>\$ (643,838)</u>	
Estimated Annual Unrecognized Loss Due to Subsidy Investments				<u>\$ 7,688,179</u>

The current (coupon) yield of all funds on June 30, 1993, was 6.27% and the realized yield for FY 93 was 7.92%. Both are calculated using all securities in the current portfolio. These securities include Government Agencies, Corporate Bonds, U.S. Treasuries and all of the subsidy investments listed. The "Annual Opportunity Cost" illustrates that the investment of funds at market rate would produce an average return higher than is obtained from subsidy investment.

NOTES:

- <sup>1</sup> This investment was packaged and sold. It is now backed by a Guaranteed Investment Contract paying 6.5%. While this investment is not liquid and cannot be sold, it guarantees repayment of principal and interest of the loan. At the time of the sale, the state realized a profit of \$3.6 million to the common school income account in FY 88.
- <sup>2</sup> This project has three participants. All are in default during a part of this fiscal reporting year and are being charged a contract penalty. This is resulting in an interest deferral of \$1,469,000 per year in addition to the "Annual Opportunity Costs." The principal of all investments are guaranteed by Guaranteed Investment Contracts (GIC's).
- <sup>3</sup> This project will not produce interest income until completion of construction (fall, 1995). A rate of 4% would result in a current opportunity loss of \$264,924 the first year and declining as the principal balance is reduced with an accumulated loss over the 50 year life of \$140 million.
- <sup>4</sup> This project began producing interest income upon completion of construction in September, 1992. This rate of 4%, which is 3.92% below the current realized yield of all funds. This results in an opportunity loss of \$646,800.00 the first year, declining as the principal balance is reduced, and with a loss over the 50 year life of the loan of \$340 million.

## FEDERAL MINERAL ROYALTY DISTRIBUTION

	Percent Due		TOTAL FY 93	QUARTERLY BREAKDOWN OF DISTRIBUTIONS			
				July 92	October 92	January 93	April 93
Cities, Towns and Counties	*	\$ 750,000.00	\$ 3,000,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
Cities and Towns	9.375%		15,717,858.62	3,537,435.60	4,546,759.34	3,349,301.22	4,284,362.46
Counties	0.625%		1,047,857.27	235,829.04	303,117.30	223,286.76	285,624.17
University of Wyoming	6.75%		11,316,858.20	2,546,953.63	3,273,666.72	2,411,496.88	3,084,740.97
Foundation Fund	44.80%		72,959,407.07	16,904,225.59	19,576,447.29	16,005,194.11	20,473,540.08
Capitol Fac Rev Bds Series 1989			1,160,000.00		1,160,000.00		
Capitol Fac Rev Bds Series 1990			871,000.00		871,000.00		
Capitol Fac Rev Bds Series 1991			120,000.00		120,000.00		
Highway Fund	26.25%		44,010,004.14	9,904,819.68	12,730,926.15	9,378,043.42	11,996,214.89
State-County Fund	2.25%		3,772,286.06	848,984.54	1,091,222.24	803,832.29	1,028,246.99
Highway Fund State Roads	2.25%		3,772,286.06	848,984.54	1,091,222.24	803,832.29	1,028,246.99
Cities, Counties & Special Districts Capital Const.	5.00%	(750,000.00)	5,382,857.95	1,136,632.34	1,674,938.31	1,036,293.99	1,534,993.31
Capitol Construction							
School Districts	2.70%						
Advance Entitlements		75.00%	3,395,057.46	764,086.09	982,100.02	723,449.06	925,422.29
Grants		25.00%	1,131,685.82	254,695.36	327,366.67	241,149.69	308,474.10
<b>SUBTOTAL</b>	<b>100.00%</b>		<b>\$167,657,158.65</b>	<b>\$37,732,646.41</b>	<b>\$48,498,766.28</b>	<b>\$35,725,879.71</b>	<b>\$45,699,866.25</b>
<b>Bonus Payments</b>							
Cities, Counties & Special Districts Capital Const.	50.00%*		10,917,860.13	412,250.00	0.00	8,031,110.13	2,474,500.00
Legislative Royalty Impact			846,800.31	0.00	0.00	846,800.31	0.00
Highway Fund	25.00%*		4,612,129.76	206,125.00	0.00	3,168,754.76	1,237,250.00
Water Development	25.00%*		5,458,930.07	206,125.00	0.00	4,015,555.07	1,237,250.00
<b>SUBTOTAL</b>	<b>100.00%</b>		<b>\$21,835,720.27</b>	<b>\$824,500.00</b>	<b>\$0.00</b>	<b>\$16,062,220.27</b>	<b>\$4,949,000.00</b>
			<b><u>\$189,492,878.92</u></b>	<b><u>\$38,557,146.41</u></b>	<b><u>\$48,498,766.28</u></b>	<b><u>\$51,788,099.98</u></b>	<b><u>\$50,648,866.25</u></b>

NOTE:

Statutory Reference: W.S. 9-4-601



## DISTRIBUTIONS TO COUNTIES

<u>Counties</u>	<u>Railroad Car Tax</u> W.S. 39-2-207	<u>Federal Mineral Royalty</u> W.S. 9-4-601	<u>Veterans Exemption</u> W.S. 39-1-202	<u>U.S. Forest Reserve</u> W.S. 39-4-501	<u>Taylor Grazing Act</u> W.S. 9-4-401	<u>Severance Tax</u> W.S. 39-6-305	<u>Livestock Predatory Animal Control Fees</u>	<u>Total</u>
Albany	\$ 57,916.67	\$ 85,228.51	\$ 34,242.05	\$ 196,889.06	\$ 42,012.89	\$ 395,707.19	\$ 21,395.20	\$ 833,391.57
Big Horn	33,057.45	50,465.22	25,578.95	89,763.56	17,924.82	135,234.54	23,297.00	375,321.54
Campbell	107,720.46	153,676.96	50,929.47	0.00	35,580.96	377,371.83	45,053.60	770,333.28
Carbon	59,565.00	42,409.84	22,576.05	328,530.75	44,861.13	214,049.61	36,103.60	748,095.98
Converse	145,855.22	43,786.16	10,530.13	38,896.08	23,705.61	142,982.42	61,554.40	467,310.02
Crook	16,385.86	38,244.73	12,417.38	468,895.03	15,159.14	68,022.01	32,683.20	651,807.35
Fremont	20,940.72	103,943.13	89,421.42	109,306.27	43,847.05	432,519.26	28,712.00	828,689.85
Goshen	70,264.99	91,639.59	29,428.72	0.00	4,983.71	158,979.28	12,644.70	367,940.99
Hot Springs	13,244.72	32,435.17	10,547.12	6,033.35	15,225.88	61,790.31	7,496.80	146,773.35
Johnson	0.00	48,879.49	26,074.01	83,557.36	64,642.41	78,956.42	68,473.40	370,583.09
Laramie	100,237.63	223,222.45	193,177.39	0.00	864.63	939,793.32	11,027.65	1,468,323.07
Lincoln	29,513.76	54,617.21	14,459.74	104,986.86	16,001.53	162,217.21	25,497.00	407,293.31
Natrona	53,197.35	150,123.68	91,834.11	2,915.40	141,163.24	786,685.99	46,782.60	1,272,702.37
Niobrara	40,282.56	84,657.99	5,456.53	0.00	20,163.75	32,109.37	21,645.00	204,315.20
Park	20,797.02	79,875.40	74,353.84	189,666.25	32,173.04	297,811.51	24,047.40	718,724.46
Platte	46,267.33	58,479.75	31,164.35	593.46	11,229.15	104,654.19	13,286.10	265,674.33
Sheridan	47,051.33	119,438.89	50,312.58	100,618.98	4,993.26	302,745.49	21,598.00	646,758.53
Sublette	0.00	29,443.01	19,091.41	121,574.29	19,948.18	62,227.16	13,161.60	265,445.65
Sweetwater	98,469.34	102,186.45	34,822.15	18,845.61	74,888.74	498,832.36	22,618.60	850,663.25
Teton	0.00	196,331.28	24,268.89	219,228.71	236.16	143,560.62	1,882.00	585,507.66
Uinta	43,735.21	58,313.24	25,304.04	19,522.00	15,322.73	240,338.44	32,222.60	434,758.26
Washakie	12,147.21	58,400.46	12,854.67	9,203.10	17,337.59	107,776.47	17,712.60	235,432.10
Weston	33,619.30	63,989.86	23,004.45	18,042.01	12,356.53	83,749.05	14,311.50	249,072.70
	<u>\$1,050,269.13</u>	<u>\$1,969,788.47</u>	<u>\$911,849.45</u>	<u>\$2,127,068.13</u>	<u>\$674,622.13</u>	<u>\$5,828,114.05</u>	<u>\$603,206.55</u>	<u>\$13,164,917.91</u>

DISTRIBUTION DATES:

Railroad Car Tax: 5/15  
 Federal Mineral Royalty: 7/10, 10/10, 1/10, 4/10  
 Veterans' Exemption: 9/15  
 U.S. Forest Reserve: 12/15

Taylor Grazing Act: 12/15  
 Severance Tax Distribution: 9/15, 12/15, 4/15  
 Livestock Predatory Animal Control Fees:  
 Quarterly - Jan, Apr, July, Oct

## DISTRIBUTIONS TO CITIES AND TOWNS

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u>	<u>Federal</u>	<u>Police Officers'</u>	<u>Municipal Mineral</u>	<u>Total</u>
		<u>W.S. 39-6-305</u>	<u>Mineral Royalty</u> <u>W.S. 9-4-601</u>	<u>Retirement</u> <u>W.S. 15-5-302</u>	<u>Trust Interest</u> <u>W.S. 39-6-308</u>	
Afton	1,394	\$ 76,814.03	\$ 134,004.84	\$ 0.00	\$ 44.12	\$ 210,862.99
Albin	120	6,612.40	17,440.09	0.00	21.50	24,073.99
Alpine	200	11,020.66	29,071.23	0.00	22.92	40,114.81
Baggs	272	14,988.11	23,671.68	0.00	24.20	38,683.99
Bairoil	228	12,563.56	24,065.51	0.00	23.42	36,652.49
Bar Nunn	835	46,011.27	51,267.58	0.00	34.19	97,313.04
Basin	1,180	65,021.92	83,667.23	0.00	40.32	148,729.47
Big Piney	454	25,016.92	53,109.49	0.00	27.43	78,153.84
Buffalo	3,277	182,573.27	201,439.89	0.00	78.99	384,092.15
Burlington	184	10,139.01	22,708.28	0.00	22.64	32,869.93
Burns	254	13,996.25	23,563.57	0.00	23.88	37,583.70
Byron	470	25,898.57	42,352.60	0.00	27.71	68,278.88
Casper	46,765	2,576,980.85	2,047,881.51	256,650.00	849.97	4,882,362.33
Cheyenne	50,008	2,755,606.83	2,289,340.19	237,150.00	907.19	5,283,004.21
Chugwater	192	10,579.83	23,132.97	0.00	22.78	33,735.58
Clearmont	119	6,557.30	18,084.58	0.00	21.48	24,663.36
Cody	7,897	435,150.93	448,657.78	0.00	159.57	883,968.28
Cokeville	493	27,165.94	57,084.12	0.00	28.12	84,278.18
Cowley	477	26,284.28	42,757.23	0.00	27.84	69,069.35
Dayton	565	31,133.38	43,855.67	0.00	29.40	75,018.45

**DISTRIBUTIONS TO CITIES AND TOWNS** (continued)

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> <u>W.S. 39-6-305</u>	<u>Federal</u> <u>Mineral Royalty</u> <u>W.S. 9-4-601</u>	<u>Police Officers'</u> <u>Retirement</u> <u>W.S. 15-5-302</u>	<u>Municipal Mineral</u> <u>Trust Interest</u> <u>W.S. 39-6-308</u>	<u>Total</u>
Deaver	199	\$ 10,965.56	\$ 23,580.11	\$ 0.00	\$ 22.90	\$ 34,568.57
Diamondville	864	47,609.27	88,757.35	0.00	34.71	136,401.33
Dixon	70	3,857.24	15,004.20	0.00	20.61	18,882.05
Douglas	5,076	279,704.46	302,561.60	0.00	109.49	582,375.55
Dubois	895	49,317.47	72,671.40	0.00	35.26	122,024.13
E. Thermopolis	221	12,177.84	21,990.07	0.00	23.29	34,191.20
Edgerton	247	13,610.52	22,718.07	0.00	23.76	36,352.35
Elk Mountain	186	10,249.23	19,977.36	0.00	22.67	30,249.26
Encampment	490	27,000.63	36,029.30	0.00	28.07	63,058.00
Evanston	10,904	600,821.93	735,976.54	0.00	212.94	1,337,011.41
Evansville	1,486	81,883.54	79,069.00	0.00	45.72	160,998.26
Ft. Laramie	243	13,390.10	25,301.26	0.00	23.68	38,715.04
Frannie	148	8,155.29	20,597.85	0.00	22.01	28,775.15
Gillette	17,545	969,009.63	1,280,869.65	0.00	332.46	2,250,211.74
Glendo	195	10,745.14	23,304.11	0.00	22.83	34,072.08
Glenrock	2,153	118,637.45	136,972.50	0.00	57.59	255,667.54
Granger	126	6,943.02	18,647.02	0.00	21.61	25,611.65
Green River	12,711	700,418.30	687,128.61	0.00	245.04	1,387,791.95
Greybull	1,789	98,579.84	119,108.38	0.00	51.13	217,739.35
Guernsey	1,155	63,644.33	81,964.92	0.00	39.88	145,649.13

**DISTRIBUTIONS TO CITIES AND TOWNS** (continued)

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> <u>W.S. 39-6-305</u>	<u>Federal</u> <u>Mineral Royalty</u> <u>W.S. 9-4-601</u>	<u>Police Officers'</u> <u>Retirement</u> <u>W.S. 15-5-302</u>	<u>Municipal Mineral</u> <u>Trust Interest</u> <u>W.S. 39-6-308</u>	<u>Total</u>
Hanna	1,076	\$ 59,291.17	\$ 61,182.07	\$ 0.00	\$ 38.47	\$ 120,511.71
Hartville	78	4,298.06	16,523.30	0.00	20.75	20,842.11
Hudson	392	21,600.50	40,253.55	0.00	26.33	61,880.38
Hulett	429	23,639.33	48,677.72	0.00	26.99	72,344.04
Jackson	4,677	252,890.02	421,934.94	0.00	102.40	674,927.36
Kaycee	256	14,106.45	26,311.22	0.00	23.91	40,441.58
Kemmerer	3,020	166,412.03	272,817.11	0.00	72.99	439,302.13
Kirby	59	3,251.09	14,667.52	0.00	20.42	17,939.03
La Barge	493	27,165.94	57,084.12	0.00	28.12	84,278.18
La Grange	224	12,343.14	24,262.80	0.00	23.35	36,629.29
Lander	7,023	386,990.62	467,528.37	0.00	144.05	854,663.04
Laramie	26,687	1,470,542.31	749,742.14	76,000.00	493.16	2,296,777.61
Lingle	473	26,063.88	40,893.27	0.00	27.77	66,984.92
Lost Springs	4	220.42	12,228.84	0.00	19.45	12,468.71
Lovell	2,131	117,425.18	139,010.67	0.00	57.20	256,493.05
Lusk	1,504	82,875.39	86,670.72	0.00	46.07	169,592.18
Lyman	1,896	104,475.89	140,377.04	0.00	53.03	244,905.96
Manderson	83	4,573.57	16,830.64	0.00	20.84	21,425.05
Manville	97	5,345.03	16,622.24	0.00	21.09	21,988.36
Marbleton	634	34,935.51	68,220.05	0.00	30.63	103,186.19

**DISTRIBUTIONS TO CITIES AND TOWNS** (continued)

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> <u>W.S. 39-6-305</u>	<u>Federal</u> <u>Mineral Royalty</u> <u>W.S. 9-4-601</u>	<u>Police Officers'</u> <u>Retirement</u> <u>W.S. 15-5-302</u>	<u>Municipal Mineral</u> <u>Trust Interest</u> <u>W.S. 39-6-308</u>	<u>Total</u>
Medicine Bow	389	\$ 21,435.19	\$ 31,699.88	\$ 0.00	\$ 26.28	\$ 53,161.35
Meeteetse	368	20,278.02	35,211.06	0.00	25.90	55,514.98
Midwest	495	27,276.14	38,438.63	0.00	28.16	65,742.93
Mills	1,583	87,228.56	81,214.78	0.00	47.08	168,490.42
Moorcroft	768	42,319.35	75,292.23	0.00	33.00	117,644.58
Mountain View	1,189	65,517.85	93,626.53	0.00	40.48	159,184.86
Newcastle	3,028	166,235.67	195,313.57	0.00	72.68	361,621.92
Opal	95	5,234.82	20,108.53	0.00	21.06	25,364.41
Pavillion	126	6,943.02	20,113.91	0.00	21.61	27,078.54
Pine Bluffs	1,054	58,078.90	62,931.09	0.00	38.08	121,048.07
Pine Haven	141	7,769.57	23,068.41	0.00	21.87	30,859.85
Pinedale	1,181	65,077.03	114,138.33	0.00	40.34	179,255.70
Powell	5,292	291,606.78	305,604.79	0.00	113.32	597,324.89
Ranchester	676	37,249.84	49,522.33	0.00	31.37	86,803.54
Rawlins	9,380	516,869.15	417,586.57	40,000.00	185.90	974,641.62
Riverside	85	4,683.78	15,647.95	0.00	20.88	20,352.61
Riverton	9,202	507,060.76	588,035.24	0.00	182.74	1,095,278.74
Rock River	190	10,469.63	17,236.00	0.00	22.74	27,728.37
Rock Springs	19,050	1,049,718.25	1,022,328.95	50,200.00	357.58	2,122,604.78
Rolling Hills	330	18,184.10	33,697.53	0.00	25.23	51,906.86

**DISTRIBUTIONS TO CITIES AND TOWNS** (continued)

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u>	<u>Federal</u>	<u>Police Officers'</u>	<u>Municipal Mineral</u>	<u>Total</u>
		<u>W.S. 39-6-305</u>	<u>Mineral Royalty</u>	<u>Retirement</u>	<u>Trust Interest</u>	
		<u>W.S. 39-6-305</u>	<u>W.S. 9-4-601</u>	<u>W.S. 15-5-302</u>	<u>W.S. 39-6-308</u>	
Saratoga	1,969	\$ 108,498.44	\$ 99,508.62	\$ 0.00	\$ 54.33	\$ 208,061.39
Sheridan	13,904	766,057.82	724,869.42	82,000.00	266.15	1,573,193.39
Shoshoni	497	27,386.36	66,935.24	0.00	28.19	94,349.79
Sinclair	500	27,551.66	36,458.46	0.00	28.25	64,038.37
South Superior	273	15,043.21	26,424.75	0.00	24.22	41,492.18
Sundance	1,139	62,762.68	104,415.71	0.00	39.59	167,217.98
Ten Sleep	311	17,137.13	27,344.37	0.00	24.89	44,506.39
Thayne	267	14,712.58	34,790.56	0.00	24.11	49,527.25
Thermopolis	3,247	178,920.48	161,762.28	0.00	77.02	340,759.78
Torrington	5,651	311,388.87	324,365.56	0.00	119.70	635,874.13
Upton	980	54,001.26	73,712.62	0.00	36.77	127,750.65
Van Tassell	8	440.83	12,381.22	0.00	19.51	12,841.56
Wamsutter	240	13,224.80	24,696.93	0.00	23.63	37,945.36
Wheatland	3,271	180,242.96	204,647.60	0.00	77.44	384,968.00
Worland	5,742	316,403.27	298,285.38	0.00	121.31	614,809.96
Wright	1,236	68,107.70	103,842.93	0.00	41.31	171,991.94
Yoder	136	7,494.05	19,445.79	0.00	21.78	26,961.62
	<u>317,316</u>	<u>\$17,483,892.14</u>	<u>\$17,795,927.42</u>	<u>\$742,000.00</u>	<u>\$7,514.84</u>	<u>\$36,029,334.40</u>

DISTRIBUTION DATES: Severance tax: 9/15, 12/15, 4/15  
 Federal Mineral Royalty: 7/10, 10/10, 1/10, 4/10  
 Police Officers' Retirement: 7/1  
 Municipal Mineral Trust Interest: Annually

**AGRICULTURAL GAS TAX REFUNDS  
BY COUNTIES**

<u>County</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>Applicants</u>	<u>Amount</u>	<u>Applicants</u>	<u>Amount</u>
Albany	103	\$ 16,551.81	109	\$ 19,334.13
Big Horn	329	55,205.02	307	51,107.32
Campbell	304	45,792.18	260	41,639.16
Carbon	159	41,670.95	149	38,805.22
Converse	191	34,129.65	194	34,140.92
Crook	267	35,949.55	259	35,488.61
Fremont	406	55,569.46	415	53,166.93
Goshen	565	86,721.78	533	81,046.59
Hot Springs	79	15,272.86	78	12,882.71
Johnson	173	33,983.40	178	31,851.79
Laramie	232	45,556.24	218	42,746.42
Lincoln	183	20,943.91	162	19,674.25
Natrona	76	26,648.22	58	23,805.21
Niobrara	179	24,322.12	177	24,187.99
Park	287	55,598.07	303	50,364.90
Platte	305	43,289.25	317	43,892.75
Sheridan	167	26,518.78	166	28,214.77
Sublette	97	17,628.10	94	17,040.72
Sweetwater	51	10,083.55	52	9,318.21
Teton	19	2,637.99	24	3,420.02
Uinta	100	19,497.56	91	16,776.48
Washakie	133	30,953.50	136	28,762.71
Weston	<u>101</u>	<u>14,909.06</u>	<u>104</u>	<u>15,715.89</u>
	<u>4,506</u>	<u>\$759,433.01</u>	<u>4,384</u>	<u>\$723,383.70</u>

**NOTE:**

In FY 94 the agricultural gas tax refund program will be changed to a system of at-the-pump discounts through the Department of Transportation.

## GASOLINE TAX REFUNDS TO MUNICIPALITIES

<u>CITY/TOWN</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>CITY/TOWN</u>	<u>FY 1992</u>	<u>FY 1993</u>
Afton	\$ 0.00	\$ 0.00	Midwest	366.37	358.58
Baggs	133.38	150.41	Mills	570.20	599.59
Bar Nunn	136.99	154.00	Moorcroft	481.46	353.01
Basin	529.43	449.55	Mountain View	263.56	317.29
Big Piney	0.00	0.00	Newcastle	552.79	1,125.11
Buffalo	871.50	750.05	Opal	65.17	73.49
Burns	0.00	0.00	Pine Bluffs	0.00	0.00
Byron	84.57	0.00	Pinedale	0.00	0.00
Casper	6,307.98	12,404.08	Pine Haven	0.00	0.00
Cheyenne	14,863.89	13,512.59	Powell	1,568.83	1,646.23
Chugwater	106.09	29.93	Ranchester	0.00	0.00
Cody	3,359.23	4,097.43	Rawlins	0.00	0.00
Cokeville	0.00	0.00	Riverton	2,021.87	2,573.93
Dayton	188.86	205.03	Rock River	0.00	0.00
Diamondville	387.49	369.62	Rock Springs	0.00	10,241.30
Douglas	0.00	0.00	Saratoga	0.00	0.00
Dubois	0.00	267.02	Sheridan	4,876.97	3,388.84
East Thermopolis	50.96	54.66	Shoshoni	210.47	124.46
Edgerton	383.78	324.56	Sinclair	206.14	192.41
Encampment	0.00	0.00	Sundance	242.78	484.82
Evanston	3,591.00	3,080.00	Superior	0.00	0.00
Evansville	0.00	0.00	Thayne	124.37	50.17
Ft. Bridger	0.00	0.00	Thermopolis	912.90	668.67
Gillette	0.00	17,105.55	Torrington	0.00	0.00
Glendo	110.28	25.80	Upton	387.14	435.49
Glenrock	0.00	0.00	Wheatland	1,374.66	0.00
Green River	5,399.73	6,489.00	Worland	2,458.53	2,189.66
Greybull	938.15	929.45	Wright	0.00	0.00
Hanna	0.00	0.00			
Hulett	0.00	0.00	<b>TOTALS:</b>	<b><u>\$60,980.50</u></b>	<b><u>\$95,125.86</u></b>
Jackson	0.00	0.00			
Kemmerer	384.23	1,898.47			
LaBarge	0.00	0.00			
Lander	2,059.19	1,842.53			
Laramie	2,147.90	4,187.23			
Lingle	285.39	250.25			
Lovell	737.38	641.53			
Lusk	0.00	0.00			
Lyman	987.57	892.20			
Medicine Bow	231.32	191.87			
Meeteetse	0.00	0.00			



## 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 co-mingled for investment purposes. Each participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each political entity. All investments conform to all statutes covering the State Treasurer's other investments (W.S. 9-4-701 and 9-4-831). Currently all funds are invested in U.S. Treasury and U.S. government agency securities.

Income is distributed to participants based on each entity's average daily cash balance in the pool. Interest is calculated and credited semi-annually in July and January for the previous six month period.

The minimum transaction size for deposit or withdrawal is \$5,000. Deposits or withdrawals may be made by warrant or wire transfer, whichever the participant prefers. The State Treasurer's Office requires at least one day's notice for withdrawal requests.

All deposits and withdrawals are confirmed in writing to the pool participant. Cash balance and interest earning statements are issued as of June 30th and December 31st.

The 1993 legislative session authorized the State Treasurer to impose a fee for direct costs incurred in providing the investment assistance. The charge will be taken from the income earned for the six-month period before it is distributed to participants.

The WYO-STAR Program has been in existence since December, 1987, with realized yields as follows:

12/02/87 - 06/30/88	6.895%
07/01/88 - 12/31/88	8.236%
01/01/89 - 06/30/89	9.648%
07/01/89 - 12/31/89	9.014%
01/01/90 - 06/30/90	8.309%
07/01/90 - 12/31/90	8.110%
01/01/91 - 06/30/91	6.350%
07/01/91 - 12/31/91	6.684%
01/01/92 - 06/30/92	5.162%
07/01/92 - 12/31/92	4.202%
01/01/93 - 06/30/93	5.049%

As of June 30, 1993, there were 84 active participants. (Some participants have multiple accounts). WYO-STAR pool balance on June 30, 1993, was \$85,045,397.78.

## GIFTS, ESCHEATS, AND FORFEITURES

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Received</u>	<u>Refunded</u>	<u>Transferred to Common School Permanent Land Fund *</u>	<u>Ending Balance</u>
FY 82	340,921.02	272,408.86	98,857.76	56,279.50	458,192.62
FY 83	458,192.62	40,309.15	25,350.65	37,194.58	435,956.54
FY 84	435,956.54	61,963.60	93,589.29	16,937.42	387,393.43
FY 85	387,393.43	47,472.14	101,321.02	49,968.22	283,576.33
FY 86	283,576.33	269,438.08	28,044.24	83,399.72	441,570.45
FY 87	441,570.45	160,250.59	34,181.84	64,240.20	503,399.00
FY 88	503,399.00	158,444.52	45,714.55	39,438.64	576,690.33
FY 89	576,690.33	181,276.90	76,462.16	38,075.60	643,429.47
FY 90	643,429.47	252,858.09	96,746.71	27,116.14	772,424.71
FY 91	772,424.71	191,102.86	130,627.04	218,847.68	614,052.85
FY 92	614,052.85	428,432.95	101,327.17	76,218.30	864,940.33
FY 93	864,940.33	298,531.97	160,017.21	102,307.91	901,147.18

NOTES:

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

On March 11, 1993, Governor Sullivan signed the Wyoming Uniform Unclaimed Property Act into law. This law provides for unclaimed funds to be held in perpetuity for the rightful owners or their heirs. (See following page).

## WYOMING UNIFORM UNCLAIMED PROPERTY ACT

After many years of attempting to get a law passed, the 1993 Wyoming State Legislature enacted the Uniform Unclaimed Property Act (W.S. 34-24-101 through 34-24-139), effective March 11, 1993. At that time, the State Treasurer's Office established a new division, that of the Unclaimed Property Division.

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

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

The unclaimed funds are held in a trust fund, with the state's General Fund ultimately receiving the interest. All unclaimed property is held in perpetuity.

The Unclaimed Property Division has on deposit more than \$896,000 and currently maintains the records for over 6,000 owners.

In FY 93 64 requests for the unclaimed property owner list were received from heirfinders located in 22 states.

Inquiries from persons seeking their possible unclaimed funds totalled 6,337, and were received from all 50 states, not to mention the numerous telephone inquiries that are not calculated. An alphabetical list is mailed each month to Wyoming county clerks.

## CAPITAL FACILITIES REVENUE BONDS

The 1989 Wyoming Legislature passed W.S. 9-4-605 authorizing the use of revenue bond issues for capital construction purposes. The Wyoming Farm Loan Board was originally authorized to borrow up to \$20,000,000 but this was amended in 1990 and again in 1993 so that the authorization is now \$80,000,000.

The bond issues are to be paid from federal government royalty income and are not to be considered general obligations of the state, and the Farm Loan Board cannot pledge the state's full faith and credit for the payments.

Future minimum payments for revenue bonds are as follows:

FISCAL YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST
1994	\$ 750,000	\$ 1,738,987
1995	520,000	1,729,525
1996	535,000	1,709,148
1997	560,000	1,685,890
1998	580,000	1,660,030
AFTER 1998	<u>34,582,522</u>	<u>33,089,053</u>
	<u>\$ 37,527,522</u>	<u>\$ 41,612,633</u>

On November 15, 1992, the state issued \$28.75 million in Special Revenue Bonds with an average interest rate of 6.15% to advance refund \$14.225 million of outstanding Capital Facilities Revenues Bonds, series 1989 with an average interest rate of 7.37% and \$12.1 million of outstanding Capital Facilities Revenue Bonds, series 1990 with an average interest rate of 7.3%. The net proceeds of \$27,123,662 (after payment of \$394,115 in underwriting fees and other issuance costs) plus an additional \$1,234,500 of 1990 series debt service fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 1989 and 1990 series bonds. As a result, the 1989 and 1990 series bond are considered to be defeased and the liability for those bonds has been removed from the general long term debt account group. On June 30, 1993, \$14.225 million in 1989 series and \$12.1 million in 1990 series revenue bonds are considered defeased.

The state refunded the 1989 and 1990 series revenue bonds to reduce its total debt service payments over the next 30 years by almost \$3,746,290, and obtained an economic gain (difference between the present value of the debt service payments on the old debt and the new debt) of \$812,151.

On May 1, 1993, the state issued \$8.777 million in Special Revenue Bonds with an average interest rate of 6.13% to advance refund \$7,585,767 of outstanding Capital Facilities Revenue Bonds, series 1991 with an average interest rate of 7.16%. The net proceeds of \$8,524,930 (after payment of \$167,992 in underwriting fees and other issuance costs) plus an addition \$758,576 of 1991 series debt service fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 1991 series bonds. As a result, the 1991 series bond are considered to be defeased and the liability for those bonds has been removed from the general long term debt account group. On June 30, 1993, \$7,585,767 in 1991 series revenue bonds are considered defeased.

The state refunded the 1991 series bonds to reduce its total debt service payments over the next 28 years by almost \$1,520,064 and obtained an economic gain (difference between the present value of the debt service payments on the old debt and the new debt) of \$10,535.

**DEFERRED COMPENSATION PROGRAM  
FOR WYOMING PUBLIC EMPLOYEES**

Deferred Compensation is a supplemental retirement program created in accordance with Internal Revenue Code Section 457. The plan allows public employees to "set aside" a limited portion of their earnings into a tax-deferred investment program. A participant may choose among several companies with many different products in tailoring their deferred compensation account to their specific needs.

Wyoming Deferred Compensation, Inc. performs the marketing and coordinating functions for the program and is subject to the authority of the Deferred Compensation Advisory Board, which consists of five members appointed by the Governor with the advice of the State Treasurer (the plan administrator). Two members represent the banking and investment community; two are state employees who participate in the program; and one is a qualified elector with business and financial experience.

The amounts deferred and the earnings thereon are not available to employees until termination, retirement, death, or unforeseeable emergency; however, these funds are not subject to income taxes during the accumulation period and will become subject to income tax only upon withdrawal.

Until paid out or made available to the participant or their beneficiary, these funds and earnings remain the property of the state subject only to the claims of the state general creditors. It is the opinion of legal counsel that the state has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

<u>NUMBER OF PARTICIPANTS</u>	<u>CURRENTLY DEFERRING</u>	<u>TOTAL PARTICIPANTS</u>
Central Payroll	2,073	2,766
Highway Department	861	1,271
University of Wyoming	225	338
Municipalities & Community Colleges	<u>1,586</u>	<u>2,108</u>
	<u>4,745</u>	<u>6,483</u>

Plan assets as of June 30, 1993:

State	\$69,806,660.18
Municipalities	26,831,490.38
Annuity Reserves	<u>12,742,121.00</u>
	<u>\$109,380,271.56</u>

## LEGISLATIVE AUTHORITY

All references are to Wyoming Statutes Annotated, 1977 Republished Edition, except as noted.

9-1-401 through 9-1-413:	Duties Generally
9-5-201 through 9-5-205; 34-24-101 through 34-24-139	Abandoned Property/Escheat Unclaimed Property
9-4-605:	Bond Issues
9-3-501 through 9-3-507:	Deferred Compensation Program
15-5-302:	Distribution of Police Pension Fund
39-2-207:	Distribution of Railroad Car Tax
39-4-103:	Distribution of Veteran Exemption Reimbursements
39-6-302 through 39-6-306:	Distribution of Severance Tax
9-4-305 through 9-4-311;	Distribution of Miners' Hospital
Section 11, Acts of Admission:	
9-4-401 through 9-4-406:	Distribution of Taylor Grazing Funds
9-4-501 through 9-4-504:	Distribution of Forest Reserve Funds
9-4-601 through 9-4-604:	Distribution of Federal Mineral Royalties
11-6-210:	Distribution of Livestock Predatory Animal Control Fees
9-1-416:	Municipal Investment Trust (WYO-STAR)
9-4-701 through 9-4-707; 11-34-129; 11-34-301; 16-1-109; 21-16-102; 27-3-303; 36-8-318 through 36-8-320; 37-5-203, 206; 41-2-124; 41-2-202, 210; 1987-ch117; 1989-ch131, 230, 285; 1990-ch39, 72, 105	Investment of State Funds
9-4-801 through 9-4-831:	Deposits in Wyoming Banks & S&L
9-4-708:	Investment Managers
21-22-101 through 21-22-109; 21-15-105, 39-6-305:	Wyoming Education Trust Fund
39-6-201, 212:	Gas Tax Refund to Municipalities
39-6-201, 211:	Agricultural Gas Tax Refunds
39-6-308:	Municipal Mineral Trust Fund