

# **ANNUAL REPORT of the Treasurer**

**of the  
State of Wyoming**



**For the Period  
July 1, 1995 through June 30, 1996**

***Stan Smith, State Treasurer***  
***Glenn A. Shaffer, Deputy State Treasurer***



# WYOMING STATE TREASURER

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STAN SMITH  
STATE TREASURER

GLENN A. SHAFFER  
DEPUTY STATE TREASURER

The Honorable Jim Geringer  
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, 1996.

Yours very truly,

A handwritten signature in black ink, appearing to read "Stan Smith", written over a horizontal line.

Stan Smith  
State Treasurer

December, 1996

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## FOREWORD

### Legislative Changes

In a major change to our Wyoming investment law, the 1996 Wyoming legislature enacted a measure to put the entire Farm Loan Board in a position of approving and overseeing the adherence to the investment policies of the treasurer. The new law also now requires that an experienced investment advisor be hired to assist the Farm Loan Board, and to continually review the investment policies in place. At this writing the firm of R.V. Kuhns and Associates of Portland, Oregon, has been selected.

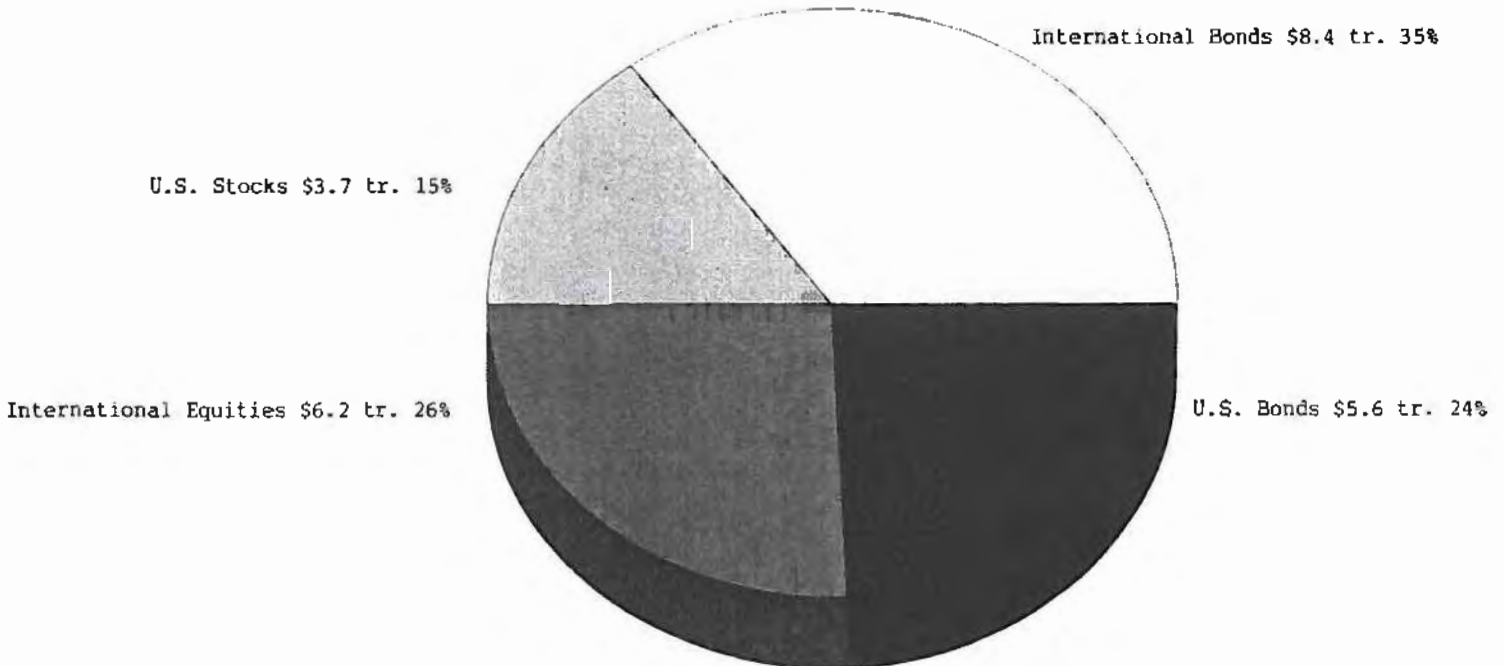
### Common Stock Investments

Four separate times the voters of Wyoming have been presented at a general election the question of amending the state constitution to allow investment of state funds in equities. Each time approval by a two-thirds vote of both the Wyoming Senate and House of Representatives was necessary even to place the question on the ballot. Numerous times that two-thirds vote of approval was rejected, usually by the Wyoming Senate. Finally, after 16 years of efforts, the state treasurer has at last seen it all come together -- the House, the Senate and the vote of the people in the 1996 election. The effect will not be immediate, but in the years ahead the state of Wyoming will benefit greatly from this change.

### International Investments

Using worldwide investment opportunities will be the treasurer's next goal. Four separate categories of investments are available to a global investor. The pie charge below shows the way in which these four types of investments were split up in the recent past.

SIZE OF WORLD MARKETS



Smart investors diversify their portfolios, lowering the risk while at the same time improving the investment return. This is because (a) the categories are not closely correlated and (b) the best category in yield varies from year to year. Using international fixed income securities will be the first change sought by the treasurer. Later on, in years to come, international equities should be added. Both of these changes require only legislative, not constitutional, changes.

### Distribution of Income

The treasurer's office will soon be installing and using a new Investment Income Distribution System (currently nicknamed IIDS). At the time of this writing, the Request for Proposal has been mailed and responses have been received and the decision made. The firm selected is QED Information Systems, Inc.

### Deferred Compensation

Triggered by a Management Audit Committee report, and by a desire to offer the best program possible to public employees that wish to take advantage of deferred tax savings, the state treasurer is launching a complete overhaul of the present deferred compensation program. The goals are to:

- (a) Increase education efforts.
- (b) Lower fees and enhance yield.
- (c) Provide easier and quicker change of investment options.
- (d) Provide a single, more understandable quarterly report to participants, which will come from a single record keeping and reporting entity.
- (e) Increase participation by public employees.
- (f) Allow the public employer, either the state or a local entity, to be allowed to make a contribution to the employee's periodic deferrals. We believe that this will greatly increase participation.

Changes in federal law now remove the previous illogical requirement that the funds in the program belong to the state until drawn out by the participant. Instead, they will be placed in a trust administered only for the benefit of the participant who deferred his pay.

The state treasurer is recommending to the legislature that:

- (a) The current advisory board become a policy-making board.
- (b) When the proposed program changes are implemented (probably in about two years) the program be transferred to the Wyoming Retirement System and placed under the direction of the Retirement Board.

### Board of Deposits

The state treasurer has been urging an overhaul of the statutes W.S. 9-4-801 through 9-4-821, which have to do with deposits in state financial institutions. These laws date back to 1907, are completely out of date and in need of complete revision. A legislative subcommittee has recommended, and the full committee has adopted a comprehensive bill which we expect to pass the legislature. The bill also places all of the present responsibilities of the Board of Deposits into the Farm Loan Board, or into the Board of Investments, if that name is adopted by the legislature.

## DUTIES OF THE OFFICE

The principal duty of the State Treasurer is to safeguard and to invest all the cash of the state, including the local government investment pool. The total investable funds at year-end was \$3,235,974,273. However, the State Treasurer has many other additional duties and currently serves on several boards and commissions as follows: 1) Farm Loan Board, 2) Board of Land Commissioners, 3) State Building Commission, 4) Wyoming Community Development Authority, 5) Group Health Insurance Board, 6) Board of Deposits, 7) State Canvassing Board and 8) 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 available cash is invested daily. A composite investment account composed of funds from the agencies, called the state agency pool, is invested daily with the interest going either to the general fund or to the fund that earned the interest. 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. The State Treasurer also has the general responsibility for the management of the state's cash resources including developing information to forecast the cash needs of the state.

The Wyoming Unclaimed Property program is administered by the Treasurer. This involves holding unclaimed property for the rightful owners and making diligent efforts to locate those rightful owners.

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.

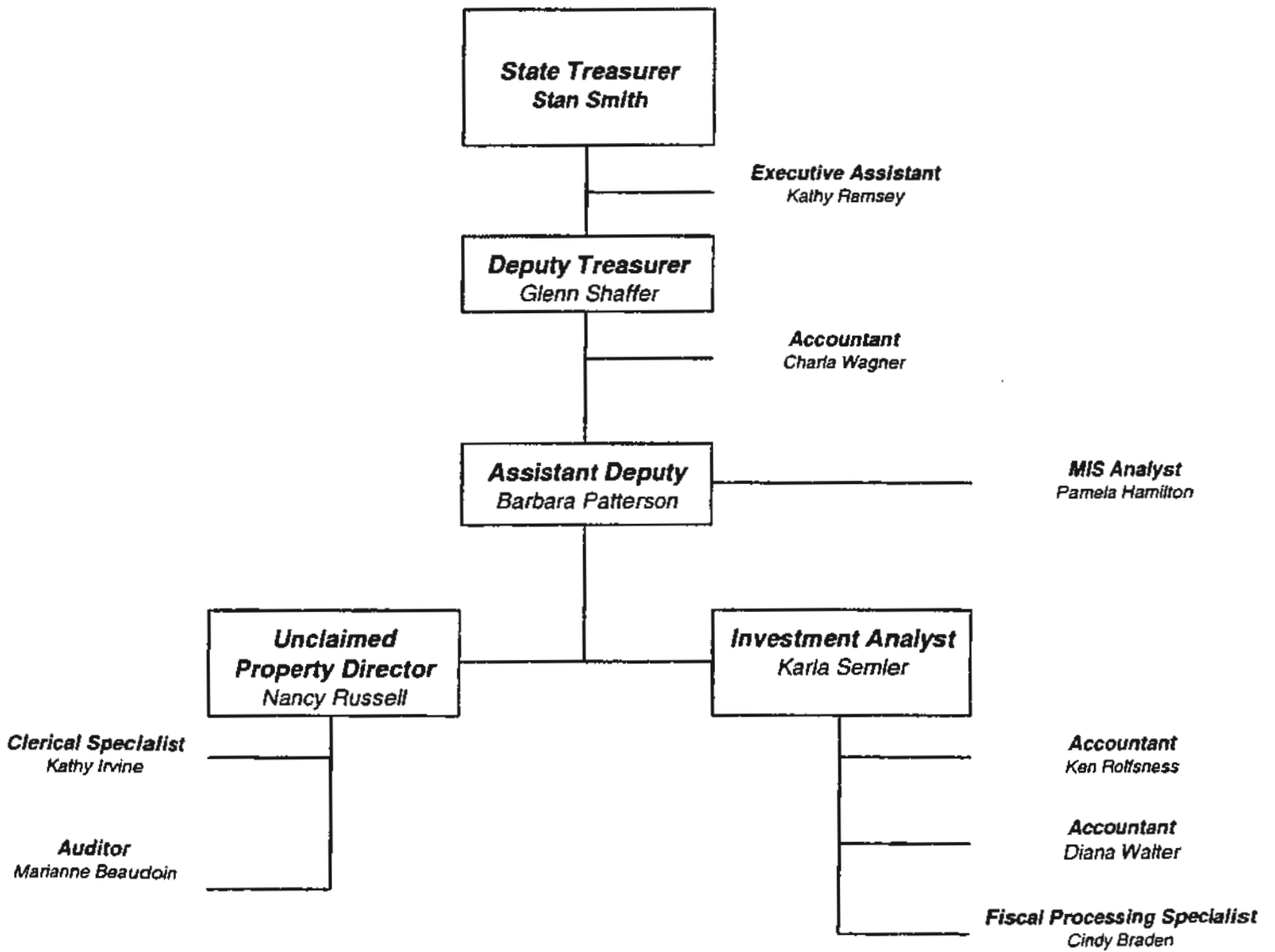
The Treasurer administers the Wyoming State Treasurer's Asset Reserve (WYO-STAR) which is an investment pool for use by local government entities, school districts, counties and cities that wish to place funds with the state for short term investment.

Distributions of various state and federal monies are made as prescribed by law to cities, towns, counties, and state agencies.

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-611.

ORGANIZATIONAL CHART OF STATE TREASURER'S OFFICE



**BALANCE SHEET**  
**AS OF JUNE 30, 1996**

Assets

Treasurer's Cash	\$ 6,584,687.74	
Cash with Fiscal Agent	<u>75,812,124.86</u>	\$ 82,396,812.60
Loans Receivable		414,440,522.06
Income Receivable from Inv Mgrs	2,472,295.26	
Income Rec from M D SAS	1,241,948.97	
Wyo-Star Inc Rec from MD SAS	3,980,648.65	
Net Accrued Interest & Amort Receiv	<u>54,348,310.23</u>	62,043,203.11
State Investments @ Cost	2,694,724,408.82	
Wyo-Star Investments @ Cost	<u>150,584,413.14</u>	
Total Investments @ Cost		<u>2,845,308,821.96</u>
TREASURER'S TOTAL ASSETS		<u>\$ 3,404,189,359.73</u>

Liabilities

Due to Local Govm/t Entities (Wyo-Star income)		3,980,648.65
---	--	--------------

Equity

State Investments Equity	3,232,587,391.74	
Unapportioned Income	3,885,485.20	
Remaining '94 Cap Const Appr	<u>13,151,421.00</u>	
Total State Equity		3,249,624,297.94
Wyo-Star Participation		<u>150,584,413.14</u>

TREASURER'S TOTAL LIABILITY AND FUND EQUITY		<u>\$ 3,404,189,359.73</u>
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**STATEMENT OF CASH FLOWS  
FOR YEAR ENDED JUNE 30, 1996**

Cash flows from operating activities:

Receipts <sup>1</sup>	\$ 2,014,011,450.46
Less return items	<u>(1,146,151.50)</u>
Net cash receipts	2,012,865,298.96
Decrease in petty cash	405.00
Warrants redeemed <sup>2</sup>	<u>(2,095,750,767.24)</u>

Net cash provided (used) by operating activities \$ (82,885,063.28)

Cash flows from investment operations:

Investment income distributed <sup>3,4,5</sup>	281,155,309.98
Accrued income recognized, not received	(54,348,310.23)
Net increase in investments & loans receivable	(134,329,091.72)
WYO-STAR monies	<u>(8,271,060.40)</u>

Net cash provided (used) by investment activities 84,206,847.63

Net increase in cash 1,321,784.35

Beginning cash: July 1, 1995 5,262,833.39

Ending cash: June 30, 1996 \$ 6,584,617.74

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 1996 receipts increased 4% compared to FY 95.

<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 1996 warrants redeemed increased 3% compared to FY 95.

<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, \$8,271,060.40 was income to the local government investment pool (WYO-STAR) and is not included in income available for state use.

<sup>5</sup> Investment Income Distributed includes \$4,044,279.99 trading profits (see page 13 for details)

**INCOME EARNINGS RECEIVED ON INVESTMENTS FOR FISCAL YEAR 1996  
AS OF 6/30/96**

<u>Fund Name &amp; No.</u>	<u>Regular Investment Income</u>	<u>Cash Pool Income 7/1-6/30</u>	<u>Total Investment Income Rec'd</u>
GNMA Fund (423)		732.03	732.03*
Water Development (041)	10,051,609.85	2,435,534.92	12,487,144.77
General Fund Pool (001)	744,677.60	2,032,280.26	2,776,957.86
Workers' Compensation (504)	3,739,065.02	4,051,354.55	7,790,419.57
Miners' Hospital Permanent Land Fund (L01)		1,825,306.92	1,825,306.92
Public Buildings @ Capitol Perm Land Fund (L02)		51,989.80	51,989.80*
Fish Hatchery Permanent Land Fund (L03)		22,066.40	22,066.40
Common School Permanent Land Fund (L04)	66,541,843.30	3,301,431.37	69,843,274.67
D. D. & B. Permanent Land Fund (L05)		70,242.66	70,242.66*
Carey Act Permanent Land Fund (L06)		14,915.49	14,915.49*
Omnibus Permanent Land Fund (L07)		1,390,343.98	1,390,343.98*
State Hospital Permanent Land Fund (L08)		243,789.49	243,789.49*
State Training School Permanent Land Fund (L09)		11,962.64	11,962.64*
Penitentiary Permanent Land Fund (L10)		468,509.92	468,509.92*
Agriculture College Permanent Land Fund (L11)		547,435.46	547,435.46
University Permanent Land Fund (L12)	122,725.00	1,425,714.63	1,548,439.63
Permanent Mineral Trust Fund (M01 & M02)	98,129,403.65	10,815,938.47	108,945,342.12
Other Funds		<u>65,018,179.64</u>	<u>65,018,179.64</u>
	<u>\$179,329,324.42</u>	<u>\$93,727,728.63</u>	<u>\$273,057,053.05</u>

Total Income--Treasurer's Investments \$273,057,053.05\*\*  
(Includes both Treasurer's & Managers' Investments)

NOTES:

Realized yield for all state investments was 7.16% for FY 96. This is an approximation based on income received versus end-of-month investments at cost, and includes investment managers but excludes WYO-STAR, and does not include the \$49,695,911.96 one time adjustment of amortization and accrual.

Total Investment Income transferred to General Fund (excluding Permanent Mineral Trust Fund) = \$24,920,856.04

\*\* A total of \$54,348,310.23 amortization and accrual was posted during FY 96.

\* All or a portion of the investment income from these funds ultimately goes to the General Fund and is included in the \$24.9 million General Fund income.

**STATE TREASURER'S INVESTMENT SUMMARY AT COST**  
**AS OF JUNE 30, 1996**

<u>FUND</u>	904	916	930	941	942	999	
	<u>COMMON SCHOOL PLF</u>	<u>WATER DEVELOP.</u>	<u>WORKERS' COMP.</u>	<u>MINERAL TRUST FUND</u>		<u>STATE AGENCY POOL (CASH POOL)</u>	<u>WYO-STAR (LQIP)</u>
<b>INVESTMENT TYPE</b>							
<b>DISCRETIONARY INVESTMENTS.</b>							
U.S. GOVERNMENT AGENCY	\$ 94,035,552.85		\$ 48,776,581.25	\$ 273,198,022.56	\$ 132,358,750.00	\$ 530,940,312.50	
TREASURY NOTES	11,289,898.80			21,412,500.00	5,006,250.00	182,223,581.25	
COMMERCIAL PAPER							
REPURCHASE AGREEMENTS							
CORPORATES	73,010,238.95		12,801,000.00	138,511,046.81	110,550,740.00	151,996,800.00	
GUARANTEED INVESTMENT CONTRACTS				48,283,881.48		15,000,000.00	
DEPOSITS IN WYO FINANCIAL INSTITUTIONS						103,103,879.69	
<b>PROGRAM LOANS AUTHORIZED BY STATE STATUTE:</b>							
AG LOANS						7,934,460.32	
COMMUNITY COLLEGE BONDS	968,000.00						
CLEAN COAL				20,700,000.00			
CITIES AND TOWNS				10,006,206.89			
DRAINAGE DISTRICTS	88,170.00						
FARM LOANS				167,090,353.83			
IRRIGATION LOANS				18,248,718.72			
JOINT POWERS LOANS				24,529,135.08			
INTER AGENCY				26,525,958.64			
MORTGAGE PURCHASE	21,927,517.80			9,555,155.36			
SBAA PROGRAM				9,629,650.90			
SPECIFIC FARM LOAN BOARD LOANS				1,404,704.94			
STUDENT LOANS				14,484,759.89			
INVESTMENT MANAGERS	520,785,598.00					285,100,000.00	150,584,413.14
		83,685,069.45					
<b>TOTAL COST</b>	<u>\$722,104,996.40</u>	<u>\$83,685,069.45</u>	<u>\$61,577,581.25</u>	<u>\$783,580,095.10</u>	<u>\$247,915,740.00</u>	<u>\$1,276,299,033.76</u>	<u>\$150,584,413.14</u>

This report includes Treasurer's in-house investments, investment managers (as a lump-sum), and WYO-STAR, but excludes debt service funds placed with other fiscal agents.

## REPORT OF THE STATE BOARD OF DEPOSITS

The State Board of Deposits, consisting of the Governor, Secretary of State, and State Treasurer, met on June 4, 1996, 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 1996 found no Wyoming banks reported closed.

### TDOA DEPOSITS IN WYOMING BANKS

Security State Bank, Basin . . . . .	\$ 765,600.00
First National Bank, Buffalo . . . . .	919,200.00
Wyoming Bank & Trust, Buffalo . . . . .	681,000.00
First Interstate Bank, Casper . . . . .	5,221,900.00
Hilltop National Bank, Casper . . . . .	1,500,000.00
Norwest Bank Wyoming Casper, N.A. . . . .	6,641,000.00
American National Bank, Cheyenne . . . . .	1,632,600.00
Equality State Bank, Cheyenne . . . . .	1,693,200.00
Frontier Bank, Cheyenne . . . . .	473,000.00
Key Bank, Cheyenne . . . . .	22,367,600.00
Western Bank, Cheyenne . . . . .	100,000.00
Wyoming Bank & Trust, Cheyenne . . . . .	300,000.00
Shoshone First Bank, Cody . . . . .	1,768,600.00
Western Bank, Cody . . . . .	774,500.00
Converse County Bank, Douglas . . . . .	1,025,000.00
Hulett National Bank . . . . .	369,400.00
Bank of Jackson Hole . . . . .	1,212,800.00
Jackson State Bank . . . . .	4,204,900.00
Central Bank & Trust, Lander . . . . .	100,000.00
First National Bank, Laramie . . . . .	1,172,300.00
Bank of Laramie . . . . .	687,300.00
Bank of Lovell . . . . .	463,000.00
Lusk State Bank . . . . .	510,600.00
First Security Bank, Newcastle . . . . .	470,400.00
First State Bank, Newcastle . . . . .	975,900.00
First National Bank, Pinedale . . . . .	280,000.00

First National Bank, Powell . . . . .	1,709,000.00
Ranchester State Bank . . . . .	300,000.00
Bank of Commerce, Rawlins . . . . .	707,100.00
Rawlins National Bank . . . . .	1,507,200.00
First Security Bank, Rock Springs . . . . .	2,106,300.00
First Interstate Bank, Sheridan . . . . .	5,721,100.00
Sheridan State Bank . . . . .	643,600.00
Sundance State Bank . . . . .	1,003,600.00
First State Bank, Thermopolis . . . . .	508,200.00
Citizens Bank, Torrington . . . . .	1,099,000.00
First National Bank, Torrington . . . . .	659,300.00
Union State Bank, Upton . . . . .	344,000.00
First State Bank, Wheatland . . . . .	750,000.00
First National Bank, Worland . . . . .	1,209,100.00
Stockgrowers State Bank, Worland . . . . .	<u>782,700.00</u>

**\$75,360,000.00**

**TDOA DEPOSITS IN WYOMING SAVINGS AND LOAN INSTITUTIONS**

Buffalo Federal Savings and Loan . . . . .	791,000.00
First Bank, Federal Savings Bank, Cheyenne . . . . .	6,558,300.00
Security First Savings and Loan, Cheyenne . . . . .	1,459,700.00
First Federal Savings Bank, Sheridan . . . . .	2,680,700.00
Tri-County Savings and Loan, Torrington . . . . .	<u>1,179,300.00</u>

**\$12,669,000.00**

**PROPOSAL FOR DEPOSIT PROGRAM**

This program became operational December 15, 1995 and provides that any bank may request a deposit under the specified terms of the program.

At the request of the Governor, the requirements for deposits under this program are currently being written into rules.

**PROPOSAL FOR DEPOSIT AMOUNTS IN FINANCIAL INSTITUTIONS**

Security State Bank, Basin . . . . .	500,000.00
First National Bank, Buffalo . . . . .	3,000,000.00
First National Bank, Gillette . . . . .	2,000,000.00
Jackson State Bank . . . . .	4,000,000.00
First National Bank, Torrington . . . . .	<u>250,000.00</u>

**\$9,750,000.00**

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

A total of \$4,924,006.13 was earned in Fiscal Year 1996. 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%
1994	52,808,000	10,410,000	3.00%	3.125%	4.00%	4.50%
1995	64,722,000	13,333,000	5.30%	5.80%	5.80%	5.58%
1996	75,360,000	12,669,000	5.46%	5.12%	5.12%	5.23%

## LINK DEPOSIT PROGRAM

By statute, this program terminated on July 1, 1993, and no further link deposits will be made. Outstanding links will be serviced until pay-off or maturity.

The program originally became operational October, 1986, to provide impetus for economic development and assist existing businesses to remain viable and to create and preserve jobs.

### LINK DEPOSITS IN FINANCIAL INSTITUTIONS

Security State Bank, Basin . . . . .	\$ 1,746,817.14
First National Bank, Buffalo . . . . .	206,260.28
Norwest Bank Wyoming Casper, N.A. . . . .	173,648.05
Key Bank, Cheyenne . . . . .	1,249,474.91
Shoshone First Bank, Cody . . . . .	353,635.82
Rawlins National Bank . . . . .	133,406.26
American National Bank, Rock Springs . . . . .	133,336.89
First Security Bank, Rock Springs . . . . .	27,923.35
First Interstate Bank, Sheridan . . . . .	242,461.18
First State Bank, Thermopolis . . . . .	95,680.68
First National Bank, Torrington . . . . .	741,249.93
Union State Bank, Upton . . . . .	68,064.14
First National Bank, Worland . . . . .	152,921.06
<b>TOTAL LINK DEPOSITS . . . . .</b>	<b><u>\$5,324,879.69</u></b>

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 \$5,449,879.69.

## 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 market 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 following is a monthly summary of profitable transactions made in FY 96. The dollar amounts listed do NOT include the additional income that results from substituting a new security with a better yield.

These figures do not include investment managers trading profits which were an additional amount of \$4,670,338 (see page 14).

<u>MONTH</u>	<u>TOTAL (excl WYO-STAR)</u>	<u>WORKERS COMP POOL</u>	<u>CASH POOL FUND</u>	<u>PERMANENT MINERAL TRUST FUND</u>	<u>COMMON SCHOOL PERMANENT LAND FUND</u>	<u>WYO-STAR INVESTMENT POOL</u>
July 1995	\$ 324,494.37		\$ 357,023.67	\$ (35,896.27)	\$ 3,366.97	\$ 10,937.50
August	217,602.14		192,496.07	85,534.62	(60,428.55)	0.00
September	374,025.91		29,750.00	352,628.40	(8,352.49)	0.00
October	707,280.83		40,100.40	421,327.09	245,853.34	0.00
November	846,307.06		178,156.57	674,653.70	(6,503.21)	107,495.48
December	308,266.04		0.00	151,813.25	156,452.79	2,561.63
January 1996	329,359.16		133,767.97	130,880.63	64,710.56	28,546.28
February	399,714.47	\$ 106,250.00	232,739.69	67,098.77	(6,373.99)	(1,912.09)
March	19,015.01		0.00	25,827.11	(6,812.10)	59,215.57
April	197,580.14		40,910.50	109,842.53	46,827.11	(39,846.55)
May	271,635.42		117,474.81	111,956.26	42,204.35	(109,354.44)
June	11,048.11		18,563.76	(415.45)	(7,100.20)	(19,692.05)
	<u>\$4,006,328.66</u>	<u>\$106,250.00</u>	<u>\$1,340,983.44</u>	<u>\$2,095,250.64</u>	<u>\$463,844.58</u>	<u>\$37,951.33</u>



**INVESTMENT MANAGERS' SUMMARY  
AND NET BENEFIT ANALYSIS  
AS OF JUNE 30, 1996**

	<u>CURRENT MANAGER BALANCE</u>	<u>TOTAL STATE INVESTMENT</u>
Total Investments on hand \$ 627,936,092.38		
Cash plus trade receivables/(payables)	<u>(23,871,213.45)</u>	
Net Investments Held	604,064,878.93	
Income to be remitted to State Treasurer	<u>405,788.52</u>	<u>                    </u>
	<u>\$ 604,470,667.45</u>	<u>\$ 604,470,667.45</u>
Interest to Treasurer	<u>\$ 45,370,123.90</u>	
Profit (loss) remitted to Treasurer last 12 month period	<u>\$ 4,670,338.07</u>	
Realized yield FY 96:	<u>8.30%</u>	

Investment managers experienced much better returns this year over last year FY 95 and even superior to FY 94. The portfolio restructuring from the previous year resulted in interest earned of \$45,370,123 which was lower than last year by \$407,998 but realized profit from securities trading resulted in an additional \$4,670,338. This resulted in an increase in income of \$11,908,163 over FY 95.

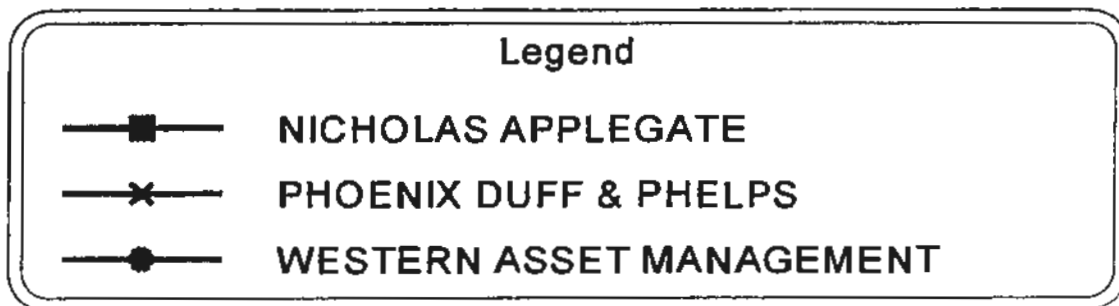
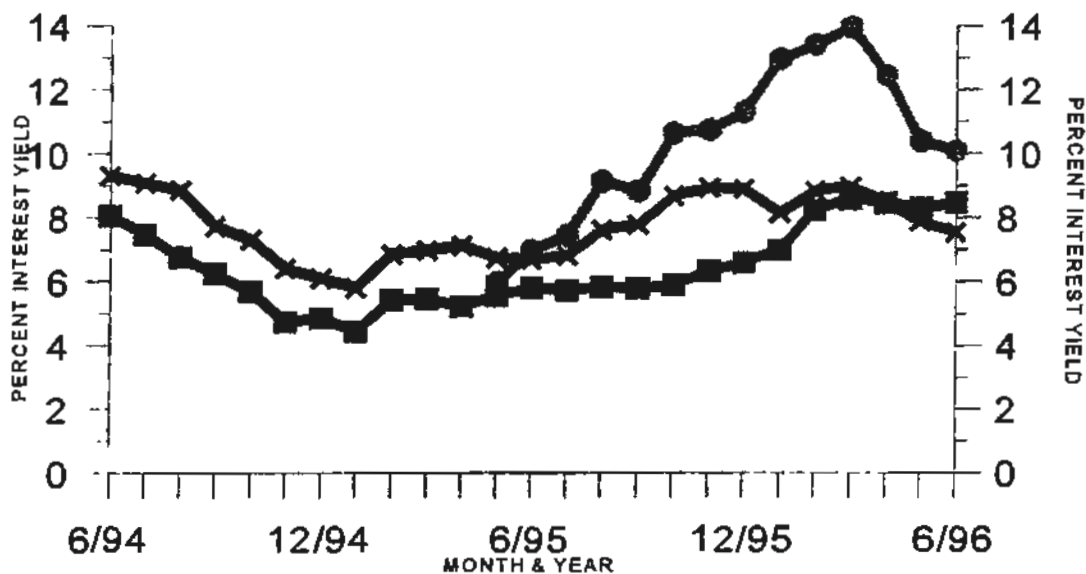
The return realized by the managers during FY 96 was 8.30% and the approximate return realized by state investments as a whole was 7.16%.

Therefore:

\$602,864,046.93	Managers' average investable balance
<u>                    x 1.14%</u>	Net additional return earned by managers
6,872,650.14	(8.30% less 7.16%)
<u>(620,000.00)</u>	Additional income earned by managers
<u>\$ 6,252,650.14</u>	Annual cost of managers
	<b>ANNUAL NET BENEFIT OF USING MANAGERS</b>

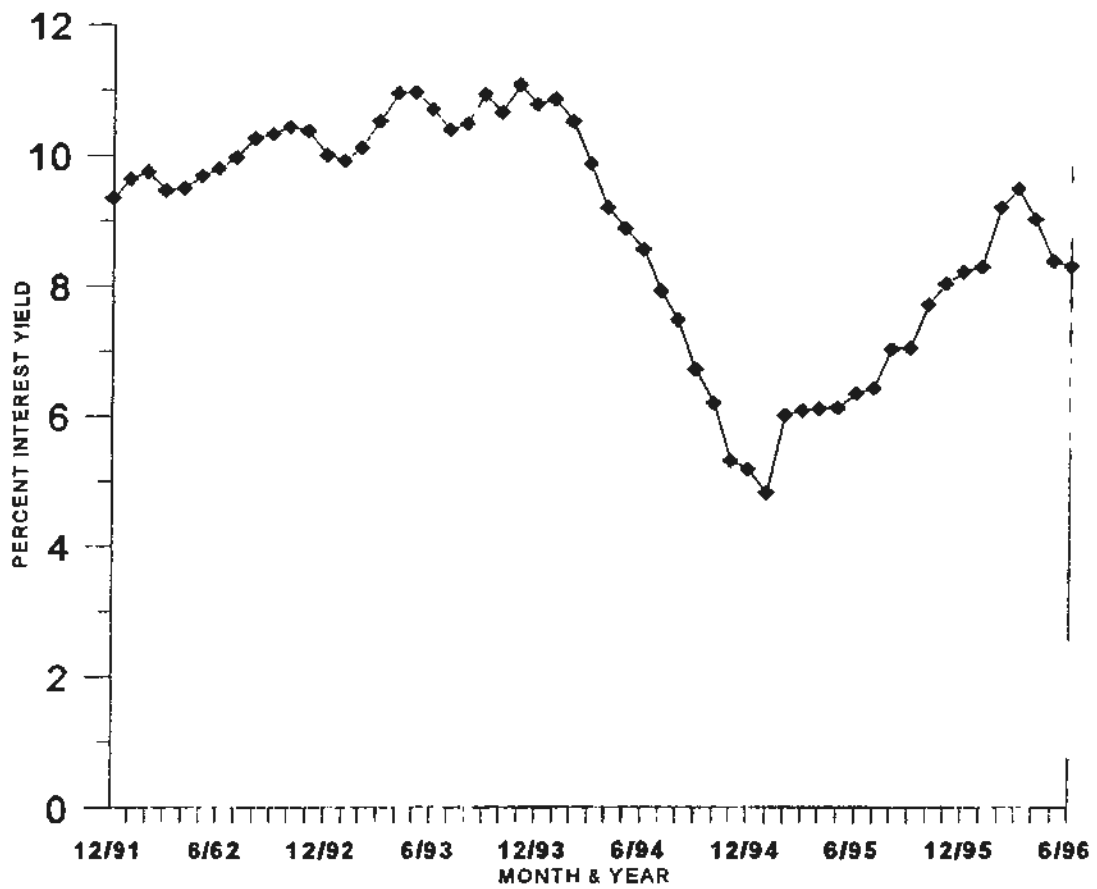
## INDIVIDUAL RECORD OF EACH OF WYOMING'S INVESTMENT MANAGERS' REALIZED YIELD

(Each position on the graph shows the realized yield expressed as annualized rate of return for the preceding 12-month period).



The first 12 months of the graph of Western Asset Management has been omitted because it does not represent performance in any sense because the firm was setting up a portfolio from cash, and was purchasing accrued interest on those securities before a receipt of coupon interest.

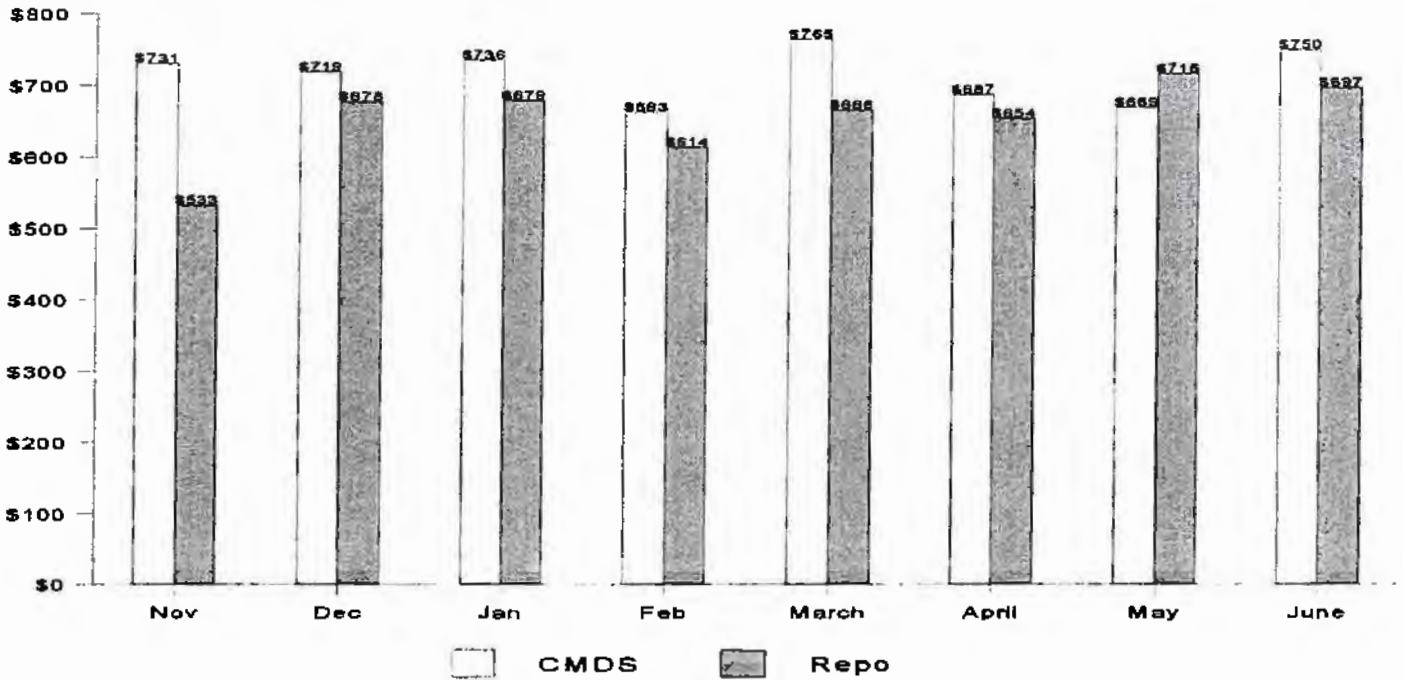
# COMPOSITE RESULTS OF WYOMING'S INVESTMENT MANAGERS' INTEREST RETURN



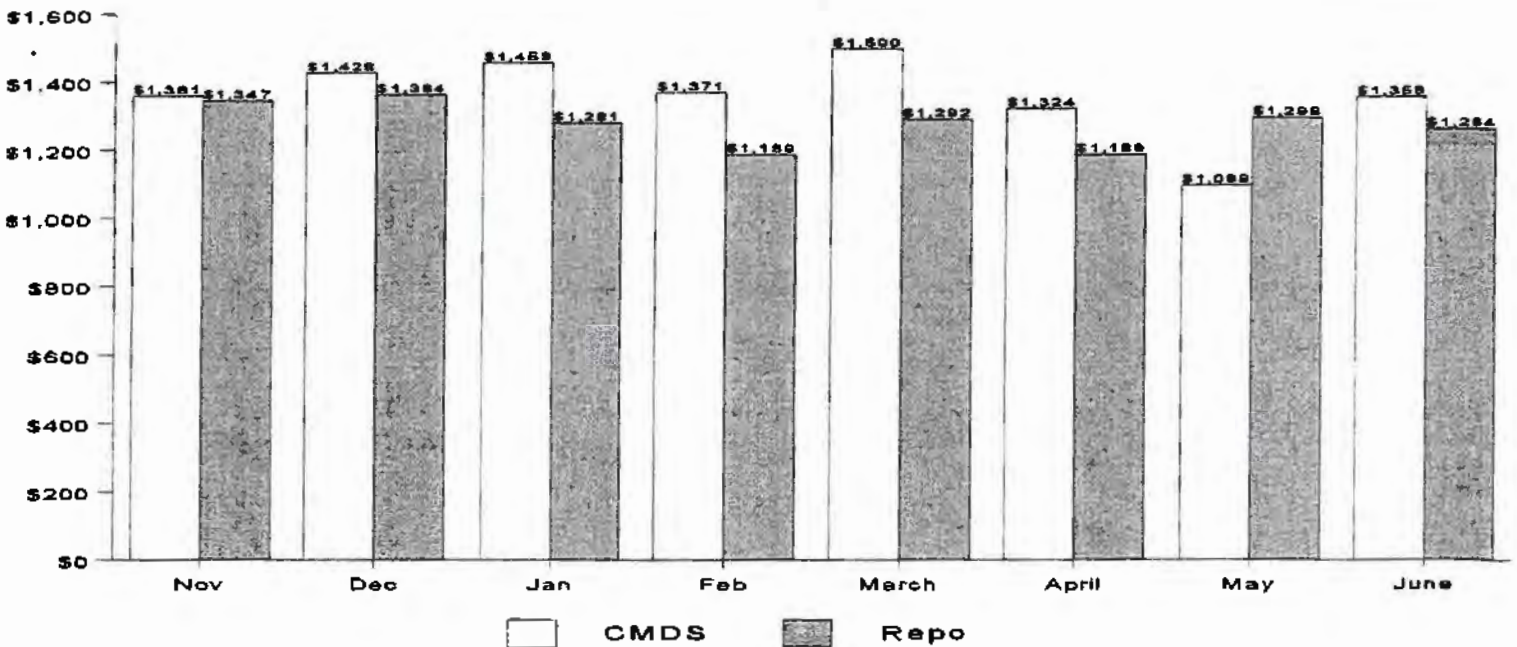
## CASH MANAGEMENT NET BENEFIT ANALYSIS as of June 30, 1996

Chase & MD Sass Partners were hired in November, 1995, to manage short-term portfolios. Prior to that time, the treasurer's office invested these funds directly into short-term investments and repurchase agreements.

**WYO-STAR Income After Fees, Amort., Realized Gains & Losses  
Compared to Pro Forma Repo Income**



**Wyoming Operating Pool Income After Fees, Amort., Realized Gains & Losses  
Compared to Pro Forma Repo Income**



## 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**  
**June 30, 1996**

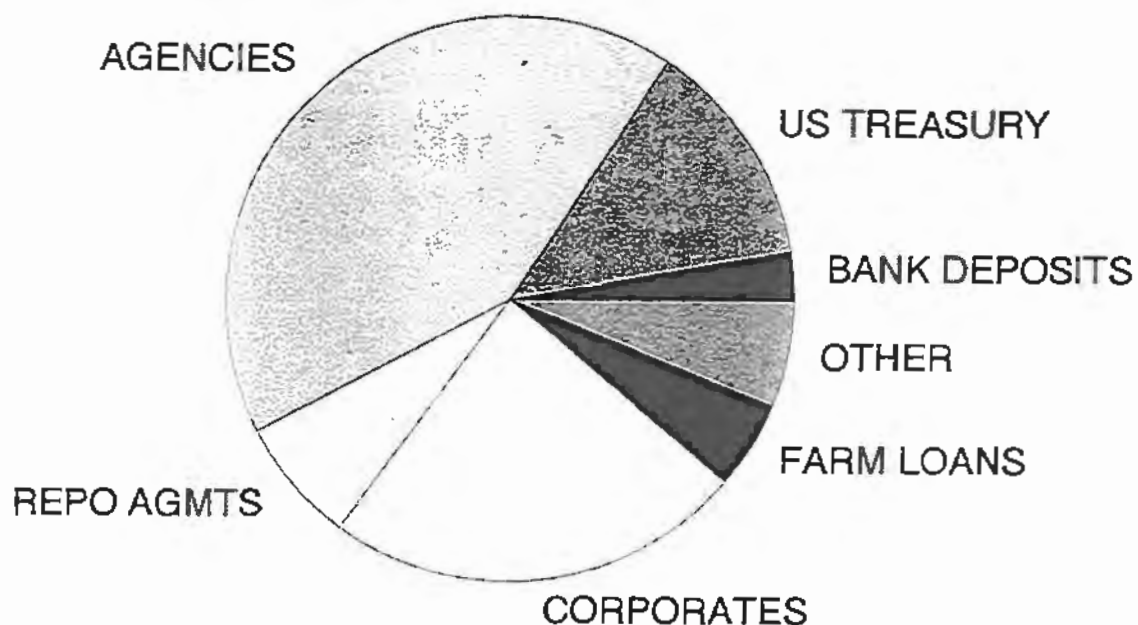
DEPOSITS	DEPOSIT RISK CATEGORY			BANK	CARRIED AT
	1	2	3	balance	amount
DEMAND DEPOSITS	\$4,526,716.89			\$4,576,589.07	\$4,576,589.07
LINK/TDOA/BID DEPOSITS	27,053,901.11	\$76,049,978.58		103,103,879.69	103,103,879.69
<b>Total</b>	<b>\$31,580,618.00</b>	<b>\$76,049,978.58</b>	<b>\$0.00</b>	<b>\$107,680,468.76</b>	<b>\$107,680,468.76</b>

INVESTMENTS	INVESTMENT RISK CATEGORY @ AMORTIZED COST			CARRIED AT	MARKET
	1	2	3	amount	value
US TREASURY SECURITIES	\$199,563,919.81		\$233,416,619.00		\$419,520,227.48
GVMT AGENCY SECURITIES	1,389,663,128.04		33,367,260.00		1,389,440,080.10
REPURCHASE AGREEMENT	251,531,893.00				251,531,893.00
CORPORATE SECURITIES	713,126,966.78		51,445,089.90		739,370,424.24
COMMERCIAL PAPER	59,746,715.38				59,746,715.38
GUARANTEED INVEST CONTRACTS				\$72,052,228.10	
AGRICULTURE LOANS				7,934,460.37	
COMMUNITY COLLEGE BONDS				968,000.00	
MORTGAGE PURCHASE PROGRAMS				31,482,693.16	
SMALL BUSINESS ASSIST				9,629,850.90	
STUDENT LOANS				14,484,759.89	
<b>Total</b>	<b>\$2,613,632,623.01</b>	<b>\$0.00</b>	<b>\$318,228,968.90</b>	<b>\$138,551,792.42</b>	<b>\$2,859,609,340.18</b>

INTEREST-BEARING RECEIVABLES	INVESTMENT RISK CATEGORY @ COST			CARRIED AT	MARKET
	1	2	3	amount	value
CITY/TOWN LOANS				\$10,006,206.79	
DRAINAGE DISTRICT BOND				88,170.00	
FARM LOANS				167,090,353.83	
FL BOARD LOANS-SPECIAL				1,404,704.94	
IRRIGATION LOANS				18,248,718.72	
JOINT POWERS LOANS				24,529,135.08	
WATER DEVELOPMENT LOANS				26,525,958.64	
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$247,893,248.00</b>	<b>N/A</b>

This report includes Investment Managers, all Bond Accounts, and Wyo-STAR investments.

## INVESTMENTS BY GENERAL TYPE



Bank Deposits	3%	\$ 103,104,000
US Treasury	13%	432,981,000
Agencies	42%	1,423,030,000
Repo Agmts	7%	251,532,000
Corporates	24%	824,319,000
Farm Loans	5%	167,090,000
Other	6%	217,355,000
<b>TOTAL</b>	<b><u>100%</u></b>	<b><u>\$ 3,419,411,000</u></b>

This analysis includes Treasurer's in-house investments, WYO-STAR, funds with investment managers, and the funds held by fiscal agents. Percentages are calculated based on cost. "Other" investments include Agricultural Loans, Small Business Administration Assistance Loans, Water Development Loans, etc.

## PERMANENT LAND FUNDS: CORPUS

FUND	JULY 1, 1995 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1996 CORPUS BALANCE
<u>L01 MINERS' HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 22,025,689.83		
Oil & Gas Lease Royalties		\$ 41,700.02	
Real Estate Sales		6,207.73	
Sodium & Trona Lease Royalties		34,587.45	
Right-of-Way & Easement Lease		787.21	
Surface Damage		<u>635.00</u>	
		\$ 83,917.41	<u>\$ 22,109,607.24</u>
 <u>L02 PUBLIC BUILDINGS AT CAPITOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 449,467.17		
Oil & Gas Lease Royalties		\$ 3,516.53	
Real Estate Sales		205,175.34	
Right-of-Way & Easement Lease		<u>1,180.99</u>	
		\$ 209,872.86	<u>\$ 659,340.03</u>
 <u>L03 FISH HATCHERY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 196,166.89		
Real Estate Sales		<u>\$ 147.58</u>	
		\$ 147.58	<u>\$ 196,314.47</u>
 <u>* L04 COMMON SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 819,958,385.51		
Bentonite Lease Royalties		\$ 111,001.56	
Coal Lease Royalties		2,420,204.43	
Liquidated Damages		31,000.00	
Miscellaneous Mineral Lease Royalties		63,095.59	
Oil & Gas Lease Royalties		11,566,273.81	
Sand & Gravel Royalties		219,253.61	
Sodium & Trona Lease Royalties		2,664,449.44	
Right-of-Way & Easement Lease		107,116.44	
Taylor Grazing		51,642.98	
Uranium Lease Royalties		(2,191.21)	
Surface Damage Lease		82,182.19	
Real Estate Sales		<u>432,327.76</u>	
		\$ 17,746,356.60	<u>\$ 837,704,742.11</u>



**INVESTMENT ACCOUNT BALANCES  
AS OF JUNE 30, 1996**

Name	Adjusted Cash*	Investments	Loans Receivable	Net Disc/Prem Purchased	Income to be Transferred to Income Account	Account Balance (Corpus)
Miners' Hospital	\$22,109,607.24	0.00			0.00	\$22,109,607.24
Public Buildings at Capitol	659,340.03	0.00			0.00	659,340.03
Fish Hatchery	196,314.47	0.00			0.00	196,314.47
Common School	115,599,745.71	\$700,177,458.60**	\$21,927,537.80		0.00	837,704,742.11
D.D. & B. Asylum	639,556.84	0.00			0.00	639,556.84
Carey Act	175,266.78	0.00				175,266.78
Omnibus	12,794,805.58	0.00			(44.77)	12,794,760.81
State Hospital	1,073,950.64	0.00				1,073,950.64
State Training School	159,814.63	0.00			0.00	159,814.63
Penitentiary	4,352,463.90	0.00				4,352,463.90
Agricultural College	4,970,754.01	0.00			0.00	4,970,754.01
University	<u>13,244,061.14</u>	<u>0.00</u>	<u>                    </u>	<u>                    </u>	<u>0.00</u>	<u>13,244,061.14</u>
Subtotal - Permanent Land Funds Only	175,975,680.97	700,177,458.60	21,927,537.80	0.00	(44.77)	898,080,632.60
Mineral Trust Fund	<u>375,730,260.04</u>	<u>750,047,386.58</u>	<u>281,474,644.25</u>	<u>(26,195.73)</u>	<u>(7.42)</u>	<u>1,407,226,087.72</u>
Subtotal - All Permanent Funds	551,705,941.01	1,450,224,845.18	303,402,182.05	(26,195.73)	(52.19)	2,305,306,720.32
Workers' Compensation	67,098,344.45	61,577,581.25			0.00	128,675,925.70
GNMA Account	0.00	0.00			0.00	0.00
Water Development	<u>90,433,311.74</u>	<u>83,685,069.45**</u>	<u>                    </u>	<u>                    </u>	<u>0.00</u>	<u>174,118,381.19</u>
	<u>\$709,237,597.20</u>	<u>\$1,595,487,495.88</u>	<u>\$303,402,182.05</u>	<u>\$(26,195.73)</u>	<u>(52.19)</u>	<u>\$2,608,101,027.21</u>

\* "Adjusted Cash" includes cash with fiscal agents (debt service deposits). The rest of "Adjusted Cash" is actually included with, and part of, the State Agency Pool (previously called the "Cash Pool"). The State Agency Pool represents the cash balance of all funds and accounts for which specific investments have not been made. The State Agency Pool investments are not summarized in this report.

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

FUND	JULY 1, 1995 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1996 CORPUS BALANCE
<u>L05 DEAF, DUMB &amp; BLIND PERMANENT LAND FUND</u>			
Beginning Balance	\$ 626,988.11		
Oil & Gas Lease Royalties		3,538.15	
Real Estate Sales		9,098.08	
Right-of-Way & Easement Lease		<u>(67.50)</u>	
		\$ 12,568.73	<u>\$ 639,556.84</u>
<u>L06 CAREY ACT PERMANENT LAND FUND</u>			
Beginning Balance	\$ 112,928.59		
Bentonite Lease Royalty		\$ 3,747.23	
Oil & Gas Lease Royalties		57,765.95	
Surface Damage		120.00	
Right-of-Way & Easement Lease		<u>705.01</u>	
		\$ 62,338.19	<u>\$ 175,266.78</u>
<u>L07 OMNIBUS PERMANENT LAND FUND</u>			
Beginning Balance	\$ 12,179,771.86		
Oil & Gas Lease Royalties		\$ 467,246.11	
Sand & Gravel Royalties		2,705.50	
Right-of-Way & Easement Lease		4,932.09	
Surface Damage		1,548.75	
Real Estate Sales		171,965.65	
Capital Construction Appropriations		<u>(33,409.15)</u>	
		\$ 614,988.95	<u>\$ 12,794,760.81</u>
<u>L08 WYOMING STATE HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 2,593,787.06		
Oil & Gas Lease Royalties		\$ 32,862.91	
Right-of-Way & Easement Lease		1,762.66	
Capital Construction Appropriation		<u>(1,554,461.99)</u>	
		\$ (1,519,836.42)	<u>\$ 1,073,950.64</u>
<u>L09 WYOMING STATE TRAINING SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 83,046.75		
Oil & Gas Lease Royalties		\$ 76,270.87	
Right-of-Way & Easement Lease		<u>497.01</u>	
		\$ 76,767.88	<u>\$ 159,814.63</u>
<u>L10 WYOMING STATE PENITENTIARY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 4,087,517.18		
Oil & Gas Lease Royalties		\$ 257,269.05	
Surface Damage		2,725.00	
Real Estate Sales		92.67	
Uranium Lease Royalties		1,280.00	
Right-of-Way & Easement Lease		<u>3,580.00</u>	
		\$ 264,946.72	<u>\$ 4,352,463.90</u>

FUND	JULY 1, 1995 CORPUS BALANCE	NON-INVESTMENT REVENUE	JUNE 30, 1996 CORPUS BALANCE
<b>* L11 WYOMING STATE AGRICULTURAL COLLEGE</b>			
Beginning Balance	\$ 4,875,433.05		
Oil & Gas Lease Royalties		\$ 93,141.20	
Right-of-Way & Easement Lease		1,007.87	
Surface Damage		706.83	
Real Estate Sales		<u>465.06</u>	
		\$ 95,320.96	<u>\$ 4,970,754.01</u>

**\* L12 WYOMING STATE UNIVERSITY PERMANENT LAND FUND**

Beginning Balance	\$ 13,210,863.03		
Oil & Gas Lease Royalties		\$ 32,587.45	
Sand & Gravel Royalties		292.41	
Surface Damage		901.53	
Right-of-Way & Easement Lease		<u>(583.28)</u>	
		\$ 33,198.11	<u>\$ 13,244,061.14</u>

**TOTAL REVENUE ADDED TO CORPUS OF PERMANENT LAND FUNDS: \$17,680,587.57**

**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.

Several of the Permanent Land Funds have unspent capital construction appropriations included in the corpus balance (i.e., the fund balance at the end of the period may not show "spendable" funds)

**PERMANENT WYOMING MINERAL TRUST FUND: CORPUS**

Beginning Balance	\$ 1,363,081,198.47		
Severance Tax:			
Coal		\$ 17,632,335.12	
Stripper Oil		2,498,186.60	
Oil		13,110,202.11	
Gas		9,761,962.99	
Condensate-Gas		840,808.65	
Tertiary Oil		265,588.03	
Wildcat Oil		20,053.06	
Wildcat Gas		11,125.73	
Collection Oil		<u>4,626.96</u>	
<b>TOTAL REVENUE ADDED TO CORPUS OF MINERAL TRUST FUND:</b>		<b>44,144,889.25</b>	<b><u>\$ 1,407,226,087.72</u></b>

## 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	\$167,090,354	\$107,909,646
Irrigation Loans	A	60,000,000	18,248,719	41,751,281
Joint Powers Loans	A	80,000,000	24,529,135	55,470,865
Cheyenne--Stage II	B, F	35,360,965	30,587,825	4,773,140
Student Loans	D	15,000,000	14,484,760	515,240
Small Business Assistance Act & FHA	D	35,000,000	17,564,111	17,435,889
Mortgage Loans	E	60,000,000	9,555,155	50,444,845
Hot Springs State Park	G	2,000,000	1,247,194	752,806
Clean Coal Investments	F	30,000,000	20,700,000	9,300,000
Green River/Rock Springs Water Treatment Plant	C	24,000,000	1,000,000	23,000,000
Natrona County Water Project	C	23,000,000	3,000,000	20,000,000
Shoshone Municipal Pipeline Treatment Plant	C	16,500,000	15,775,959	724,041
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-
Reimbursement to Counties for Deferred Taxes	L	10,000,000	6,207	9,993,793
Student Loan Stand-By Commitment	D, I	125,000,000	-0-	125,000,000
Industrial Development Bonds		25,000,000	-0-	25,000,000
University of Wyoming Heritage Center	J	6,000,000	-0-	6,000,000
Wyoming Community Development Authority Mortgage Bonds	K	<u>25,000,000</u>	<u>21,927,538</u>	<u>3,072,462</u>
		<u>\$863,610,965</u>	<u>\$362,466,957</u>	<u>\$501,144,008</u>
		(100%)	(41.97%)	(58.03%)

Most of the statutory allotments identified above have been designated from the Permanent Wyoming Mineral Trust Fund (PMTF). However, the University of Wyoming American Heritage Center is funded by the University Permanent Land Fund, and the Wyoming Community Development Authority Bonds are funded by the Common School Permanent Land Fund.

(continued on next page)

NOTES:

- A. Completed loans are purchased from the Farm Loan Board (FLB), which has the responsibility for approving, processing and servicing these loans.
- B. These are involved in a trust arrangement: 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 almost completely reduce risk to investors.
- 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 \$101.0 million.
- J. This program is funded by the University Permanent Land Fund as an inter-agency loan.
- K. Purchase of up to \$100 million Wyoming Community Development Authority Bonds was authorized from the Common School Permanent Land Fund; however, the authorization period ended on 12/31/94 with only \$25 million actually committed.
- L. This program authorized by Wyoming Statute 9-4-701(m).

**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 REALIZED YIELD</u>
Link Deposits	3.01%	\$ 5.143	\$ 225,263
Bank Deposits (Board of Deposits)	5.49%	88.029	1,672,551
Irrigation Loans	4.44%	18.249	538,346
Mortgage Loans	7.34%	9.555	4,778
Small Business Assistance Act	6.15%	17.564	217,793
Hot Springs Park	6.44%	1.247	11,847
Sheridan Water Project <sup>3</sup>	0.00%	6.750	498,825
Shoshone Water Project <sup>4</sup>	4.00%	15.776	597,910
Laramie-Territorial State Park <sup>5</sup>	1.50%	10.000	589,000
Reimbursement to Counties for Deferred Taxes	4.00%	0.006	203
Green River/Rock Springs Water Treatment <sup>6</sup>	0.00%	1.000	73,900
Natrona County Water Project <sup>7</sup>	0.00%	3.000	221,700
Estimated Annual Unrecognized Loss Due to Subsidy Investments			<u>\$ 4,652,116</u>

A portion of the Permanent Mineral Trust Fund (PMTF) was established in 1994 as an unrestricted pool to invest for the most beneficial return. This special investment pool (M02) of \$250 million had a realized yield in FY 96 of 7.39%. This realized yield was used as a basis to determine the "unrecognized loss due to subsidy investments". The above total does not include the Cheyenne Stage II<sup>1</sup> project or Clean Coal<sup>2</sup> programs noted below.

**NOTES:**

- 1 Cheyenne Stage II Project: 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 (FY 88), the state realized a profit of \$3.6 million to the common school income account.
- 2 Clean Coal Technology: This project has three participants. Two are in default this fiscal reporting year and are being charged a contract penalty. This results in an opportunity cost and an interest deferral of \$893,313 per year. The third company has been restructured. The interest debt and penalty have been forgiven with the provision in the restructuring which entitles the state to receive certain fees when a commercial processing plant is in operation and producing. This has not yet occurred. To equate this loan to the other two, we are experiencing an opportunity cost and interest deferral of \$1,332,636 per year from the third participant. The principal of this loan is also guaranteed by a Guaranteed Investment Contract (GIC) payable in steps in 2002 of \$7.7 million and 2003 of \$4 million.
- 3 Sheridan Water Project: This project is not producing interest income. It had been scheduled to begin interest payments in fall, 1995. A rate of 4% would result in a current opportunity loss of \$228,825 the first year and declining as the principal balance is reduced with an accumulated loss over the 50 year life of \$140 million.
- 4 Shoshone Water Project: This project began producing interest income upon completion of construction in September, 1992. Subsequently, in 1994 the legislature granted an additional interest free period. This resulted in a year of no interest payments and an opportunity loss of \$1,243,149 in FY 94. Interest payments resumed in FY 95. A rate of 4% results in a current opportunity loss of \$535,206 in FY 95. The cumulative loss over the 50 year life of the loan is estimated at over \$340 million.

- 5 Laramie-Territorial State Park: The interest rate on this program has been reduced by legislation to 1 1/2% from 6.0% beginning 7/1/94, which reduces the annual interest income by \$450,000, and the opportunity cost then totals \$589,000 this fiscal year. The principal is guaranteed by a U.S. Treasury zero coupon bond.
- 6 Green River/Rock Springs Water Treatment Project: This project is in the construction phase and pays no interest until completion of construction in approximately 4 more years. This project will then pay 8% interest for 45 years. There is an opportunity loss in the first four years estimated at \$3,800,000 until payments begin according to statute on the \$24 million. An interest rate of 8% should not cause an opportunity loss to the General Fund. A second option of \$17.4 million loaned at 4% for 25 years could cause an opportunity loss of \$285 million to the General Fund over the life of the loan.
- 7 Natrona County Water Project: This project is in the construction phase and pays no interest until completion of construction in approximately 4 more years. This project will then pay 8% interest for 30 years. There is an opportunity loss in the first four years estimated at \$2,200,000 until payments begin according to statute on the \$23 million. An interest rate of 8% should not cause an opportunity loss to the General Fund. A second option of \$14 million loaned at 4% for 25 years could cause an opportunity loss of \$230 million to the General Fund over the life of the loan.

# FEDERAL MINERAL ROYALTY DISTRIBUTION

	<u>PERCENT DUE</u>	<u>SEPT 15, 1995 FY 95 ADJUSTMENTS</u>	<u>DISTRIBUTIONS MADE IN FY 96</u>	<u>SEPT 15, 1996 FY 96 ADJUSTMENTS</u>	<u>TOTAL FY 96 ROYALTY MONEY DISTRIBUTED FOR FY 96 EARNINGS</u>
Cities and Towns	9.375%	\$ 2,013,325.89	\$ 17,408,325.89	\$ 1,120,249.84	\$ 16,515,249.84
University of Wyoming	6.75%	1,063,598.79	12,180,848.79	773,729.89	11,890,979.89
Foundation Fund	44.80%	7,059,144.58	76,929,744.58	5,135,273.90	75,005,873.90
Capitol Fac Rev Bds Series 1992			2,035,000.00		2,035,000.00
Capitol Fac Rev Bds Series 1993			150,000.00		150,000.00
Capitol Fac Rev Bds Series 1994			1,730,000.00		1,730,000.00
Highway Fund	30.375%	4,351,222.21	54,378,847.21	3,481,784.48	53,509,409.48
Highway Fund State Roads	2.25%	354,532.92	4,060,282.92	257,909.96	3,963,659.96
Cities, Counties & Special Districts Capital Const.	3.75%	633,044.67	6,833,044.67	406,099.94	6,606,099.94
School Districts	2.70%				
Advance Entitlements	75.00%	319,079.64	3,654,254.64	232,118.97	3,567,293.97
Grants	25.00%	<u>106,359.88</u>	<u>1,218,084.88</u>	<u>77,372.99</u>	<u>1,189,097.99</u>
SUBTOTAL	100.00%	15,900,308.58	180,578,433.58	11,484,539.97	176,162,664.97
 Bonus Payments					
Cities, Counties & Special Districts Capital Const.	50.00%		8,024,339.16		8,024,339.16
Legislative Royalty Impact	40.00%		8,559,295.11		8,559,295.11
Community College Commission	10.00%		2,139,823.78		2,139,823.78
Highway Funds			<u>2,674,779.72</u>		<u>2,674,779.72</u>
SUBTOTAL	100.00%	0.00	21,398,237.77	0.00	21,398,237.77
 GRAND TOTAL		<u>\$15,900,308.58</u>	<u>\$201,976,671.35</u>	<u>\$11,484,539.97</u>	<u>\$197,560,902.74</u>

KEY = Distribution FY 96 less FY 95 adjustments plus FY 96 adjustments = Total FY 96 royalty money distributed

Mineral Royalties are distributed monthly to Cities and Towns and quarterly to State Agencies. Distributions are based on estimated income determined by the Consensus Revenue Estimating Group (CREG). In September of each year, adjustments are made to reflect actual receipts.



## DISTRIBUTIONS TO COUNTIES

Counties	Railroad	Veterans	U.S. Forest	Taylor	Severance Tax	Livestock Predatory	TOTALS
	Car Tax	Exemption	Reserve	Grazing Act	Distribution	Animal Control Fees	
	W.S. 39-2-207	W.S. 39-1-202	W.S. 39-4-501	W.S. 9-4-401	W.S. 39-6-305	W.S. 11-6-210	
Albany	\$ 47,365.12	\$ 61,520.24	\$ 103,590.81	\$ 38,189.31	\$ 300,221.94	\$ 17,606.44	\$ 568,493.86
Big Horn	36,030.90	28,616.20	81,028.14	17,346.47	122,102.87	14,731.46	299,856.04
Campbell	129,448.75	46,407.71	0.00	61,531.98	268,627.18	31,064.99	537,080.61
Carbon	48,558.19	23,191.17	172,797.83	41,662.00	161,435.95	27,025.33	474,670.47
Converse	199,243.68	20,239.70	20,436.23	21,006.64	110,975.14	34,633.63	406,535.02
Crook	20,998.14	15,774.72	445,934.95	12,094.63	79,214.75	25,458.78	599,475.97
Fremont	22,787.75	111,280.94	95,630.38	38,173.17	316,492.50	21,097.98	605,462.72
Goshen	108,211.99	35,938.25	0.00	4,505.96	155,341.51	12,651.49	316,649.20
Hot Springs	14,436.22	18,604.70	4,786.47	15,059.55	72,416.61	4,298.44	129,601.99
Johnson	0.00	29,703.99	75,425.90	59,671.09	88,458.18	44,890.70	298,149.86
Laramie	90,077.24	328,228.18	0.00	1,025.79	671,641.78	16,611.23	1,107,584.22
Lincoln	24,100.14	23,662.46	154,547.69	13,103.28	120,479.13	22,529.38	358,422.08
Natrona	66,454.33	162,634.07	1,528.77	124,595.35	564,710.61	33,735.61	953,658.74
Niobrara	87,691.09	6,673.14	0.00	17,141.78	106,137.86	17,526.13	235,170.00
Park	22,668.44	72,642.82	160,779.61	28,461.94	219,422.94	22,684.01	526,659.76
Platte	50,347.81	34,434.49	311.60	10,718.10	93,693.45	9,779.53	199,284.98
Sheridan	51,302.27	72,669.63	90,827.15	4,887.65	239,759.50	16,845.44	476,291.64
Sublette	0.00	21,243.92	194,965.83	16,304.39	52,880.52	10,601.29	295,995.95
Sweetwater	80,532.63	47,131.02	21,281.57	64,054.81	354,978.70	15,400.91	583,379.64
Teton	0.00	26,117.93	218,545.18	198.03	110,574.80	1,521.88	356,957.82
Uinta	35,792.28	29,598.73	14,448.93	12,579.84	175,557.70	23,063.31	291,040.79
Washakie	13,243.14	18,741.29	8,307.49	17,208.12	108,550.47	12,394.73	178,445.24
Weston	43,785.89	22,708.90	17,159.67	18,991.27	105,039.09	10,726.53	218,411.35
<b>TOTALS:</b>	<b>\$1,193,076.00</b>	<b>\$1,257,764.20</b>	<b>\$1,882,334.20</b>	<b>\$638,511.15</b>	<b>\$4,598,713.18</b>	<b>\$446,879.22</b>	<b>\$10,017,277.95</b>

DISTRIBUTION DATES: Railroad Car Tax: 5/15  
 Veterans' Exemption: 9/15  
 U.S. Forest Reserve: 12/15

Severance Tax Distribution: Monthly  
 Taylor Grazing Act: 12/15  
 Livestock Predatory Animal: 1/15, 3/15, 7/15, 10/15

## DISTRIBUTIONS TO CITIES AND TOWNS

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> W.S. 39-6-305	<u>Federal</u> <u>Mineral Royalty</u> W.S. 9-4-601	<u>Police Officers'</u> <u>Retirement</u> W.S. 15-5-302	<u>Municipal Mineral</u> <u>Trust Interest</u> W.S. 39-6-308	<u>Total</u>
Afton	1,394	\$ 47,212.07	\$ 140,386.84	\$ 0.00	\$ 95.49	\$ 187,694.40
Albin	120	4,064.17	17,523.59	0.00	46.56	21,634.32
Alpine	200	6,773.60	29,989.49	0.00	49.63	36,812.72
Baggs	272	9,212.13	22,268.06	0.00	52.40	31,532.59
Bairoil	228	7,721.92	22,976.42	0.00	50.71	30,749.05
Bar Nunn	835	28,279.86	48,918.47	0.00	74.02	77,272.35
Basin	1,180	39,964.33	86,718.95	0.00	87.27	126,770.55
Big Piney	454	15,376.12	57,373.59	0.00	59.39	72,809.10
Buffalo	3,601	111,832.37	207,308.59	0.00	180.26	319,321.22
Burlington	184	6,231.75	23,183.31	0.00	49.02	29,464.08
Burns	254	8,602.48	23,691.57	0.00	51.71	32,345.76
Byron	470	15,918.01	43,566.02	0.00	60.00	59,544.03
Casper	46,765	1,583,061.78	1,913,701.78	256,650.00	1,838.12	3,755,251.68
Cheyenne	50,008	1,693,674.93	2,316,856.79	237,150.00	1,962.66	4,249,644.38
Chugwater	192	6,502.68	23,408.95	0.00	49.32	29,960.95
Clearmont	119	4,030.32	17,798.16	0.00	46.52	21,875.00
Cody	7,897	267,456.23	457,682.02	0.00	345.26	725,483.51
Cokeville	493	16,696.97	59,344.11	0.00	60.89	76,101.97
Cowley	500	16,155.08	43,991.47	0.00	61.15	60,207.70
Dayton	592	19,135.46	42,529.02	0.00	64.69	61,729.17

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

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> W.S. 39-6-305	<u>Federal</u> <u>Mineral Royalty</u> W.S. 9-4-601	<u>Police Officers'</u> <u>Retirement</u> W.S. 15-5-302	<u>Municipal Mineral</u> <u>Trust Interest</u> W.S. 39-6-308	<u>Total</u>
Deaver	199	\$ 6,739.73	\$ 24,094.98	\$ 0.00	\$ 49.59	\$ 30,884.30
Diamondville	864	29,262.02	92,714.65	0.00	75.13	122,051.80
Dixon	70	2,370.82	14,642.54	0.00	44.64	17,058.00
Douglas	5,076	171,914.37	310,767.18	0.00	236.91	482,918.46
Dubois	895	30,311.94	75,795.03	0.00	76.33	106,183.30
East Thermopolis	221	7,484.84	21,155.91	0.00	50.44	28,691.19
Edgerton	247	8,365.40	22,033.37	0.00	51.44	30,450.21
Elk Mountain	186	5,893.04	18,568.54	0.00	49.09	24,510.67
Encampment	490	16,595.37	33,497.60	0.00	60.77	50,153.74
Evanston	10,904	369,263.68	744,292.34	0.00	460.75	1,114,016.77
Evansville	1,486	47,516.93	71,991.14	0.00	99.02	119,607.09
Fort Laramie	243	8,229.95	25,121.57	0.00	51.28	33,402.80
Frannie	148	5,012.53	20,966.96	0.00	47.63	26,027.12
Gillette	17,545	597,263.60	1,218,167.07	0.00	715.82	1,816,146.49
Glendo	195	6,604.28	23,587.17	0.00	49.44	30,240.89
Glenrock	2,153	72,917.95	140,450.49	0.00	124.64	213,493.08
Granger	126	4,267.40	18,065.90	0.00	46.79	22,380.09
Green River	12,711	430,497.18	626,933.35	0.00	530.16	1,057,960.69
Greybull	1,789	60,590.01	123,733.25	0.00	110.66	184,433.92
Guernsey	1,155	39,117.65	83,631.87	0.00	86.31	122,835.83
Hanna	1,076	36,442.06	55,619.20	0.00	83.28	92,144.54
Hartville	78	2,641.70	16,634.90	0.00	44.95	19,321.55

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

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> W.S. 39-6-305	<u>Federal</u> <u>Mineral Royalty</u> W.S. 9-4-601	<u>Police Officers'</u> <u>Retirement</u> W.S. 15-5-302	<u>Municipal Mineral</u> <u>Trust Interest</u> W.S. 39-6-308	<u>Total</u>
Hudson	392	\$ 13,276.29	\$ 41,627.55	\$ 0.00	\$ 57.01	\$ 53,069.27
Hulett	429	14,529.39	51,913.28	0.00	58.43	66,501.10
Jackson	4,708	151,458.04	358,840.57	0.00	222.78	510,521.39
Kaycee	256	8,670.22	26,909.45	0.00	51.78	35,631.45
Kemmerer	3,020	102,281.61	286,641.50	0.00	157.94	389,081.05
Kirby	59	1,998.25	14,444.33	0.00	44.22	16,486.80
La Barge	493	16,696.97	59,344.11	0.00	60.89	76,101.97
La Grange	224	7,586.44	24,095.60	0.00	50.55	31,732.59
Lander	7,023	237,855.50	492,054.24	0.00	311.69	730,221.43
Laramie	26,687	903,837.43	683,926.66	76,000.00	1,066.95	1,664,831.04
Lingle	473	16,019.63	40,541.18	0.00	60.12	56,620.93
Lost Springs	4	135.52	12,233.10	0.00	42.10	12,410.72
Lovell	2,131	72,172.88	144,519.60	0.00	123.80	216,816.28
Lusk	1,504	50,937.62	89,038.71	0.00	99.72	140,076.05
Lyman	1,896	64,213.90	141,821.80	0.00	114.77	206,150.47
Manderson	83	2,811.09	17,044.71	0.00	45.14	19,900.94
Manville	97	3,285.19	16,775.08	0.00	45.68	20,105.95
Marbleton	634	21,472.38	74,173.68	0.00	66.30	95,712.36
Medicine Bow	389	13,174.67	29,684.82	0.00	56.89	42,916.38
Meeteetse	386	12,463.45	35,629.01	0.00	56.08	48,148.54
Midwest	495	16,764.71	35,107.36	0.00	60.96	51,933.03
Mills	1,583	53,308.36	78,937.29	0.00	102.75	132,348.40

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

<u>City/Town</u>	<u>Population</u>	Federal		Police Officers'	Municipal Mineral	<u>Total</u>
		<u>Severance Tax</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>	
Moorcroft	768	\$ 26,010.66	\$ 81,082.47	\$ 0.00	\$ 71.45	\$ 107,164.58
Mountain View	1,189	40,269.18	94,531.19	0.00	87.62	134,887.99
Newcastle	3,028	101,705.82	195,655.60	0.00	162.55	297,523.97
Opal	95	3,217.47	20,545.05	0.00	45.60	23,808.12
Pavillion	126	4,267.40	20,558.86	0.00	46.79	24,873.05
Pine Bluffs	1,054	35,696.95	63,515.37	0.00	82.43	99,294.75
Pine Haven	141	4,775.39	24,132.33	0.00	47.37	28,955.09
Pinedale	1,181	39,998.21	125,227.26	0.00	87.31	165,312.78
Powell	5,292	179,229.90	311,653.59	0.00	245.21	491,128.70
Ranchester	676	22,894.79	47,937.41	0.00	67.91	70,900.11
Rawlins	9,380	317,682.57	369,096.67	40,000.00	402.22	727,181.46
Riverside	85	2,878.79	15,208.75	0.00	45.21	18,132.75
Riverton	9,202	311,654.08	640,068.07	0.00	395.38	952,117.53
Rock River	190	6,434.86	16,762.47	0.00	49.25	23,246.58
Rock Springs	19,050	645,186.89	932,105.66	0.00	773.63	1,578,066.18
Rolling Hills	330	11,176.50	34,228.36	0.00	54.62	45,459.48
Saratoga	1,969	66,686.22	89,330.14	0.00	117.58	156,133.94
Sheridan	13,904	470,766.33	692,263.26	0.00	575.98	1,163,605.57
Shoshoni	497	16,832.45	48,759.94	0.00	61.04	65,653.43
Sinclair	500	16,934.06	33,875.10	0.00	61.15	50,870.31
South Superior	273	9,245.96	25,142.80	0.00	52.44	34,441.20
Sundance	1,139	38,575.71	113,005.10	0.00	85.70	151,666.51

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

<u>City/Town</u>	<u>Population</u>	<u>Severance Tax</u> W.S. 39-6-305	<u>Federal Mineral Royalty</u> W.S. 9-4-601	<u>Police Officers' Retirement</u> W.S. 15-5-302	<u>Municipal Mineral Trust Interest</u> W.S. 39-6-308	<u>Total</u>
Ten Sleep	311	\$ 10,532.96	\$ 27,723.68	\$ 0.00	\$ 53.90	\$ 38,310.54
Thayne	267	9,042.81	36,016.00	0.00	52.21	45,111.02
Thermopolis	3,247	109,969.65	149,521.41	0.00	166.66	259,657.72
Torrington	5,651	191,388.50	320,144.37	0.00	259.00	511,791.87
Upton	980	33,190.74	73,955.20	0.00	79.59	107,225.53
Van Tassell	8	271.00	12,393.87	0.00	42.26	12,707.13
Wamsutter	240	8,128.35	23,554.09	0.00	51.17	31,733.61
Wheatland	3,271	110,782.49	209,367.88	0.00	167.58	320,317.95
Worland	5,742	194,470.51	305,306.78	0.00	262.49	500,039.78
Wright	1,236	41,860.98	99,327.47	0.00	89.42	141,277.87
Yoder	136	4,606.05	19,343.85	0.00	47.17	23,997.07
<b>TOTALS</b>	<b><u>317,739</u></b>	<b><u>\$10,738,518.48</u></b>	<b><u>\$17,408,325.89</u></b>	<b><u>\$609,800.00</u></b>	<b><u>\$16,276.58</u></b>	<b><u>\$28,771,029.37</u></b>

DISTRIBUTION DATES: Severance Tax: Monthly  
 Federal Mineral Royalty: Monthly  
 Police Officers' Retirement: July  
 Municipal Mineral Trust: July

## 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 the statute covering the State Treasurer's other investments (W.S. 9-4-831). Currently all funds are invested in U.S. Treasury and U.S. government agency securities.

In November, 1995, Chase and M.D. Sass Partners were hired to manage the WYO-STAR portfolio. Safety of principal is the foremost objective of the investment manager. Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

The 1995 legislative session produced new avenues in which local government entities may pursue to diversify their investment strategies. The state auditor and state treasurer are charged with the task of providing investment training seminars for local government officials on an ongoing basis. The first seminar is scheduled in Casper in August, 1996.

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%
07/01/93 - 12/31/93	5.135%
01/01/94 - 06/30/94	4.632%
07/01/94 - 12/31/94	5.143%
01/01/95 - 06/30/95	6.357%
07/01/95 - 12/31/95	6.640%
01/01/96 - 06/30/96	5.329%

As of June 30, 1996, there were 99 active participants. (Some participants have multiple accounts). WYO-STAR pool balance on June 30, 1996, was \$150,584,413.14.

## WYOMING UNIFORM UNCLAIMED PROPERTY ACT

Fiscal Year 1996 was the third full year for the Unclaimed Property Division of the State Treasurer's Office. During this year, funds totaling more than \$2.2 million were received and deposited into the trust fund to be held in perpetuity for the owners. Money returned to the rightful owners or heirs totaled more than \$1.3 million. More than \$519,000 of interest income was generated in FY 96.

The Unclaimed Property Division is responsible for receiving unclaimed funds from any entity that cannot locate the owner. Approximately 4,000 packets were mailed to such entities requesting the return of Wyoming residents' funds. 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 division is also charged with: (1) assisting and educating unclaimed property holders of compliance; (2) informing vendors of requirements; and (3) informing claimants of their rights and responsibilities. In FY 96, 1 in-state and 2 national holder seminars were conducted, 1 in-state and 1 national speaking engagement were performed, and numerous claimants were instructed on how to claim their funds - located in Wyoming and other states.

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 within the two-year period, the names are then made 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 Property Division has deposited and maintains the records for more than 36,000 owners of more than \$9.2 million. Of that amount, the division has returned approximately \$2.2 million to the owners or heirs of unclaimed property. A large part of this return was due a booth at the State Fair, and the annual advertisement, which generated more than 1,208 telephone calls in a ten-day period. In FY 96, more than \$423,000 was returned to 48 states of the owner's last known address in accordance with the 1965 Supreme Court decision Texas v. New Jersey.

In FY 96 several major goals and accomplishments were achieved:

1. Second advertisement of unclaimed property - more than 867 claims filed.
2. A booth at State Fair and unclaimed property articles placed in several professional newsletters were two of the citizens outreach programs to gain public exposure of the program.
3. An unclaimed property brochure was developed and disseminated to more than 3,000 individuals and entities.
4. Stale-dated warrant letters are generated and mailed when stale-date state warrants are returned to the Unclaimed Property Division.
5. Unclaimed property list on Ferret (the state's hookup with Internet) continued to generate numerous claims.

Unclaimed property owner information and lists were requested by 106 heirfinders located in 29 states. Written inquiries from persons seeking their possible unclaimed funds totalled 6,539 and were received from 49 states and foreign countries, in addition to numerous telephone inquiries that are not calculated. An alphabetical list of owners is mailed each month to Wyoming county clerks.



## UNCLAIMED PROPERTY

<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
FY 94	901,147.18	4,051,549.91	160,105.04	124,876.64	4,667,715.41
FY 95	4,667,715.41	1,639,708.30	760,996.09	-0-	5,546,427.62
FY 96	5,546,427.62	2,219,667.05	1,303,951.21	-0-	6,462,143.46

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. Under the new law, unclaimed property is no longer transferred to the Permanent School Land Fund. This law provides for unclaimed funds to be held in perpetuity for the rightful owners or their heirs.

## CAPITAL FACILITIES REVENUE BONDS

Wyoming Statute 9-4-605 authorizes up to \$80 million in revenue bonds for capital construction purposes. Funds for the repayment of the 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.

<u>Series</u>	<u>Amount Issued</u>	<u>Interest Range %</u>	<u>Bonds Outstanding as of July 1, 1995</u>	<u>Principal Payment in FY 1996</u>	<u>Year of Maturity</u>	<u>Balance June 30, 1996</u>
1992	\$ 28,750,000	3.0-6.25	\$ 27,500,000	\$ 515,000	(2021)	\$ 26,985,000
1993	8,777,522	4.1-6.2	8,757,522	20,000	(2022)	8,737,522
1994	27,395,897	4.1-6.3	27,395,897	285,000	(2024)	<u>27,110,897</u>
<b>TOTAL OUTSTANDING REVENUE BONDS</b>						<b><u>\$ 62,833,419</u></b>

Future minimum payments for revenue bonds are as follows:

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
1997	820,000	3,140,690
1998	855,000	3,101,982
1999	895,000	3,059,247
2000	950,000	3,012,480
2001	990,000	2,961,810
after 2001	58,323,419	55,456,774

Prior Year Defeasance of Debt:

In prior years, the state of Wyoming defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in this financial statement. On June 30, 1996, \$33.0 million of bonds outstanding are considered defeased.

New Issues:

No new bonds were issued in Fiscal Year 1996.

## **SCHOOL DISTRICT BOND GUARANTEE PROGRAM**

Wyoming Statute 9-4-1001 authorizes the Wyoming Farm Loan Board to guarantee school district general obligation bonds issued under W.S. 21-13-701 through 21-13-721. 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.

The state treasurer is authorized to pledge up to \$100 million from the Common School Permanent Land Fund to guarantee the school district bonds. 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 Common School Income Fund and the School Foundation Fund.

As of June 30, 1996, the Farm Loan Board had approved guaranteeing school district bond issues totaling \$46,919,000. The earliest debt service payments are due December 1, 1996.

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## **LOCAL GOVERNMENT BOND GUARANTEE PROGRAM**

Wyoming Statute 9-4-1002 authorizes the Wyoming Farm Loan Board to guarantee local government general obligation bonds issued under W.S. 15-7-101 through 15-7-114 or 18-4-301. The program is intended to benefit local governments by guaranteeing payment of bonded indebtedness of creditworthy cities, towns, and counties by reducing the interest rate at which the bonds may be issued.

The state treasurer is authorized to pledge up to \$100 million from the Permanent Mineral Trust Fund to guarantee the local government bonds. If a government fails to deposit sufficient debt service monies with the state treasurer, funds will be advanced from the Permanent Mineral Trust Fund to make the required payments. Repayment to the Permanent Mineral Trust Fund will be made from the government's next payments of federal mineral royalties and severance tax.

As of June 30, 1996, the Farm Loan Board had not approved any local government bond issues for the guarantee program.

## DEFERRED COMPENSATION PROGRAM

Deferred Compensation is a supplemental retirement program created in accordance with Internal Revenue Code Section 457. The plan allows public employees to "set aside" or "defer" 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.

Although each individual participant has one or more separate accounts maintained for him showing his account balance including earnings, until this year these funds by federal law remained the property of the state and subject to the claims of the state's general creditors, and subject to being loaned by the state to other purposes than participant benefits.

Now this "ownership" situation has finally been corrected by federal legislation, and Wyoming is in the process of placing participants funds in trust, to be used only for the benefit of the participants.

**EMPLOYEES PARTICIPATING  
IN DEFERRED COMPENSATION PROGRAM**

	<u>CURRENTLY DEFERRING</u>	<u>CURRENTLY ELIGIBLE</u>	<u>% ELIGIBLE CURRENTLY DEFERRING</u>	<u>TOTAL PARTICIPANTS WITH MONEY IN PLAN (INCLUDES RETIREES)</u>	<u>MARKET VALUE OF ASSETS CURRENTLY DEFERRED</u>
Central Payroll	1,143	6,616	17%	5,868	\$ 67,784,825.10
Highway Dept.	527	1,259	42%	1,271	25,146,960.13
Univ. of Wyoming	84	2,600	3%	329	7,209,358.54
Community Colleges	84	885	9.5%	355	5,577,388.60
Municipalities (Cities & Towns Counties, School Dist., Libraries, Airports, Parks, Recreation, etc.)	876	8,459	10.4%	2,963	26,362,659.39
Great-West Reserves	0	151			4,944,488.00
Nationwide Reserves	0	235			8,480,213.00
<b>TOTAL:</b>	<b><u>2,714</u></b>	<b><u>20,205</u></b>	<b><u>13.4%</u></b>	<b><u>10,786</u></b>	<b><u>\$ 145,505,890.76</u></b>

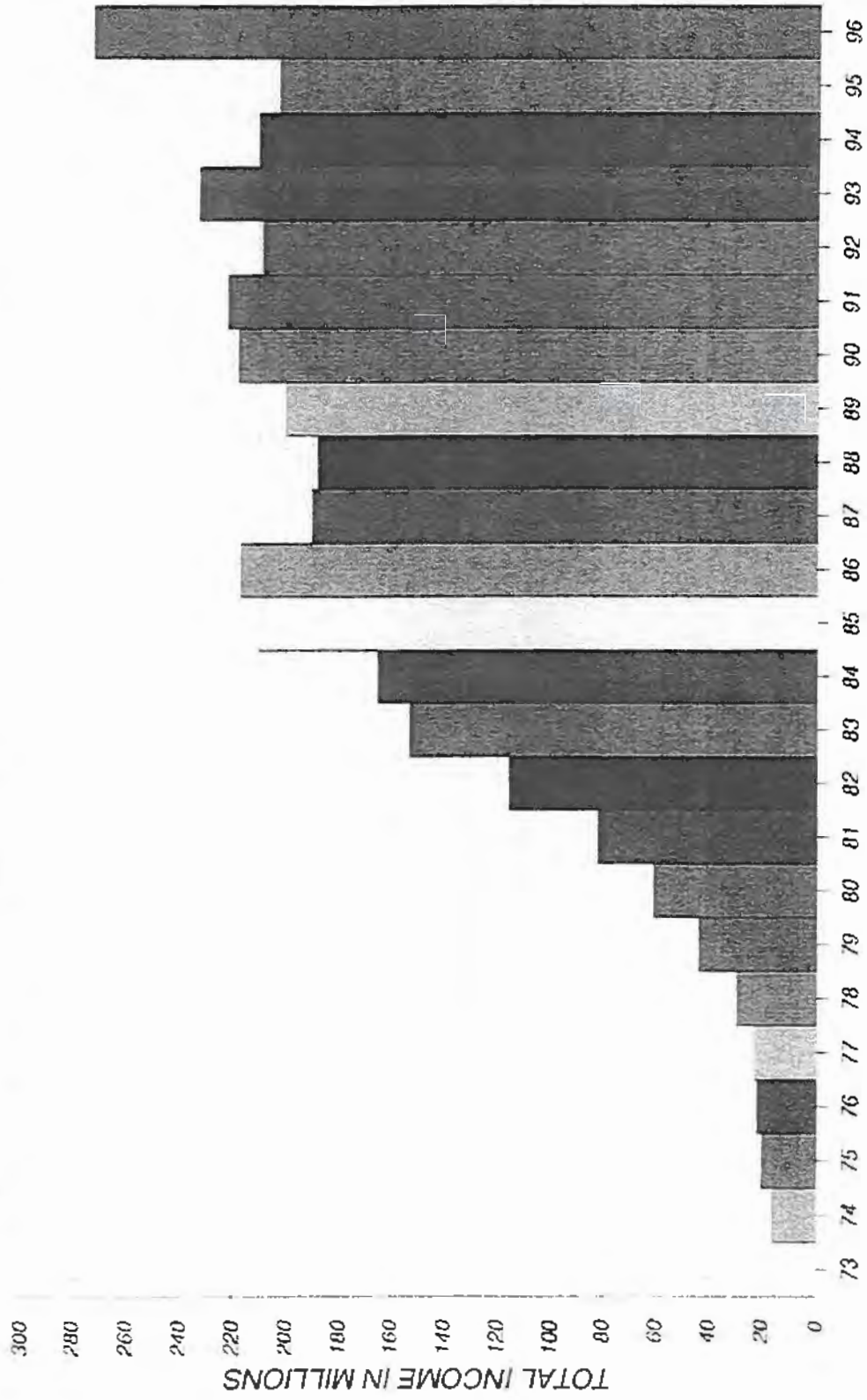
\*Only Great West and Nationwide annuity reserves are included in total plan assets in addition to the dollars related to current employees

# LEGISLATIVE AUTHORITY

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

9-1-401 through 9-1-413:	Duties Generally
34-24-101 through 34-24-140	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 & 39-1-202:	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)
9-4-709 through 9-4-711:	Investment Policy
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 9-4-204(b)	Investment of State Funds
9-4-801 through 9-4-832:	Income Distribution 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
31-3-101	Indian Motor Vehicle Exemption
9-4-1001 through 9-4-1002	Guarantee for Local Government & School District Bonds
21-15-108	School Capital Construction Bonds
39-3-301	Deferred Tax Loans to Counties
9-10-101 through 9-10-108	Investment Loan Program
1995-ch194, 201	Special Water Treatment Projects
9-4-1101 through 9-4-1105	Short-Term Borrowing Authority

# INVESTMENT INCOME



# INVESTABLE FUNDS

