

ANNUAL REPORT of the Treasurer

**of the
State of Wyoming**



**For the Period
July 1, 1996 through June 30, 1997**

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, 1997.

Yours very truly,

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

Stan Smith
State Treasurer

December, 1997

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FOREWORD

Deferred Compensation Program Changes

One of the major changes that was underway in Fiscal Year 1997 in the Treasurer's Office is a complete restructuring of the Wyoming Program of Deferred Compensation for all public employees.

This program has been in existence since 1979, but in recent years has taken on much increased importance with more and more participants wanting to take advantage not only of the tax benefits provided, but also to participate in the almost spectacular rise in the stock market. Our investors have become more knowledgeable and sophisticated.

It has been a difficult and time consuming process to renegotiate the existing contract with the two insurance companies which have provided up-front the cost of running the program, as there was never put in place any appropriated funds to do so. This has necessitated provisions to write off the deferred acquisition charges that have been paying these up-front costs.

At this writing, the end of negotiations has been reached, and all of the goals set in modifying the program will be achieved, including lower fees and better return to participants, one unified quarterly report, plus faster and easier changes to investment options. The state will have complete control of the program and will not be a captive of any provider.

Common Stock Investments

At this writing, the state has now in place \$100 million in common stock investments. Under current law, this can be increased to about \$600 million, and the plan is to do so over a period of three years time. If the next session of the legislature were to pass the Prudent Investor Rule into law, we could then fully realize the benefits of a more diversified portfolio containing many prudent investment vehicles which are not allowed at present.

Computer Technology

Another change that came to the State Treasurer's Office during Fiscal Year 1997 was the addition to our staff of a person specializing in computer technology and maintenance. There is absolutely no end to the need for constant revision and updating of our office computer hardware and software. The addition has made a big difference in down time, and has reduced costs coming from the hiring of external computer assistance and repair, which has been increasingly hard to obtain and the cause of frequent delay.

Unclaimed Property

Since the new division of unclaimed property was created in 1993, the total amount of unclaimed property and the workload to administer the program have grown steadily. It appears that this trend will continue in the foreseeable future. That office has now increased to a total of four persons who are still struggling to handle the volume of work.

Automated Clearing House (ACH)

During Fiscal Year 1997 a change was suggested by one of our staff members that has produced substantial savings in both time and money. In the course of business, we are constantly sending and receiving various sums of money of all sizes to and from other various entities such as banks, hospitals, cities, counties, etc. In the past, most of these money transfers were carried out by mailing warrants or by sending wire transfers through the banking system. Now, thanks to this change made, these money transfers are being nearly all accomplished by an electronic funds transfer system called ACH (Automated Clearing House). Instead of the cost of preparing a warrant and mailing it, or the cost of a wire transfer (\$15 each) we now pay only about two cents per transfer. This amounts to a savings over one year's time of approximately \$35,000, PLUS a huge savings in staff time in both this Office and the State Auditor's Office.

Investment of Performance In House

As of this writing, the paid consultant hired by the Board of Loans & Investments has made a total of four quarterly reports on the investment performance of both the in-house staff and that of the paid professional managers. In each of the four quarters reported, the Treasurer's in-house staff, managing a total of \$2.6 billion of funds, has produced a better investment return than the fixed income managers that we hire. You can be proud of the excellent job that our staff is doing for the state of Wyoming.

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 \$3,437,426,366.25. However, the State Treasurer has many other additional duties and currently serves on several boards and commissions as follows: 1) State Board of Loans and Investments, 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 is the director of the state program of deferred compensation and attends all meetings of the Deferred Compensation Board. 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.

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 deposited 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. 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.

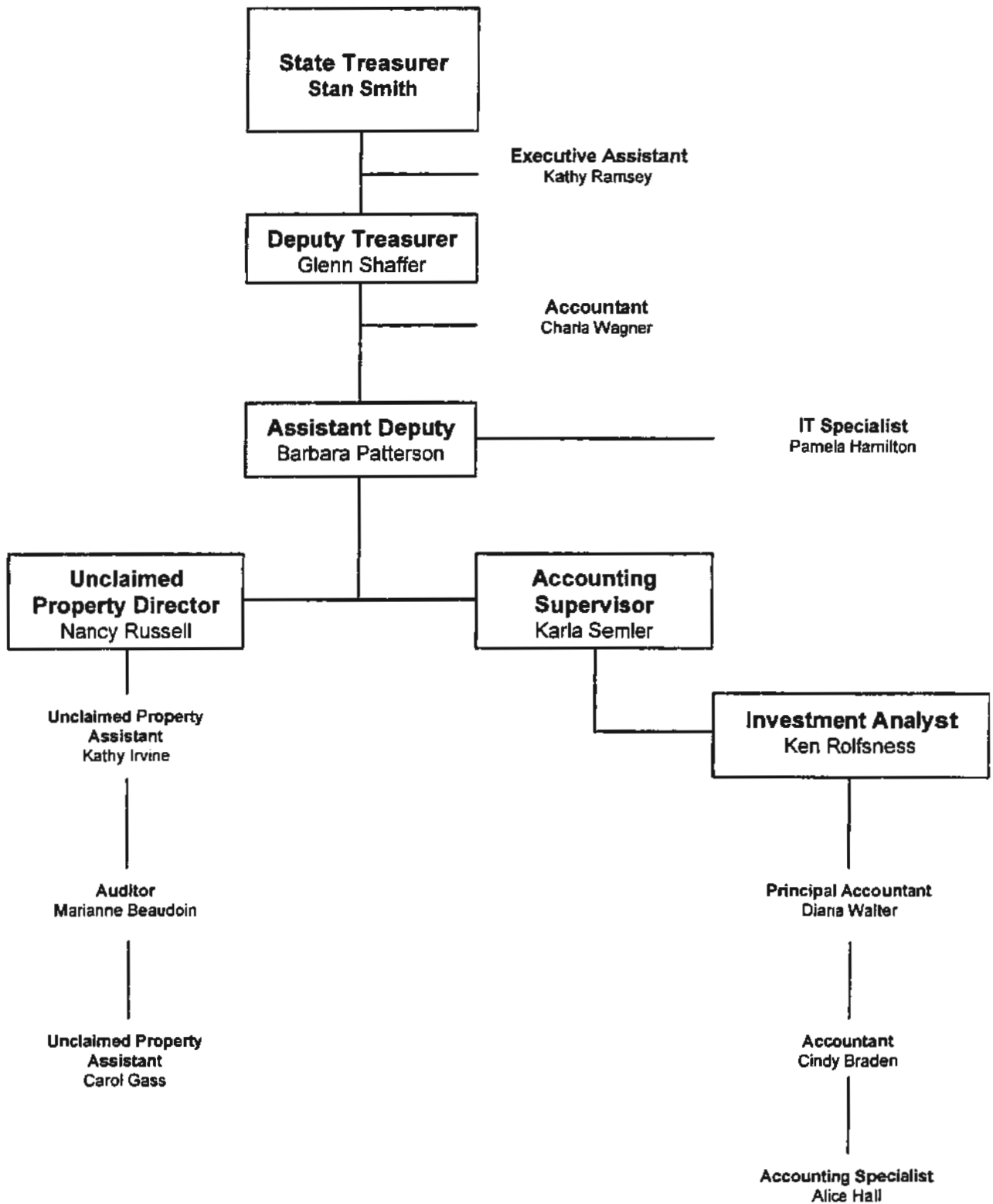
The Treasurer handles the deposit of funds in financial institutions within the state; notifies the financial institutions of quarterly rates set by the Board of Deposits, maturities, and payment of interest; and monitors collateral pledges under the provisions of the law.

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.

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, 1997

ASSETS

Treasurer's Cash	\$ 16,721,893.95	
WYO-STAR Cash	68.60	
Cash with Fiscal Agent	<u>76,871,185.38</u>	\$ 93,593,147.93
Income Receivable from Inv Mgrs	1,949,519.33	
Income Receivable from MD SAS	1,848,318.43	
WYO-STAR Inc Receivable from MD SAS	827,440.82	
Net Accrued Interest & Amort Receivable	<u>52,304,986.52</u>	56,930,265.10
State Investments @ Cost	3,303,178,977.19	
WYO-STAR Investments @ Cost	<u>153,647,188.13</u>	
Total Investments @ Cost		<u>3,456,826,165.32</u>

TREASURER'S TOTAL ASSETS

\$ 3,607,349,578.35

LIABILITIES

Due to Local Govm't Entities (WYO-STAR income)	827,509.42
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EQUITY

State Investment Equity	3,435,897,367.61	
Unapportioned Income	3,826,092.19	
Remaining '94 Cap Const Appr	<u>13,151,421.00</u>	
Total State Equity		3,452,874,880.80
WYO-STAR Participation		<u>153,647,188.13</u>

TREASURER'S TOTAL LIABILITY AND FUND EQUITY

\$ 3,607,349,578.35

STATEMENT OF CASH FLOWS

FOR YEAR ENDED JUNE 30, 1997

Cash flows from operating activities:

Receipts ¹	\$ 2,174,207,456.59
Less return items	<u>(1,083,732.86)</u>
Net Cash receipts	2,173,123,723.73
Decrease in Petty Cash	250.00
Warrants redeemed ²	<u>(2,158,590,881.66)</u>

Net cash provided (used) by operating activities \$ 14,533,092.07

Cash flow from investment operations:

Investment income distributed ^{3,4,5}	213,411,338.62
Net Increase in investments & loans receivable	(226,891,914.41)
WYO-STAR monies	<u>9,084,759.93</u>

Net Cash provided (used) by investment activities (4,395,815.86)

Net increase in cash 10,137,276.21

Beginning Cash: July 1, 1996 6,584,617.74

Ending Cash: June 30, 1997 \$ 16,721,893.95

NOTES:

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

In Fiscal Year 1997 receipts increased 8% compared to FY 96.

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

In Fiscal Year 1997 warrants redeemed increased 3% compared to FY 96.

³ 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.

⁴ Of the investment income received, \$9,084,759.93 was income to the local government investment pool (WYO-STAR) and is not included in income available for state use.

⁵ Investment Income Distributed included \$2,252,249.56 in state trading profits (see page 13 for details)

**INCOME EARNINGS RECEIVED ON INVESTMENTS FOR FISCAL YEAR 1997
AS OF 6/30/97**

	<u>Regular Investment Income</u>	<u>Cash Pool Interest 07/01 - 06/30</u>	<u>Total Investment Income Received</u>
GNMA Fund	\$ 0.00	\$ 0.00	\$ 0.00
Water Development	6,146,557.06	1,979,566.20	8,126,123.26
General Fund Pool	0.00	0.00	0.00
Workers' Compensation	6,721,313.60	4,222,401.47	10,943,715.07
Miners' Hospital Permanent Land Fund	0.00	1,362,115.33	1,362,115.33
Public Buildings @ Capitol Perm Land Fund	0.00	41,296.16	41,296.16 *
Fish Hatchery Permanent Land Fund	0.00	12,161.70	12,161.70
Common School Permanent Land Fund	50,554,200.03	5,324,867.69	55,879,067.72
D. D. & B. Permanent Land Fund	0.00	39,365.26	39,365.26 *
Carey Act Permanent Land Fund	0.00	12,508.44	12,508.44 *
Omnibus Permanent Land Fund	0.00	631,102.02	631,102.02 *
State Hospital Permanent Land Fund	0.00	54,384.46	54,384.46 *
State Training School Perm Land Fund	0.00	12,525.20	12,525.20 *
Penitentiary Permanent Land Fund	0.00	146,036.08	146,036.08 *
Agriculture College Perm Land Fund	0.00	309,050.75	309,050.75
University Permanent Land fund	0.00	817,179.75	817,179.75
Permanent Mineral Trust Fund	53,286,524.80	21,707,961.57	74,994,486.37
Permanent Mineral Trust Fund II	16,801,127.60	457,732.54	17,258,860.14
Other Funds	0.00		45,902,662.72
	<u>\$133,509,723.09</u>	<u>\$83,032,917.34</u>	<u>\$216,542,640.43</u>
Total Income--Treasurer's Investments		<u>\$216,542,640.43</u>	

NOTES:

Realized yield for all state investments was 6.70% for FY 97. This is an approximation based on income received versus end-of-month investments at cost, and includes investment managers but excludes WYO-STAR.

* All or a portion of the investment income from these funds ultimately goes to the General Fund and is included in the \$21.8 million General Fund Income.

STATE TREASURER'S INVESTMENT SUMMARY AT COST AS OF JUNE 30, 1997

<u>FUND</u>	904	916	930	941	942	999	WYO-STAR
	COMMON SCHOOL PLF	WATER DEVELOPMENT	WORKERS' COMPENSATION	MINERAL TRUST FUND	MINERAL TRUST FUND II	STATE AGENCY POOL (Cash Pool)	
INVESTMENT TYPE							
DISCRETIONARY INVESTMENTS:							
U.S GOVERNMENT AGENCY	\$ 243,252,189		\$ 86,976,323	\$ 314,202,365	\$ 138,894,753	\$ 615,329,085	\$43,600,135
TREASURY NOTES	82,502,573		4,956,513	21,244,882	5,005,827	207,036,251	
COMMERCIAL PAPER							
CORPORATES	129,323,391		14,855,431	146,240,823	113,201,703	368,696,455	
GUAR. INVEST. CONTRACTS				45,804,518			
REPURCHASE AGREEMENTS				251,020		41,013,545	102,413,348
DEPOSITS: FINANCIAL INSTITUTIONS						112,828,891	8,041,403
PROGRAM LOANS AUTHORIZED BY STATE STATUTE:							
AG LOANS						8,313,642	
COMMUNITY COLLEGE BONDS	784,000						
CLEAN COAL				20,726,196			
CITIES & TOWNS				10,015,797			
DRAINAGE DISTRICTS	34,500						
FARM LOANS				163,781,554			
IRRIGATION LOANS				17,208,986			
JOINT POWERS LOANS				23,929,107			
SPECIAL FLB LOANS				1,155,262			
MORTGAGE PURCHASE PROGRAM	19,964,745			7,656,206			
SBAA PROGRAM				10,502,223			
STUDENT LOANS				10,397,922			
WATER DEVELOPMENT LOANS				28,401,612			
INVESTMENT MANAGERS	217,590,340	\$ 112,333,145		20,000,000			
NET DISC/PREM RECOGNIZED	<u>(2,826,822)</u>	<u>58,642</u>	<u>(131)</u>	<u>(277,513)</u>	<u>(4,114)</u>	<u>3,742,185</u>	
TOTAL COST	<u>\$ 690,624,916</u>	<u>\$ 112,391,787</u>	<u>\$ 106,788,136</u>	<u>\$ 841,240,960</u>	<u>\$ 257,098,169</u>	<u>\$ 1,356,960,054</u>	<u>\$ 154,054,886</u>

REPORT OF THE STATE BOARD OF DEPOSITS

The State Board of Deposits, consisting of the Governor, Secretary of State, and State Treasurer, met on April 3, 1997, 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.

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.

The Fiscal Year 1997 found no Wyoming banks reported closed.

TDOA DEPOSITS IN WYOMING BANKS

Security State Bank, Basin	\$ 851,000.00
First National Bank, Buffalo	1,055,000.00
Wyoming Bank & Trust, Buffalo	765,000.00
First Interstate Bank, Casper	5,222,000.00
Hilltop National, Casper	1,500,000.00
Norwest Bank Wyoming, Casper, N.A.	7,423,000.00
American National Bank, Cheyenne.	1,615,000.00
Equality State Bank, Cheyenne	1,748,000.00
Frontier Bank, Cheyenne.	632,000.00
Key Bank, Cheyenne	22,772,000.00
Security First, Cheyenne	1,647,000.00
Western Bank, Cheyenne	200,000.00
Wyoming Bank & Trust, Cheyenne.	408,000.00
Shoshone First Bank, Cody	1,892,000.00
Western Bank, Cody	908,000.00
Converse County Bank, Douglas	1,025,000.00
Oregon Trail Bank, Guernsey	369,000.00
Hulett National Bank	427,000.00
Bank of Jackson Hole	1,453,000.00
Jackson State Bank.	4,673,000.00
Central Bank & Trust, Lander	100,000.00
First National Bank, Laramie.	1,246,000.00
Bank of Laramie	762,000.00
Bank of Lovell	508,000.00
Lusk State Bank	588,000.00
First Security Bank, Newcastle	550,000.00
First State Bank, Newcastle	1,015,000.00

First National Bank, Pinedale	280,000.00
First National Bank, Powell	1,684,000.00
Ranchester State Bank	300,000.00
Bank of Commerce, Rawlins	795,000.00
Rawlins National Bank	1,548,000.00
First Security of Wyoming, Rock Springs	2,602,000.00
First Interstate Bank, Sheridan	6,287,000.00
Sheridan National Bank	769,000.00
Sundance State Bank	1,108,000.00
First State Bank, Thermopolis	597,000.00
Citizens Bank, Torrington	1,170,000.00
First National Bank, Torrington	758,000.00
Union State Bank, Upton	440,000.00
First State Bank, Wheatland	875,000.00
First National Bank, Worland	1,206,000.00
Stockgrowers State Bank, Worland	<u>852,000.00</u>
	<u>\$82,625,000.00</u>

TDOA DEPOSITS IN WYOMING SAVINGS AND LOAN INSTITUTIONS

Buffalo Federal Savings and Loan	\$ 1,128,000.00
First Bank, Federal Savings Bank, Cheyenne	6,703,000.00
First Federal Savings Bank, Sheridan	2,960,000.00
Tri-County Savings and Loan, Torrington	<u>1,318,000.00</u>
	<u>\$12,109,000.00</u>

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

Bank of Star Valley, Afton	\$ 1,400,000.00
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	5,000,000.00
Lusk State Bank	1,500,000.00
First National Bank, Torrington	<u>250,000.00</u>
	<u>\$13,650,000.00</u>

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

A total of \$4,867,100.86 was received in Fiscal Year 1997. 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	73,360,000	12,669,000	5.46%	5.12%	5.12%	5.23%
1997	82,625,000	12,109,000	5.16%	5.10%	5.25%	5.16%

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	\$ 1,634,339.66
First National Bank, Buffalo	196,393.37
Norwest Bank Wyoming Casper, N.A..	59,044.65
Key Bank, Cheyenne	908,684.82
Shoshone First Bank, Cody.	335,878.12
Rawlins National Bank.	111,433.81
American National Bank, Rock Springs	126,346.15
First Security Bank, Rock Springs.	18,094.59
First Interstate Bank, Sheridan.	53,051.34
First State Bank, Thermopolis.	77,339.46
First National Bank, Torrington.	709,508.97
Union State Bank, Upton.	63,703.61
First National Bank, Worland	151,072.10
TOTAL LINK DEPOSITS	<u>\$4,444,890.65</u>

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 97. 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.

<u>MONTH</u>	<u>TOTAL</u>	<u>CASH POOL FUND</u>	<u>COMMON SCHOOL PERMANENT LAND FUND</u>	<u>WORKERS COMP FUND</u>	<u>PERMANENT MINERAL TRUST FUND</u>	<u>PERMANENT MINERAL TRUST FUND II</u>
July 1996	\$ 41,604.97	\$ 43,750.00	\$ (7,449.10)	\$ 1,368.15	\$ 3,935.92	\$ 0.00
August	373,995.91	104,034.21	19,899.61	207,166.09	42,896.00	0.00
September	56,954.51	0.00	45,091.08	0.00	11,863.43	0.00
October	155,371.75	82,502.43	16,027.81	39,062.50	17,779.01	0.00
November	438,596.76	70,312.50	75,156.91	0.00	37,723.72	255,403.63
December	(83,131.21)	(157,953.88)	(4,764.57)	0.00	79,587.24	0.00
January 1997	213,014.64	(41,557.67)	254,808.43	0.00	(236.12)	0.00
February	272,358.04	169,269.25	(80,141.33)	46,875.00	46,980.12	89,375.00
March	237,376.18	221,073.53	(28,267.58)	43,750.00	820.23	0.00
April	(34,584.12)	0.00	(34,537.11)	0.00	(47.01)	0.00
May	283,262.67	82,631.80	173,074.32	27,870.99	(314.44)	0.00
June	<u>297,429.46</u>	<u>88,179.85</u>	<u>95,084.51</u>	<u>32,968.75</u>	<u>62,875.09</u>	<u>18,321.26</u>
	<u>\$2,252,249.56</u>	<u>\$662,242.02</u>	<u>\$523,982.98</u>	<u>\$399,061.48</u>	<u>\$303,863.19</u>	<u>\$363,099.89</u>

**INVESTMENT MANAGERS' SUMMARY
AND NET BENEFIT ANALYSIS
AS OF JUNE 30, 1997**

	<u>CURRENT MANAGER BALANCE</u>	<u>TOTAL STATE INVESTMENT</u>
Total Investments on hand	\$ 363,859,443.60	
Cash plus trade receivables/(payables)	<u>(14,904,555.34)</u>	
Net Investments held	\$ 348,954,888.26	
Income to be remitted to State Treasurer	<u>(1,859,119.98)</u>	
	<u>\$ 347,095,768.28</u>	<u>\$ 347,095,768.28</u>
Interest to Treasurer	<u>\$ 34,279,860.32</u>	
Profit (loss) remitted to Treasurer last 12 month period	<u>\$ (1,684,543.28)</u>	
Realized yield FY 97:	7.24%	

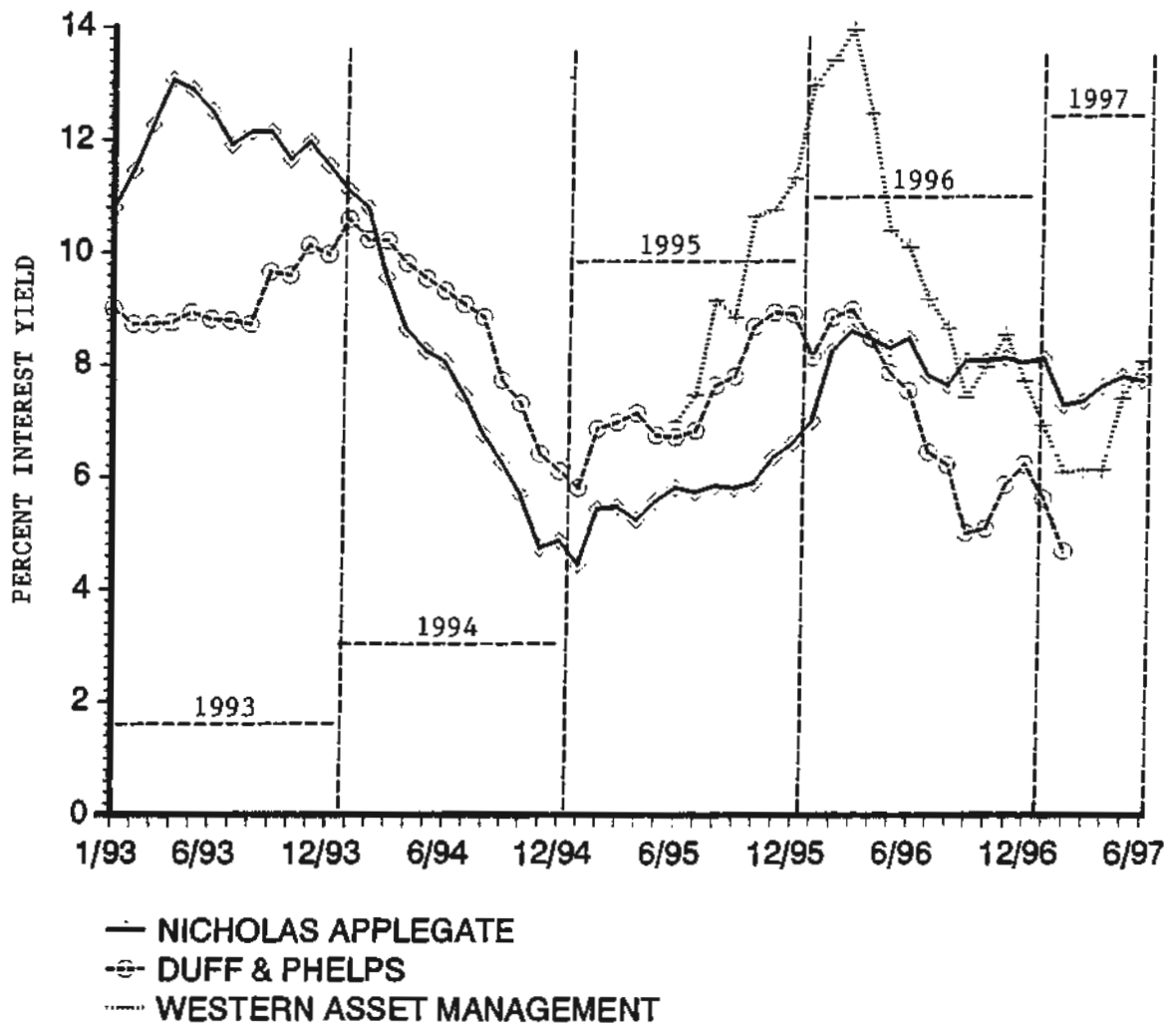
External investment managers experienced good returns in a difficult market year. Funds were recalled from one manager because of unacceptable performance. This portfolio restructuring resulted in interest earned of \$34,279,860. A realized yield of 7.24% by external managers did exceed the return of all state investments realized yield of 6.70% and an annual net benefit from external managers of \$1,811,959.

The return realized by the managers during FY 97 was 7.24% and the approximate return realized by state investments as a whole was 6.70%.

Therefore:

\$450,362,843.25	Managers' average investable balance
<u>x 0.54%</u>	Net additional return earned by managers (7.24% less 6.70%)
2,431,959.35	Additional income earned by managers
<u>(477,938.00)</u>	Annual cost of managers
<u>\$ 1,954,021.35</u>	ANNUAL NET BENEFIT OF USING MANAGERS

**INDIVIDUAL RECORD OF EACH OF WYOMING'S
INVESTMENT MANAGERS' INTEREST RETURN**



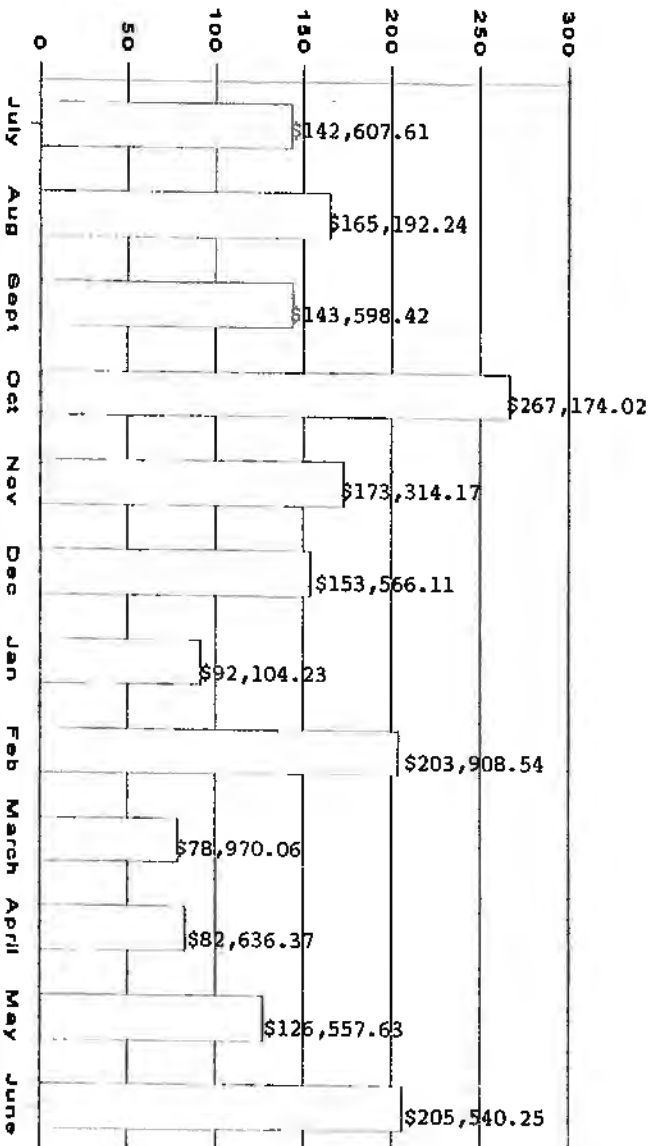
COMPOSITE RESULTS OF WYOMING'S INVESTMENT MANAGERS' INTEREST RETURN

-91-

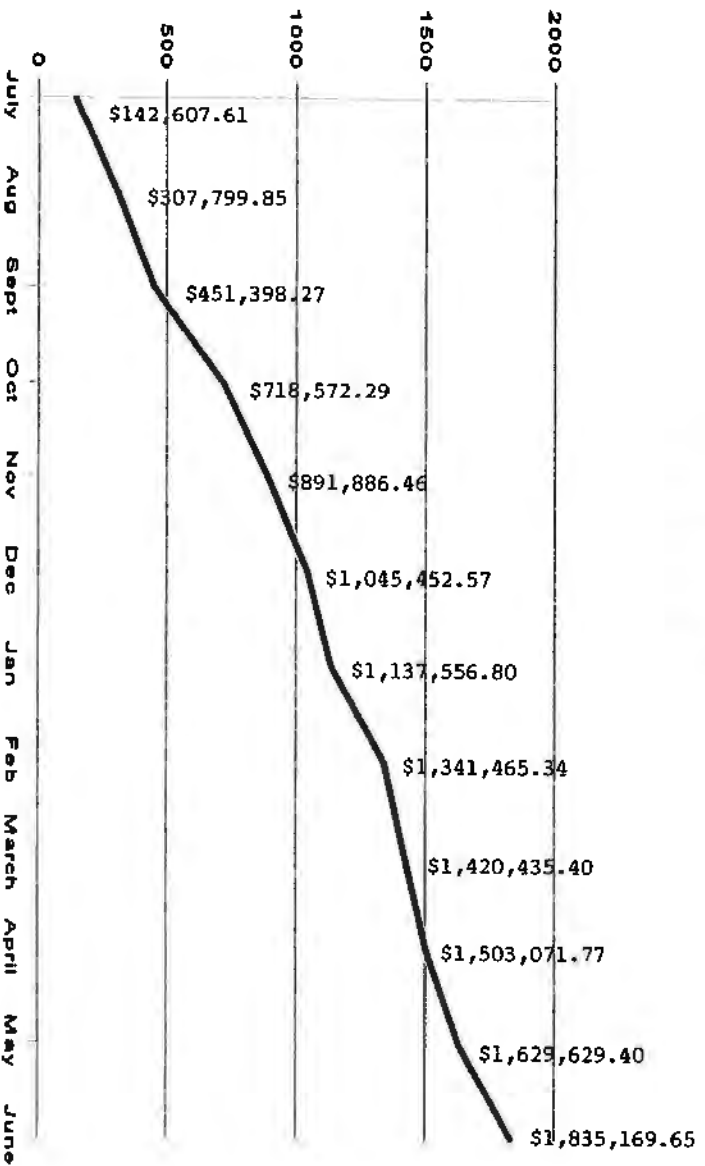


**CASH MANAGEMENT NET BENEFIT ANALYSIS
OPERATING FUNDS
WITH CHASE & MD SASS PARTNERS**

Fiscal Year 1997 Income



Cumulative Benefit to the State



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

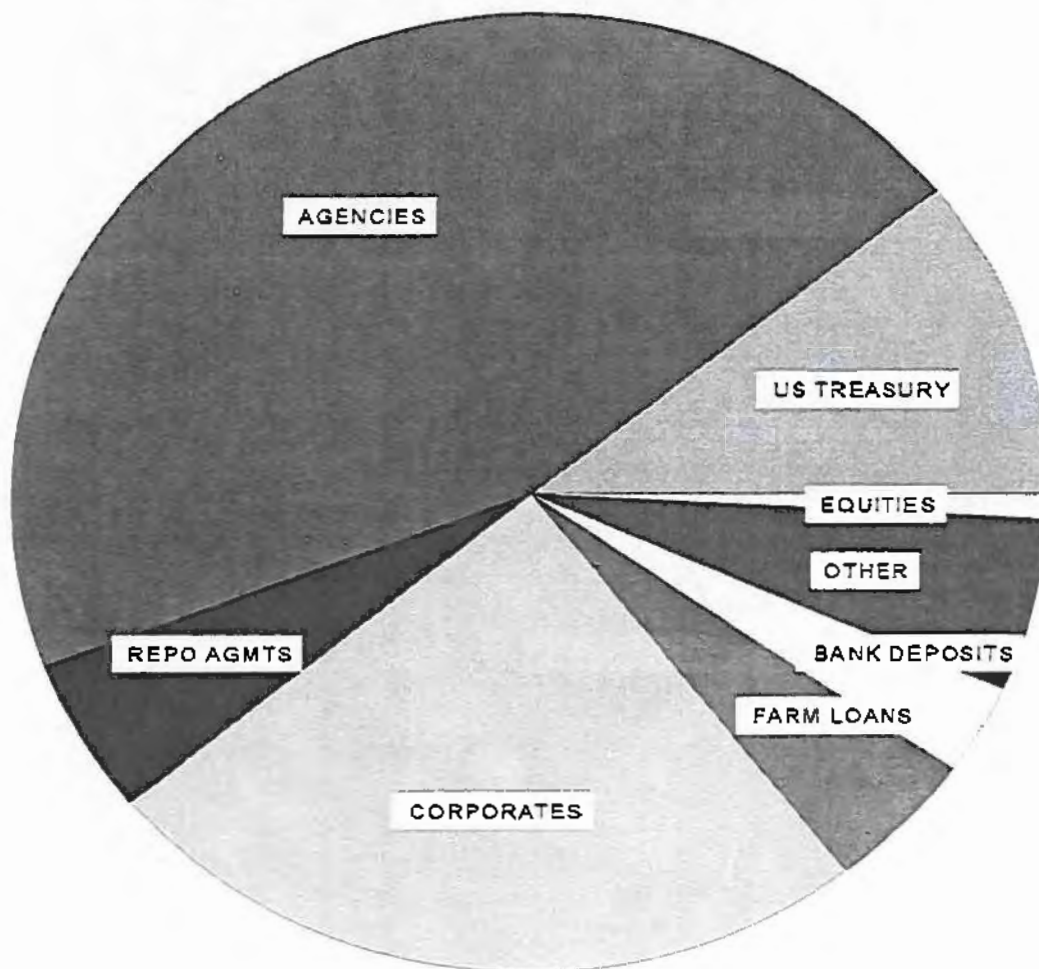
June 30, 1997

DEPOSITS	DEPOSIT RISK CATEGORY			BANK	CARRIED AT
	1	2	3	balance	amount
DEMAND DEPOSITS	\$23,235,185.95			\$23,235,185.95	\$16,721,893.95
LINK/TDOA/BID DEPOSITS	112,828,890.65			112,828,890.65	112,828,890.65
Total	<u>\$136,064,076.60</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$136,064,076.60</u>	<u>\$129,550,784.60</u>

INVESTMENTS	INVESTMENT RISK CATEGORY & AMORTIZED COST			CARRIED AT	MARKET
	1	2	3	amount	value
US TREASURY SECURITIES	\$185,621,272.00		\$205,466,167.00	\$391,087,439.00	\$384,379,041.00
GVMT AGENCY SECURITIES	1,549,346,761.00		71,335,423.00	1,620,682,184.00	1,601,316,308.00
REPURCHASE AGREEMENTS	193,367,688.00			193,367,688.00	193,367,688.00
CORPORATE SECURITIES	866,333,698.00		15,840,081.00	882,173,779.00	865,148,800.00
COMMERCIAL PAPER	893,388.00			893,388.00	927,326.00
EQUITIES	19,759,946.00			20,000,000.00	20,506,545.00
GUARANTEED INVEST. CONTRACTS				48,270,375.00	48,270,375.00
AGRICULTURE LOANS				8,313,642.00	8,313,642.00
COMMUNITY COLLEGE BONDS				784,000.00	784,000.00
MORTGAGE PURCHASE PROGRAMS				27,620,951.00	27,620,951.00
SMALL BUSINESS ASSIST				10,502,223.00	10,502,223.00
STUDENT LOANS				10,397,922.00	10,397,922.00
Total	<u>\$2,815,322,753.00</u>	<u>\$0.00</u>	<u>\$292,641,671.00</u>	<u>\$3,214,093,591.00</u>	<u>\$3,171,534,821.00</u>

INTEREST-BEARING RECEIVABLES	INVESTMENT RISK CATEGORY & COST			CARRIED AT	MARKET
	1	2	3	amount	value
CITY/TOWN LOANS				\$10,015,796.99	\$10,015,796.99
CLEAN COAL TECHNOLOGY				20,726,195.73	20,726,195.73
DRAINAGE DISTRICT BONDS				34,500.00	34,500.00
FARM LOANS				163,781,553.78	163,781,553.78
FL BOARD LOANS-SPECIAL				1,155,262.41	1,155,262.41
IRRIGATION LOANS				17,208,985.88	17,208,985.88
JOINT POWERS LOANS				23,929,107.49	23,929,107.49
WATER DEVELOPMENT LOANS				28,401,611.76	28,401,611.76
Total	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$265,253,014.04</u>	<u>\$265,253,014.04</u>

INVESTMENTS BY GENERAL TYPE



Bank Deposits	3.1%	\$ 112,829,000
US Treasury	10.9%	391,087,000
Agencies	45.0%	1,620,682,000
Repo Agmts	5.4%	193,368,000
Corporates	24.5%	882,174,000
Farm Loans	4.6%	153,781,000
Equities	0.6%	20,000,000
Other	5.9%	213,842,000
		<hr/>
TOTAL	<u>100%</u>	<u>\$ 3,597,763,000</u>

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 amortized cost. "Other" investments include Agricultural Loans, Small Business Administration Assistance Loans, Water Development Loans, etc.

INVESTMENT ACCOUNT BALANCES AS OF JUNE 30, 1997

Name	Cash and Receivables	Investments	Net Disc/Prem Purchased	Income to be Transferred to Income Account	Account Balance (Corpus)
Miners' Hospital	\$ 22,175,440.32				\$ 22,175,440.32
Public Buildings At Capitol	680,887.85				680,887.85
Fish Hatchery	200,533.86				200,533.86
Common School	167,161,675.62 *	\$ 690,624,916.47 ***			857,786,592.09
D.D. & B. Asylum	641,384.30				641,384.30
Carsy Act	258,997.16				258,997.16
Omnibus	10,735,356.33				10,735,356.33
Insane Asylum	727,518.20				727,518.20
State Training School	251,203.60				251,203.60
Penitentiary	2,316,273.34				2,316,273.34
Agricultural College University	<u>5,079,615.19</u> <u>13,322,292.15</u>				<u>5,079,615.19</u> <u>13,322,292.15</u>
Subtotal-Permanent Land Funds Only	223,551,177.92	690,624,916.47			914,176,094.39
Mineral Trust Fund	346,656,757.20	841,240,961.37 ***			1,187,871,522.84
Mineral Trust Fund II	<u>12,901,830.11</u>	<u>257,098,169.89</u>			<u>270,000,000.00</u>
Subtotal-All Permanent Funds	583,109,765.23	1,788,964,047.73	(26,195.73)		2,372,047,617.23
Workers' Compensation	81,597,157.65	106,788,135.77			188,385,293.42
GNMA Account					
Water Development	<u>57,754,271.23 **</u>	<u>112,391,787.66 ***</u>			<u>170,146,058.89</u>
TOTAL	<u>\$722,461,194.11</u>	<u>\$2,008,143,971.16</u>	<u>(\$26,195.73)</u>		<u>\$2,730,578,969.54</u>

* Includes cash with fiscal agents (debt service deposits).

** Includes loans receivable.

The rest of "Cash and Receivables" 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.

PERMANENT LAND FUNDS: CORPUS

<u>FUND</u>	<u>JUNE 30, 1996 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 1997 CORPUS BALANCE</u>
<u>LO1 MINERS' HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 22,109,607.24		
Oil & Gas Lease Royalties		\$ 56,947.84	
Real Estate Sales		1,073.24	
Sodium & Trona Lease Royalties		5,444.00	
Right-of-Way & Easement Lease		100.00	
Surface Damage		<u>2,268.00</u>	
		65,833.08	<u>\$ 22,175,440.32</u>
<u>LO2 PUBLIC BUILDINGS AT CAPITOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 659,340.03		
Miscellaneous Mineral Lease Royalties		\$ 139.13	
Oil & Gas Lease Royalties		2,772.44	
Real Estate Sales		4,337.71	
Right-of-Way & Easement Lease		9,979.31	
Capital Construction Reimbursement		<u>4,319.23</u>	
		21,547.82	<u>\$ 680,887.85</u>
<u>LO3 FISH HATCHERY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 196,314.47		
Right-of-Way & Easement Lease		\$ 4,060.00	
Real Estate Sales		<u>159.39</u>	
		4,219.39	<u>\$ 200,533.86</u>
<u>LO4 COMMON SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 837,704,742.11		
Bentonite Lease Royalties		\$ 183,283.89	
Coal Lease Royalties		2,886,553.01	
Liquidated Damages		10,000.00	
Miscellaneous Mineral Lease Royalties		27,394.80	
Oil & Gas Lease Royalties		14,891,363.48	
Sand & Gravel Royalties		205,518.10	
Sodium & Trona Lease Royalties		1,194,914.11	
Right-of-Way & Easement Lease		297,023.72	
Taylor Grazing		33,141.73	
Uranium Lease Royalties		6,635.24	
Surface Damage Lease		165,168.99	
Real Estate Sales		<u>210,852.91</u>	
		20,081,849.98	<u>\$857,786,592.09</u>

<u>FUND</u>	<u>JUNE 30, 1996</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 1997</u> <u>CORPUS BALANCE</u>
<u>L05 DEAF, DUMB & BLIND PERMANENT LAND FUND</u>			
Beginning Balance	\$ 639,556.84		
Oil & Gas Lease Royalties		\$ 1,803.16	
Sand & Gravel Royalties		<u>24.30</u>	
		1,827.46	<u>\$641,384.30</u>
<u>L06 CAREY ACT PERMANENT LAND FUND</u>			
Beginning Balance	\$ 175,266.78		
Bentonite Lease Royalty		\$ 12,023.82	
Oil & Gas Lease Royalties		68,288.96	
Surface Damage		62.50	
Right-of-Way & Easement Lease		<u>3,355.10</u>	
		83,730.38	<u>\$258,997.16</u>
<u>L07 OMNIBUS PERMANENT LAND FUND</u>			
Beginning Balance	\$ 12,794,805.58		
Oil & Gas Lease Royalties		\$ 1,400,737.69	
Sand & Gravel Royalties		1,611.76	
Right-of-Way Easement Lease		5,069.70	
Surface Damage		2,145.00	
Real Estate Sales		2,377.74	
Capital Construction Appropriation		<u>(3,471,391.14)</u>	
		(2,059,449.25)	<u>\$10,735,356.33</u>
<u>L08 WYOMING STATE HOSPITAL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 1,073,950.64		
Oil & Gas Lease Royalties		\$ 53,023.96	
Right-of-Way & Easement Lease		1,927.53	
Capital Construction Appropriation		<u>(401,383.93)</u>	
		(346,432.44)	<u>\$727,518.20</u>
<u>L09 WYOMING STATE TRAINING SCHOOL PERMANENT LAND FUND</u>			
Beginning Balance	\$ 159,814.63		
Oil & Gas Lease Royalties		\$ 88,039.67	
Surface Damage		1,000.00	
Capital Construction Reimbursement		<u>2,349.30</u>	
		91,388.97	<u>\$251,203.60</u>

<u>FUND</u>	<u>JUNE 30, 1996</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 1997</u> <u>CORPUS BALANCE</u>
<u>L10 WYOMING STATE PENITENTIARY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 4,352,463.90		
Oil & Gas Lease Royalties		\$ 277,267.81	
Surface Damage		145.00	
Real Estate Sales		100.08	
Right-of-Way & Easement Lease		794.76	
Capital Construction Appropriation		<u>(2,314,498.21)</u>	
		(2,036,190.56)	<u>\$2,316,273.34</u>
<u>L11 WYOMING STATE AGRICULTURE COLLEGE</u>			
Beginning Balance	\$ 4,970,754.01		
Oil & Gas Lease Royalties		\$ 102,445.31	
Right-of-Way & Easement Lease		4,019.25	
Surface Damage		1,894.35	
Real Estate Sales		<u>502.27</u>	
		108,861.18	<u>\$5,079,615.19</u>
<u>L12 WYOMING STATE UNIVERSITY PERMANENT LAND FUND</u>			
Beginning Balance	\$ 13,244,061.14		
Oil & Gas Lease Royalties		\$ 44,425.72	
Sand & Gravel Royalties		12,532.33	
Right-of-Way & Easement Lease		<u>21,272.96</u>	
		78,231.01	<u>\$13,322,292.15</u>
TOTAL REVENUE ADDED TO CORPUS	<u>\$ 16,095,417.02</u>		

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: CORPUS

<u>FUND</u>	<u>JUNE 30, 1996</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 1997</u> <u>CORPUS BALANCE</u>
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>	
 TOTAL REVENUE ADDED TO CORPUS OF MINERAL TRUST		 44,144,889.25	 <u><u>\$1,407,226,087.722</u></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	\$ 163,781,554	\$ 111,218,446
Irrigation Loans	A	60,000,000	17,208,986	42,791,014
Joint Powers Loans	A	80,000,000	23,929,107	56,070,893
Cheyenne-Stage II	B, F	35,360,965	29,601,846	5,759,119
Student Loans	D	15,000,000	10,397,922	4,602,078
Small Business Assistance Act & FHA	D	35,000,000	18,815,865	16,184,135
Mortgage Loans	E	60,000,000	7,656,206	52,343,794
Hot Springs State Park	G	2,000,000	1,155,262	844,738
Clean Coal Investments	F	30,000,000	20,700,000	9,300,000
Green River/Rock Springs Water Treatment Plant	C	24,000,000	2,000,000	22,000,000
Natrona County Water Project	C	23,000,000	4,000,000	19,000,000
Shoshone Municipal Pipeline Treatment Plant	C	16,500,000	15,651,612	848,388
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	15,797	9,984,203
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>19,964,745</u>	<u>5,035,255</u>
		<u>\$863,610,965</u>	<u>\$351,628,902</u>	<u>\$511,982,063</u>
		(100%)	(40.72%)	(59.28%)

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 State Lands & Investments Board, 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 State Lands & Investments Board 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 \$121.0 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	3.03%	\$ 4.445	\$ 169,799
Bank Deposits (Board of Deposits)	5.15%	95.804	1,628,668
Irrigation Loans	4.44%	17.209	414,737
Small Business Assistance Act	5.00%	18.816	348,096
Hot Springs Park	6.44%	1.155	4,735
Sheridan Water Project ³	0.00%	6.750	462,375
Shoshone Water Project ⁴	4.00%	15.652	446,082
Laramie-Territorial State Park ⁵	1.50%	10.000	535,000
Reimbursement to Counties for Deferred Taxes	4.00%	.0158	450
Green River/Rock Springs Water Treatment ⁶	0.00%	2.000	137,000
Natrona County Water Project ⁷	0.00%	4.000	274,000
Estimated Annual Unrecognized Loss Due to Subsidy Investments			<u>\$4,420,942</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 (MO2) of \$250 million had a realized yield in FY 97 of 6.85%. 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 II¹ project or Clean Coal² 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 plan 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 \$192,375 the first year and declining as the principal balance is reduced with an accumulated loss over the 50 year life of \$120 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 \$446,082 in FY 97. 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 \$480,000 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 4 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 4 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

	UNDER 200 MILLION	SEPT 15, 1996 FY 96 ADJUSTMENTS	DISTRIBUTIONS MADE IN FY 97	SEPT 15, 1997 FY 97 ADJUSTMENTS	OVER 200 MILLION	OVER 200 MILLION DISTRIBUTION	TOTAL FY 97 ROYALTY MONEY DISTRIBUTED
Cities and Towns	9.375%	\$ 1,120,249.84	\$ 19,314,249.84	\$556,000.00	.375% OF 25% OF 93.25%	\$ 350,633.02	\$ 19,100,633.02
University of Wyoming	6.75%	773,729.89	13,875,230.28	398,499.61	6.75% OF 25% OF 93.25%	252,455.78	13,752,455.78
University of Wyoming Foundation Fund	44.80%	5,135,273.90	88,175,417.30	2,644,856.60	6.75% OF 100%	1,082,920.22	1,082,920.22
Capitol Fac Rev Bds Series 1992		0.00	2,035,000.00	0.00	44.8% OF 25% OF 93.25%	0.00	2,035,000.00
Capitol Fac Rev Bds Series 1993		0.00	150,000.00	0.00		0.00	150,000.00
Capitol Fac Rev Bds Series 1994		0.00	1,730,000.00	0.00		0.00	1,730,000.00
Highway Fund	30.375%	3,481,784.48	62,438,536.28	1,793,248.20	.375% OF 25% OF 93.25%	1,136,050.99	61,886,050.99
Highway Fund State Roads	2.25%	257,909.96	4,625,076.76	132,833.20	2.25% OF 25% OF 93.25%	84,151.93	4,584,151.93
Cities, Counties & Special Districts Capital Const.	3.75%	406,099.94	8,001,099.94	(95,000.00)	3.75% OF 25% OF 93.25%	140,253.21	7,640,253.21
School Districts Grants	2.70%	309,491.96	5,550,092.14	159,399.82	2.7% OF 25% OF 93.25%	100,982.31	5,500,982.31
Municipal Rainy Day Account					9.375% OF 93.25%	1,402,532.09	1,402,532.09
Legislative Government Royalty Impact Assistance Account					66.625% OF 93.25%	9,817,724.61	9,817,724.61
TOTAL	100.00%	11,484,539.97	205,894,702.54	5,589,837.43		16,043,262.49	216,043,262.49
Bonus Payments							
Cities, Counties & Special Districts Capital Const.	37.50%	0.00	8,363,886.66	0.00			8,363,886.66
Legislative Royalty Impact	40.00%	0.00	8,921,479.11	0.00			8,921,479.11
Community College Commission	10.00%	0.00	2,230,369.78	0.00			2,230,369.78
Highway Funds	12.50%	0.00	2,787,962.22	0.00			2,787,962.22
TOTAL	100.00%	0.00	22,303,697.77	0.00			22,303,697.77
GRAND TOTAL		\$11,484,539.97	228,198,400.31	5,589,837.43		16,043,262.49	238,346,960.26

KEY - Distribution FY 97 less FY 96 adjustments plus FY 97 adjustments = Total FY 97 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 Car Tax W.S. 39-2-207	Veterans Exemption W.S. 39-1-202	US Forest Reserve W.S. 39-4-501	Taylor Grazing Act W.S. 9-4-401	Severance Tax Distribution W.S. 39-6-305	Severance Tax In Lieu of Royalty	Livestock Predatory Animal Control Fees W.S. 11-6-210	Indian Exemption	Total
Albany	\$ 106,437.21	\$ 73,908.91	\$ 84,621.87	\$ 34,807.17	\$ 369,032.96	\$ 74,442.40	\$ 19,064.46		\$ 762,314.98
Big Horn	48,665.54	29,930.91	92,017.43	17,065.83	126,118.52	54,035.98	17,492.77		385,326.98
Campbell	111,811.32	54,163.90	0.00	32,561.33	351,933.54	46,509.65	38,820.94		635,800.68
Carbon	109,273.55	23,852.95	141,158.33	44,904.06	199,620.72	39,104.67	29,733.87		587,648.15
Converse	147,787.99	25,512.67	17,028.29	17,365.33	133,344.09	31,773.43	38,717.92		411,529.72
Crook	14,629.52	16,982.63	369,078.00	11,634.40	63,436.69	57,005.59	28,847.20		561,614.03
Fremont	30,901.13	114,845.43	114,652.08	38,138.64	403,363.54	65,750.61	25,895.59	\$ 102,143.38	895,690.40
Goshen	91,061.29	38,742.60	0.00	4,307.95	148,262.62	76,463.37	12,757.91		371,595.74
Hot Springs	19,555.78	22,098.21	5,791.73	11,450.20	57,625.09	49,144.80	6,410.72	524.61	172,601.14
Johnson	0.00	35,803.36	85,655.39	52,864.09	73,634.07	56,073.39	47,884.03		351,914.33
Laramie	173,613.57	374,129.82	0.00	1,330.72	876,442.71	119,154.34	21,001.37		1,565,672.53
Lincoln	54,338.21	24,447.11	135,910.39	14,246.86	151,282.33	27,696.87	24,534.69		432,456.46
Natrona	64,638.59	189,586.56	1,248.85	118,421.50	733,656.20	104,135.69	36,489.43		1,248,176.82
Niobrara	34,185.30	7,693.07	0.00	16,657.89	29,944.97	118,637.66	18,783.65		225,902.54
Park	30,602.56	68,389.37	196,207.66	25,657.75	277,736.32	47,297.73	20,769.04		666,660.43
Platte	67,176.36	35,579.64	254.54	9,986.32	97,599.54	41,364.19	12,710.49		264,671.08
Sheridan	69,266.29	77,472.24	103,145.42	3,826.05	282,337.71	68,378.57	20,760.98		625,187.26
Sublette	0.00	25,167.32	184,844.51	15,549.86	58,032.50	21,475.00	14,263.63		319,332.82
Sweetwater	181,077.61	55,492.09	24,103.23	61,794.62	465,206.58	61,541.00	14,344.44		863,559.57
Teton	0.00	29,091.24	246,992.94	166.05	133,871.38	28,079.48	1,242.46		439,443.55
Uinta	80,462.35	33,773.11	17,701.50	11,237.06	224,137.46	36,675.30	34,460.21		438,446.99
Washakie	17,913.70	20,938.63	9,434.17	17,624.12	100,511.38	58,891.06	15,558.41		240,871.47
Weston	<u>39,410.13</u>	<u>30,896.18</u>	<u>14,202.20</u>	<u>13,403.62</u>	<u>78,103.59</u>	<u>73,056.20</u>	<u>9,931.14</u>		<u>259,003.06</u>
Grand Total	<u>\$1,492,808.00</u>	<u>\$1,408,497.95</u>	<u>\$1,844,048.53</u>	<u>\$575,001.42</u>	<u>\$5,435,234.51</u>	<u>\$1,356,686.98</u>	<u>\$510,475.35</u>	<u>\$102,667.99</u>	<u>\$12,725,420.73</u>

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> <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>
Afton	1,394	\$ 72,690.75	\$ 153,898.37	\$ 0.00	\$ 100.71	\$ 222,051.50
Albin	120	6,257.43	18,222.74	0.00	49.05	24,529.22
Alpine	200	10,429.08	31,928.02	0.00	52.29	42,409.39
Baggs	272	14,183.54	23,260.61	0.00	55.21	37,499.36
Bairoil	228	11,889.20	24,072.59	0.00	53.43	36,015.22
Bar Nunn	835	43,541.45	52,782.05	0.00	78.04	96,401.54
Basin	1,180	61,531.58	97,584.29	0.00	92.03	159,207.90
Big Piney	454	23,674.07	63,594.54	0.00	62.59	87,331.20
Buffalo	3,601	172,184.27	235,227.67	0.00	178.09	407,590.03
Burlington	184	9,594.77	24,877.55	0.00	51.64	34,523.96
Burns	254	13,244.95	25,171.34	0.00	54.48	38,470.77
Byron	470	24,508.38	47,893.72	0.00	63.24	72,465.34
Casper	46,765	2,437,382.20	2,129,980.27	256,650.00	1,939.74	4,825,952.21
Cheyenne	50,008	2,607,689.18	2,608,200.09	237,150.00	2,072.19	5,455,111.46
Chugwater	192	10,011.96	24,632.34	0.00	51.97	34,696.27
Clearmont	119	6,205.30	18,478.24	0.00	49.01	24,732.55
Cody	7,897	411,792.53	521,729.91	0.00	364.43	933,886.87
Cokeville	493	25,707.69	64,122.64	0.00	64.17	89,894.50
Cowley	500	24,873.37	48,383.65	0.00	63.52	73,320.54
Dayton	592	29,462.16	45,757.98	0.00	67.09	75,287.23
Deaver	199	10,376.93	25,927.37	0.00	52.25	36,356.55
Diamondville	864	45,053.64	101,089.11	0.00	79.22	146,221.97
Dixon	70	3,650.18	14,897.98	0.00	47.02	18,595.18
Douglas	5,076	264,690.31	344,632.45	0.00	250.03	609,572.79
Dubois	895	46,670.20	82,660.89	0.00	80.48	129,411.57
East Thermopolis	221	11,524.11	21,867.16	0.00	53.14	33,444.41
Edgerton	247	12,879.92	23,176.28	0.00	54.20	36,110.40
Elk Mountain	186	9,073.30	19,203.44	0.00	51.24	28,327.98
Encampment	490	25,551.28	35,285.64	0.00	64.05	60,900.97
Evanston	10,904	568,541.79	826,730.53	0.00	486.34	1,395,758.66
Evansville	1,486	73,160.01	78,482.90	0.00	101.08	151,743.99
Fort Laramie	243	12,671.36	26,718.18	0.00	54.03	39,443.57
Frannie	148	7,717.50	22,323.17	0.00	80.18	30,120.85

<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. 39-6-300</u>	<u>Total</u>
Gillette	17,545	\$ 919,584.90	\$ 1,373,947.41	\$ 0.00	\$ 759.34	\$ 2,294,291.65
Glendo	195	10,168.37	24,829.74	0.00	52.09	35,050.20
Glenrock	2,153	112,269.14	154,814.54	0.00	131.49	267,215.17
Granger	126	6,570.30	18,671.76	0.00	49.29	25,291.35
Green River	12,711	662,820.71	688,048.07	0.00	559.66	1,351,428.44
Greybull	1,789	93,288.20	140,206.22	0.00	116.73	233,611.15
Guernsey	1,155	60,227.99	90,991.42	0.00	91.02	151,310.43
Hanna	1,076	56,108.53	59,545.55	0.00	87.82	115,741.90
Hartville	78	4,067.31	17,131.88	0.00	47.34	21,246.53
Hudson	392	20,441.01	44,634.71	0.00	60.08	62,391.16
Hulett	429	22,370.38	55,024.59	0.00	61.58	78,256.55
Jackson	4,708	233,194.47	405,597.53	0.00	225.54	639,017.54
Kaycee	256	13,349.23	29,073.98	0.00	54.56	42,477.77
Kemmerer	3,020	157,479.25	315,913.20	0.00	166.65	473,559.10
Kirby	59	3,076.59	14,634.24	0.00	46.57	17,757.40
La Barge	493	25,707.69	64,122.64	0.00	64.17	89,894.50
La Grange	224	11,680.58	25,567.38	0.00	53.26	37,301.22
Lander	7,023	366,217.46	545,930.32	0.00	328.99	912,476.77
Laramie	26,687	1,391,605.39	761,937.75	76,000.00	1,126.44	2,230,669.58
Lingle	473	24,664.81	43,648.90	0.00	63.36	68,377.07
Lost Springs	4	208.62	12,259.76	0.00	44.35	12,512.73
Lovell	2,131	111,121.96	164,141.65	0.00	130.60	275,394.21
Lusk	1,504	78,426.74	97,837.34	0.00	105.17	176,369.25
Lyman	1,896	98,867.78	156,157.59	0.00	121.07	255,146.44
Manderson	83	4,328.09	17,808.97	0.00	47.55	22,184.61
Manville	97	5,058.12	17,342.55	0.00	48.11	22,448.78
Marbleton	634	33,060.21	82,861.06	0.00	69.89	115,991.16
Medicine Bow	389	20,284.60	31,104.30	0.00	59.96	51,448.86
Meeteetse	386	19,189.54	38,613.61	0.00	59.10	57,862.25
Midwest	495	25,811.97	37,397.71	0.00	64.25	63,273.93
Mills	1,583	82,076.94	86,220.30	0.00	108.01	168,405.25
Moorcroft	768	40,047.73	88,084.58	0.00	75.33	128,207.64
Mountain View	1,189	62,000.96	103,521.30	0.00	92.40	165,614.66
Newcastle	3,028	156,592.78	218,111.39	0.00	165.96	374,870.13
Opal	95	4,953.84	21,465.81	0.00	48.03	26,467.68
Pavillion	126	6,570.30	21,525.50	0.00	49.29	28,145.09
Pine Bluffs	1,054	54,961.31	69,655.94	0.00	86.92	124,704.17

<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. 2-4-601</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>
Pine Haven	141	\$ 7,352.49	\$ 25,417.89	\$ 0.00	\$ 49.90	\$ 32,820.28
Pinedale	1,181	61,583.77	141,409.94	0.00	92.07	203,085.78
Powell	5,292	275,953.67	354,573.85	0.00	258.79	630,786.31
Ranchoester	676	35,250.30	51,800.66	0.00	71.59	87,122.55
Rawlins	9,380	489,124.28	403,324.65	40,000.00	424.57	932,873.50
Riverside	85	4,432.37	15,518.92	0.00	47.63	19,998.92
Riverton	9,202	479,842.36	710,660.08	0.00	417.36	1,190,919.80
Rock River	190	9,907.65	17,317.88	0.00	51.89	27,277.42
Rock Springs	19,050	993,370.69	1,023,698.40	0.00	816.73	2,017,885.82
Rolling Hills	330	17,208.01	36,430.02	0.00	57.56	53,695.59
Saratoga	1,969	102,674.41	96,515.09	0.00	124.03	199,313.53
Sheridan	13,904	724,821.70	771,700.36	0.00	607.88	1,497,129.94
Shoshoni	497	25,916.28	52,572.62	0.00	64.34	78,553.24
Sinclair	500	26,072.75	35,699.61	0.00	64.46	61,836.82
Superior	273	14,235.71	26,455.35	0.00	55.25	40,746.31
Sundance	1,139	59,393.65	123,389.70	0.00	90.37	182,873.72
Ten Sleep	311	16,217.23	29,665.12	0.00	56.79	45,939.14
Thayne	267	13,922.83	38,603.90	0.00	55.01	52,581.74
Thermopolis	3,247	169,316.26	159,971.35	0.00	175.86	329,463.47
Torrington	5,651	294,673.89	357,272.80	0.00	273.35	652,220.04
Upton	980	51,102.50	81,283.44	0.00	83.92	132,469.86
Van Tassell	8	417.19	12,440.68	0.00	44.50	12,902.37
Wamsutter	240	12,514.92	24,708.01	0.00	53.91	37,276.84
Wheatland	3,271	170,567.76	230,210.34	0.00	176.83	400,954.93
Worland	5,742	299,419.11	341,151.16	0.00	277.04	640,847.31
Wright	1,236	64,451.76	110,245.78	0.00	94.30	174,791.84
Yoder	136	7,091.78	20,237.34	0.00	49.70	27,378.82
GRAND TOTALS	<u>317,739</u>	<u>\$16,533,703.51</u>	<u>\$19,314,249.84</u>	<u>\$609,800.00</u>	<u>\$17,173.78</u>	<u>\$36,467,544.16</u>

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.

During FY 97 WYO-STAR rules were amended to allow income to be distributed to participants on a monthly basis. Also, ACH (automated clearing house) has almost totally replaced wire transfer in returning participant's funds. Timeliness and cost savings prompted this change.

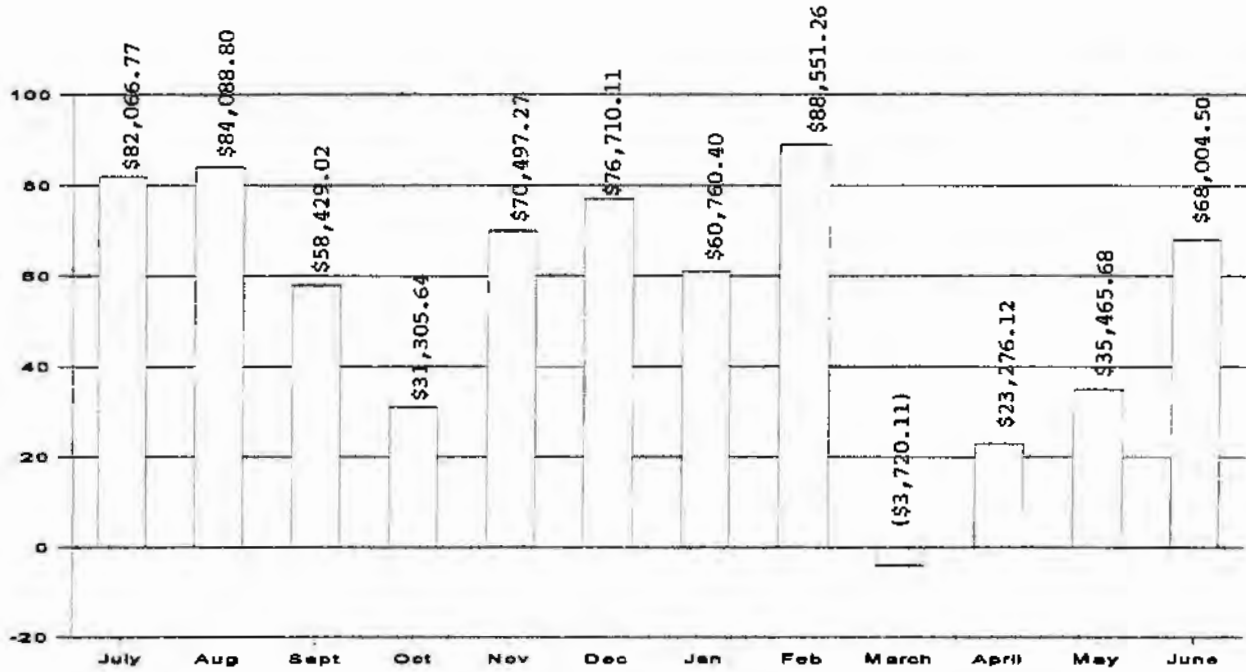
WYO-STAR yields realized in FY 97 are as follows:

07/01/96 - 12/31/96	6.150%
01/01/97 - 03/31/97	6.044%
04/01/97 - 04/30/97	5.636%
05/01/97 - 05/31/97	5.415%
06/01/97 - 06/30/97	6.119%

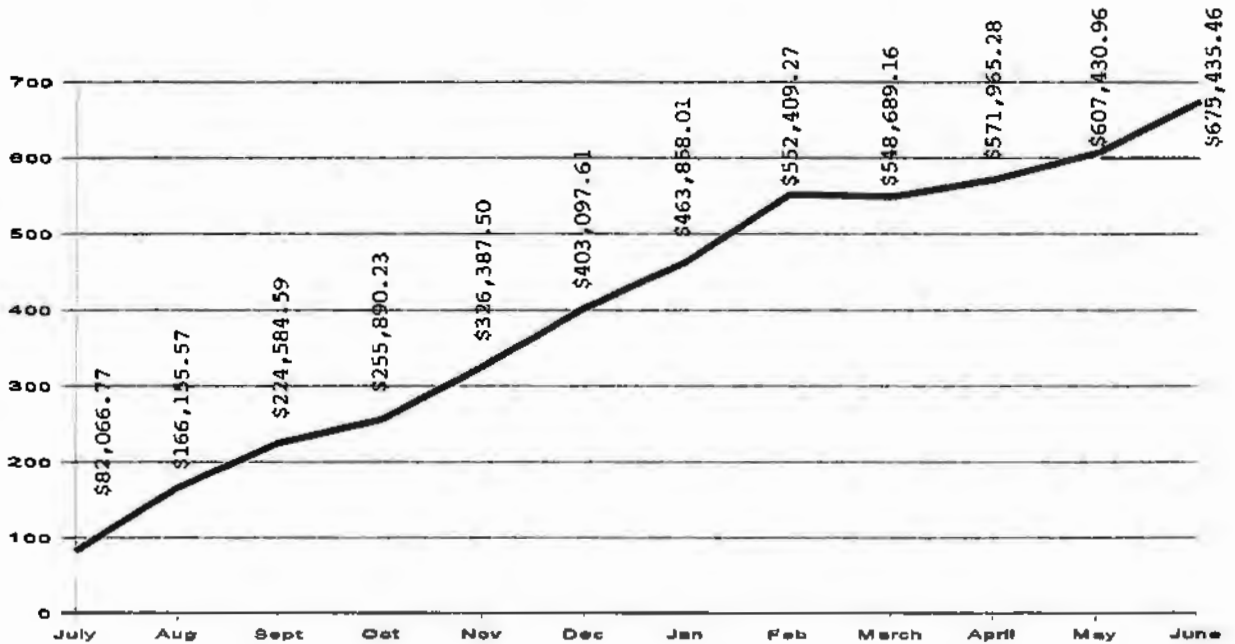
As of June 30, 1997, there were 109 active participants. (Some participants have multiple accounts). WYO-STAR pool balance of June 30, 1997, was \$153,647,188.13.

**CASH MANAGEMENT NET BENEFIT ANALYSIS
WYO-STAR
WITH CHASE & MD SASS PARTNERS**

Fiscal Year 1997 Income



CUMULATIVE BENEFIT TO PARTICIPATING LOCAL GOVERNMENTS



WYOMING UNIFORM UNCLAIMED PROPERTY ACT

Fiscal Year 1997 was the fourth full year for the Unclaimed Property Division of the State Treasurer's Office. During this year, funds totaling more than \$1.9 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 \$1.4 million. More than \$350,000 of interest income was generated in FY 97.

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 97, 2 national holder seminars were conducted, 1 in-state and 1 national speaking engagements 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 44,000 owners of more than \$10.4 million. Of that amount, the division has returned more than \$3.5 million to owners or heirs of unclaimed property. A large part of this return was due the annual advertisement, which generated more than 1,700 telephone calls in a ten-day period. In FY 97, more than \$256,000 was returned to 49 states of the owner's last known address in accordance with the 1965 Supreme Court decision Texas v. New Jersey.

In FY 97 several major goals and accomplishments were achieved:

1. Third advertisement of unclaimed property - more than 1,100 claims filed.
2. Unclaimed property articles placed in several professional newsletters and numerous unclaimed property press releases were part of the citizens outreach programs to gain public exposure of the program.
3. Unclaimed property information was disseminated to all state legislators.

4. Stale-dated warrant letters are generated and mailed when stale-date state warrants are returned to the Unclaimed Property Division.
5. The 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 141 heirfinders located in 34 states. Written inquiries from persons seeking their possible unclaimed funds totaled 7,883 and were received from 47 states and several 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
FY 97	6,462,143.46	1,902,193.42	1,486,211.28	-0-	6,878,125.60

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 July 1, 1996</u>	<u>Principal Payments FY 1997</u>	<u>Year of Maturity</u>	<u>Balance June 30, 1997</u>
1992	\$28,750,000	3.0-6.25	\$26,985,000	540,000	(2021)	\$26,445,000
1993	8,777,522	4.1-6.2	8,737,522	20,000	(2022)	8,717,522
1994	27,395,897	4.1-6.3	27,110,897	260,000	(2024)	<u>26,850,897</u>
Total Outstanding Revenue Bonds						<u>\$62,013,419</u>

Future minimum payments for revenue bonds are as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
1998	855,000	3,101,982
1999	895,000	3,059,247
2000	950,000	3,012,480
2001	990,000	2,961,810
2002	1,045,000	2,906,998
after 2002	57,278,419	52,549,776

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, 1997, \$32.5 million of bonds outstanding are considered defeased.

New issues: No new bonds were issued in Fiscal Year 1997.

SCHOOL DISTRICT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1001 authorizes the Board of State Loans & Investments 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, 1997, the Board of State Loans & Investments had approved guaranteeing school district bond issues totaling \$61,519,000, with \$60,260,000 still outstanding.

LOCAL GOVERNMENT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1002 authorizes the Board of State Loans & Investments 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, 1997, the Board of State Loans & Investments 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 and participate in the program; and one is a qualified elector with business and financial experience. Newly passed legislation makes this board a policy making board beginning July 1997.

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 last 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.

The Deferred Compensation Program is currently under major structural change which will benefit all participants in the future.

EMPLOYEES PARTICIPATING IN DEFERRED COMPENSATION PROGRAM

	<u>CURRENTLY DEFERRING</u>	<u>CURRENTLY ELIGIBLE</u>	% ELIGIBLE CURRENTLY DEFERRING	TOTAL PARTICIPANTS WITH MONEY IN PLAN (INCLUDES RETIREES)	MARKET VALUE OF ASSETS CURRENTLY <u>DEFERRED</u>
Central Payroll	1,570	6,901	22.75%	5,764	\$ 69,201,274.77
Highway	668	1,874	35.64%	1,329	27,333,585.35
Univ. Of Wyoming	101	2,600	3.88%	334	7,984,655.14
Community Colleges	99	885	11.19%	469	8,129,099.03
Municipalities (Cities & Towns, Counties, School Dist., Libraries, Airports, Parks, Recreation, etc.)	1,052	8,649	12.16%	2,744	28,403,565.70
Great-West Reserves	0	176			10,152,319.00
Nationwide Reserves	0	265			5,254,064.84
TOTAL:	3,490	21,350	16.35%	10,640	\$ 156,458,563.83

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

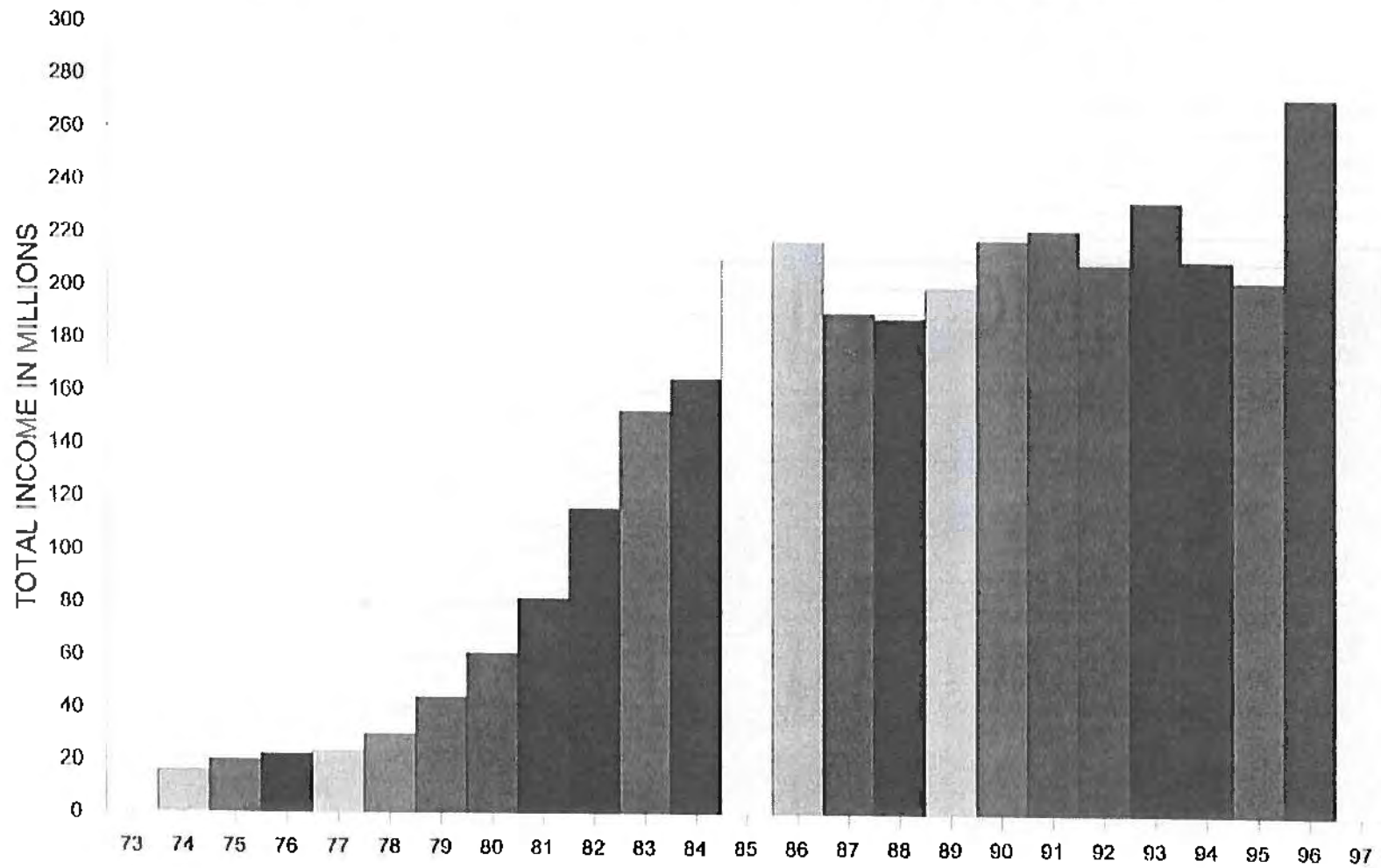
LEGISLATIVE AUTHORITY

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:	Investment of State Funds
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);	Income Distribution
33-1-202;	
9-4-801 through 9-4-832:	Deposits in Wyoming Banks & S&L
9-4-708:	Investment Managers
21-22-101 through 21-22-109;	Wyoming Education Trust Fund
21-15-105, 39-6-305:	
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

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INVESTABLE FUNDS

