

WYOMING STATE TREASURER ANNUAL REPORT



FOR THE PERIOD
JULY 1, 2011 THROUGH JUNE 30, 2012

Joseph B. Meyer, State Treasurer

Sharon Garland, Deputy State Treasurer

Michael Walden-Newman, Chief Investment Officer

**WYOMING STATE TREASURER'S
ANNUAL REPORT
Fiscal Year 2012
(July 1, 2011 – June 30, 2012)**

**In Memory of State Treasurer
Joe Meyer**



The State Treasurer's Office is pleased to present the agency's annual report for fiscal year 2012 in memory of State Treasurer Joe Meyer who passed away on October 6, 2012 following his courageous battle with lung cancer and a lengthy illness.

Joe Meyer was a dedicated servant for the State of Wyoming over 40 years. He served as Wyoming's State Treasurer from January 2007 until his death in 2012. He also served as Wyoming's Secretary of State for two terms from 1999 to 2007. Prior to entering the political arena, he was the first assistant director of the Legislative Service Office from 1971 to 1987, was appointed Wyoming Attorney General by Governor Mike Sullivan serving from 1987 to 1995 and was special assistant to the University of Wyoming president for governmental relations and communications from 1995 to 1998.

The staff at the Treasurer's Office was deeply saddened by the death of Treasurer Meyer but we are very proud and honored to say we worked for such a great leader. He will truly be missed.

This final report by Treasurer Meyer contains information about our investment portfolio as well as other auxiliary programs administered by the State Treasurer's Office for the period July 1, 2011 through June 30, 2012.

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STATE TREASURER'S OFFICE

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OVERVIEW

PRIMARY PROGRAMS AND/OR FUNCTIONS

STATE TREASURER ACTIVITIES

As one of the five statewide elected officials, the State Treasurer responds to the needs of the citizens through the various programs and activities required of the office as well as through the numerous boards and commissions he serves on.

The State Treasurer serves on the following board and commissions:

- State Loan and Investment Board
- Board of Land Commissioners
- State Building Commission
- Wyoming Community Development Board (WCDA)
- Board of Deposits
- State Canvassing Board
- Wyoming Retirement Board
- Financial Advisory Council

INVESTMENT OF STATE FUNDS

The State Treasurer's Office receives and invests all non-pension funds of the state, except for the state retirement funds, including the Local Government Investment Pool (WYO-STAR). The state's investment portfolio totaled \$15.5 billion as of June 30, 2012 and this figure will continue to grow. Total state funds have grown substantially over the years primarily from revenue generated from the state's mineral industry. As assets have grown, greater demands have been placed on investment of these state funds. Investment income is currently the third largest source of income to the general fund.

BANKING ACTIVITIES AND CASH MANAGEMENT

Receipts from state agencies are received, reconciled and deposited daily. State warrants (checks) are validated and redeemed from the bank each day and the state's checkbook is balanced every day. The Treasurer's Office deposits funds in banks throughout the state in the Time Deposit-Open Account Program. The agency also has general responsibility for the management of the state's cash resources including the development of information to forecast the cash needs of the state and for providing adequate liquidity to ensure the state's cash flow needs are met.

AGENCY ADMINISTRATION

Agency administration includes all duties associated with a state elected official, accounting and fiscal activities, human resources services, and computer technology support.

The Treasurer's Office accounts for and distributes state and federal funds as prescribed by law to cities, towns, counties, the University, community colleges, rural hospitals, county libraries and state agencies as follows:

- Investment Income (W.S. 9-1-409)
- Veterans Tax Exemption Reimbursement (W.S. 39-13-105)
- Indian Motor Vehicle Exemption (W.S. 31-3-101)
- Severance Tax (W.S. 39-14-801) and (W.S. 39-14-211)
- Livestock Predatory Animal Control Fees (W.S. 11-6-210)
- Private Rail Car Tax (W.S. 39-13-104)
- Federal Mineral Royalty and Coal Bonus (W.S. 9-4-601)
- Penalties and Fines (W.S. 8-1-109)
- Payments in Lieu of (Property)Taxes (PILT)
 - Taylor Grazing Act (W.S. 9-4-401)
 - U.S. Forest Reserve (W.S. 9-4-501)
- Hathaway Scholarship Program (W.S. 21-16-1302)
- Excellence in Higher Education Program (W.S. 21-16-1201)
- Wildlife Trust Fund Matching (W.S. 9-15-103)
- Endowment Challenge Matching programs
 - University of WY Foundation (W.S. 21-16-901)
 - University of WY Athletics (W.S. 21-16-1001)
 - Community College Foundations (W.S. 21-16-1101)
 - University of WY Academic Facilities (W.S. 21-16-1401)
 - Critical Access & Rural Hospital (W.S. 35-1-1001)
 - WY Public Libraries (W.S. 18-7-201)

In addition to the legislative projects and revenue distributions shown above, the Treasurer's Office is responsible for State Spending Policy calculations and recommendations and accounting for capital facility bonds and school district bond guarantees issued.

UNCLAIMED PROPERTY PROGRAM

The Unclaimed Property Program is administered by the State Treasurer's Office. Administration of this program involves collecting and holding unclaimed funds and/or property and making diligent efforts to locate and returning the property to the rightful owners or heirs.

In addition to the State Treasurer, the programs and activities of the State Treasurer's Office were supported by twenty five (25) full time employees and one part time at-will contract employee during fiscal year 2012.

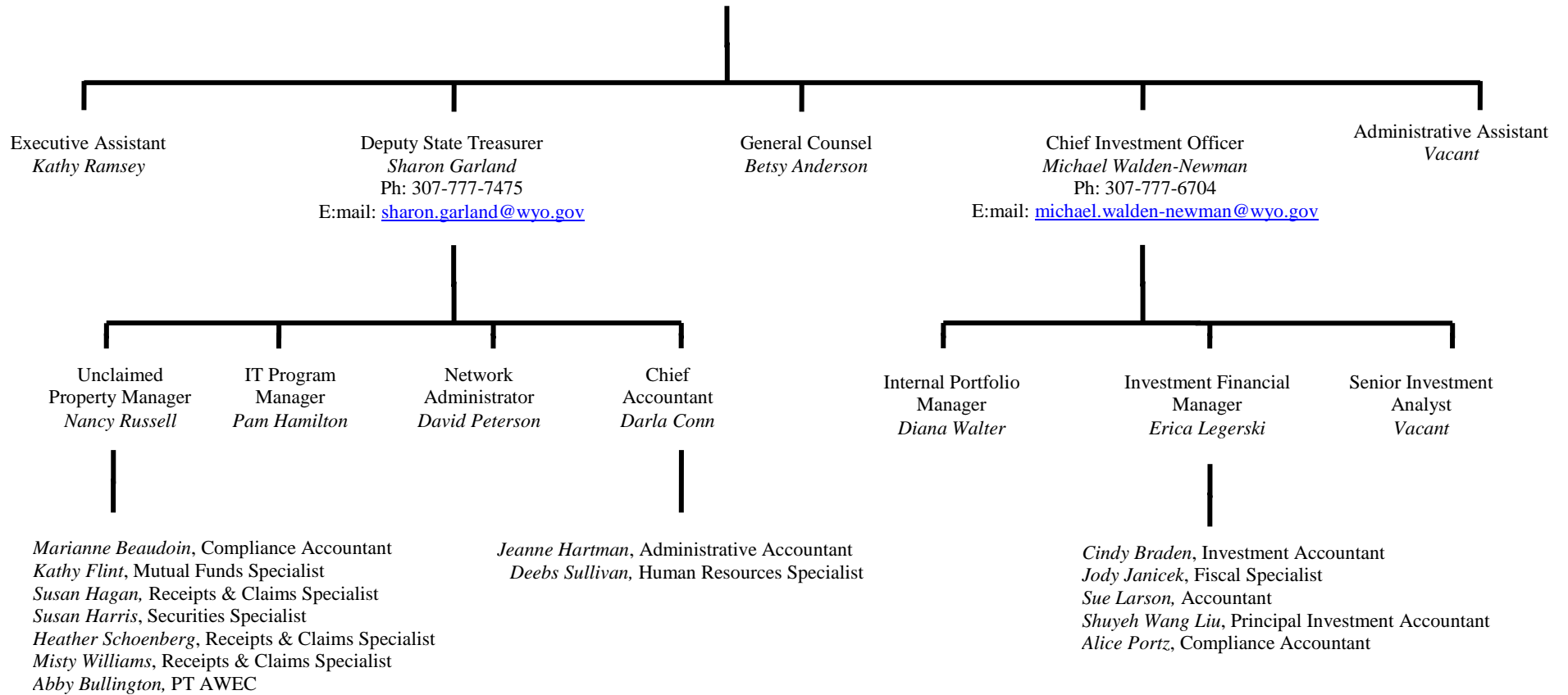
As a means of providing more transparency on the financial operations of the state treasury, additional information about the state's investment program and other auxiliary programs administered by the state treasurer is available on our website (<http://treasurer/state.wy.us>).

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or michael.walden-newman@wyo.gov

For additional information about the distribution of investment income, including spending policies and/or for additional information about other auxiliary programs and activities administered by the State Treasurer's office, contact Sharon Garland, Deputy State Treasurer at 307-777-7475 or sharon.garland@wyo.gov.

As of June 30, 2012

**WYOMING STATE TREASURER
JOE MEYER**



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WYOMING STATE INVESTMENT PORTFOLIO

Fiscal Year 2012

PORTFOLIO OVERVIEW

The State Treasurer manages all non-pension funds of the State of Wyoming. As stated in the Master Investment Policy and Sub-Policies approved by the State Loan and Investment Board, the Treasurer invests the state portfolio "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

The State's portfolio is in a diversified asset allocation. Modern portfolio theory, creating a diversified portfolio of asset classes, allows the investor to achieve a high rate of return while minimizing the volatility of the portfolio. Simply put, the State's portfolio diversification protects the corpus of the funds and allows maximum returns within acceptable risk.

The State portfolio consists of nine investment pools in seven fund types. Seven pools — the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers Compensation Fund — may hold equities, fixed income and cash. The State Agency Pool and the Tobacco Settlement Fund may only hold fixed income and cash.

As shown below, the Treasurer's investment portfolio grew across all funds on a cost basis during FY 12. The total portfolio was \$13.8 billion at the end of FY 11, increasing over \$1.3 billion to \$15.1 by June 30, 2012.

	FY 12		FY 11	
	Cost	Market	Cost	Market
Permanent Mineral Trust Fund	\$5,440.9	\$5,595.5	\$5,050.0	\$5,325.8
Permanent Land Funds				
- Common School Perm Land Fund	2,318.0	2,371.3	2,129.9	2,236.5
- University Permanent Land Fund	18.0	18.3	17.4	18.0
- Remaining Permanent Land Funds	131.8	135.2	117.2	122.8
Hathaway Scholarship Fund	501.3	518.4	473.0	502.8
Higher Education Endowment Fund	108.4	111.8	105.0	111.5
Workers Compensation Fund	1,403.1	1,436.8	1,317.1	1,362.5
Tobacco Settlement Fund	67.9	69.9	66.8	67.5
State Agency Pool	<u>5,131.0</u>	<u>5,336.0</u>	<u>4,545.1</u>	<u>4,683.5</u>
Total	\$15,120.5	\$15,593.1	\$13,821.6	\$14,431.0

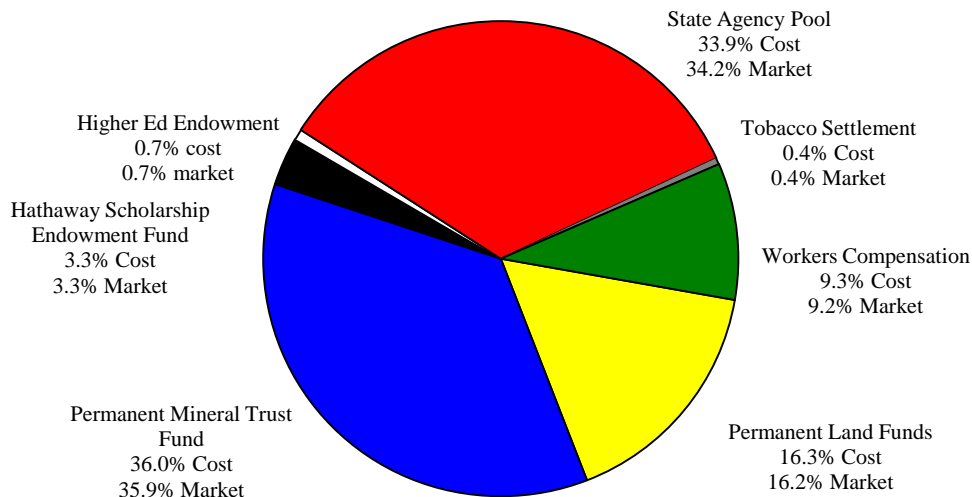
The State Treasurer distributes investment earnings to statutory recipients. Interest and dividends are treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive in a fund, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

WYOMING STATE INVESTMENT PORTFOLIO

June 30, 2012

The State Treasurer's Office manages \$15 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Worker's Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	Cost Basis	Market Value
Permanent Wyoming Mineral Trust Fund	\$5,440,883,650	\$5,595,493,940
<i>Funded with constitutional and statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 55 percent of the PWMTF may be invested in equities.</i>		
Permanent Land Funds	2,467,854,133	2,524,790,718
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$2.318 billion book/cost, \$2.371 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 55 percent of the Permanent Land Funds may be invested in equities.</i>		
Hathaway Scholarship Endowment Fund	501,340,390	518,418,148
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Hathaway Scholarship Fund may be invested in equities.</i>		
Excellence in Higher Education Endowment Fund	108,407,594	111,829,141
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 55 percent of the Higher Ed. Endowment Fund may be invested in equities.</i>		
Workers Compensation Fund	1,403,130,016	1,436,849,381
<i>Funded with employer premiums. Investment income is used to assist in the payment of Workers Compensation costs including administrative and indemnity costs, and vendor payments. Up to 45 percent of the Workers Compensation Fund may be invested in equities.</i>		
Tobacco Settlement Fund	67,885,067	69,855,405
<i>Funded with settlement proceeds received by Wyoming under the 1998 Master Settlement Agreement between states and tobacco companies. Income from the fund goes to health improvement programs.</i>		
State Agency Pool	<u>5,130,982,071</u>	<u>5,335,862,401</u>
<i>Monies from all other state funds pooled for investment. Income is distributed back to a specific state agency or to the state general fund.</i>		
GRAND TOTAL ALL FUNDS	\$15,120,482,920	\$15,593,099,135



The Treasurer distributed \$603.6 million in investment income during FY 12, down slightly from the \$622.4 million distributed in FY 11.

Investment Income: Distributions by Fund

	<u>FY 12</u>	<u>FY 11</u>
Permanent Wyoming Mineral Trust Fund	\$235,847,144	\$215,755,659
Common School Permanent Land Fund	99,790,392	98,619,687
University Permanent Land Fund	700,995	1,718,287
Remaining Permanent Land Funds	5,218,065	4,157,223
Hathaway Scholarship Endowment Fund	25,103,968	30,957,021
Higher Education Endowment Fund	5,634,089	6,086,019
Workers Compensation Fund	60,219,062	98,747,770
Tobacco Settlement Fund	2,894,098	3,365,609
State Agency Pool	<u>168,195,634</u>	<u>162,968,281</u>
TOTAL	\$603,603,448	\$622,375,556

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

The tables on pages 8-9 detail dividend, interest and capital gain income across the portfolio's investment pools, and by asset class and manager.

The State portfolio's FY 12-yield was 4.38 percent and the total return was 3.5 percent for the fiscal year. This is a decrease from FY11, when the cash yield was 4.93 percent, and the total return was 12.02 percent.

The chart on page 9 shows historic total return and yield for the Permanent Wyoming Mineral Trust Fund. Performance by fund and manager is detailed later in this report.

ASSET ALLOCATION AND FUND MANAGEMENT

Asset allocation is the distribution of investments among asset classes. There are two parts to the asset allocation decision: first identifying asset allocation possibilities; and next choosing the best combination of assets to meet investment risk and return objectives. R.V. Kuhns, investment advisor to the State Loan and Investment Board, works with the State Treasurer's Office to establish and annually review asset allocation targets.

The State's portfolio includes U.S. and international stocks, private equity, absolute return strategies, real estate, bonds and cash. Each investment pool has a specific target allocation of each of these types of investments listed in the State's Investment Policy. The Treasurer's Office systematically invests money using monthly dollar cost averaging to achieve and maintain each pool's investment allocation.

The Treasurer's Office is mindful of the stated investment goal of the State's portfolio as set forth in the Investment Policy: that the portfolio is to be invested "in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity."

INVESTMENT INCOME
Fiscal Year 2012

	Dividends	Interest	Distributed Capital Gains	Direct Fees Paid / Accrued	Total Investment Income	Capital Gains Reconciliation		
						Capital Gains	FY 11 Deferred Capital Losses	Distributed Capital Gains
Permanent Wyoming Mineral Trust Fund	\$54,360,930	\$90,284,647	\$99,803,197	(\$8,601,629)	\$235,847,144	\$99,803,197	\$0	\$99,803,198
Common School Permanent Land Fund	23,381,539	38,457,408	41,354,576	(3,403,131)	99,790,392	41,354,576	0	\$41,354,576
University Permanent Land Fund	175,270	296,774	257,246	(28,296)	700,995	257,246	0	\$257,246
Remaining Permanent Land Funds:								
- Miner's Hospital Permanent Land Fund	473,589	785,317	770,142	(71,920)	1,957,128	770,142	0	\$770,142
- Public Buildings @ Cap Permanent Land Fund	67,522	111,967	110,233	(10,267)	279,455	110,233	0	\$110,233
- Fish Hatchery Permanent Land Fund	4,303	7,136	6,983	(655)	17,768	6,983	0	\$6,983
- D.D. & B. Permanent Land Fund	39,145	64,911	63,512	(5,951)	161,618	63,512	0	\$63,512
- Carey Act Permanent Land Fund	19,102	31,676	54,728	(2,904)	102,602	54,728	0	\$54,728
- Omnibus Permanent Land Fund	378,271	627,258	602,658	(57,520)	1,550,667	602,658	0	\$602,658
- State Hospital Permanent Land Fund	41,230	68,368	65,512	(6,281)	168,829	65,512	0	\$65,512
- State Training School Permanent Land Fund	29,575	49,042	55,201	(4,489)	129,329	55,201	0	\$55,201
- Penitentiary Permanent Land Fund	111,528	184,938	189,663	(16,996)	469,132	189,663	0	\$189,663
- Agriculture College Permanent Land Fund	93,341	154,780	147,606	(14,189)	381,538	147,606	0	\$147,606
Hathaway Scholarship Endowment Fund	4,464,452	9,393,889	12,066,675	(821,048)	25,103,968	12,066,675	0	\$12,066,675
Higher Education Endowment Fund	991,095	2,082,487	2,743,231	(182,724)	5,634,089	2,743,231	0	\$2,743,232
Worker's Compensation Fund	8,028,982	33,051,461	21,331,171	(2,192,552)	60,219,062	21,331,171	0	\$21,331,171
Tobacco Settlement Fund	31,046	2,305,131	672,162	(114,241)	2,894,098	672,162	0	\$672,162
State Agency Pool	1,795,510	134,953,943	39,090,131	(7,643,950)	168,195,634	39,090,131	0	\$39,090,131
TOTAL	\$94,486,430	\$312,911,135	\$219,384,626	(\$23,178,743)	\$603,603,448	\$219,384,626	\$0	\$219,384,628

In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

Investment management fees are paid from investment income. FY 12 fees totaled \$39.7 million, which include the above \$23.2 million in accrued expenses to cover direct fees billed by managers; and \$784K in administrative expenses including salaries, benefits, travel, etc. for nine investment staff in the Wyoming State Treasurer's Office. In addition to these expenses, an additional \$16.5 million was withheld by managers who send their income to the State net of fees.

WYOMING STATE INVESTMENT PORTFOLIO
JUNE 30, 2012 FINAL STATUS

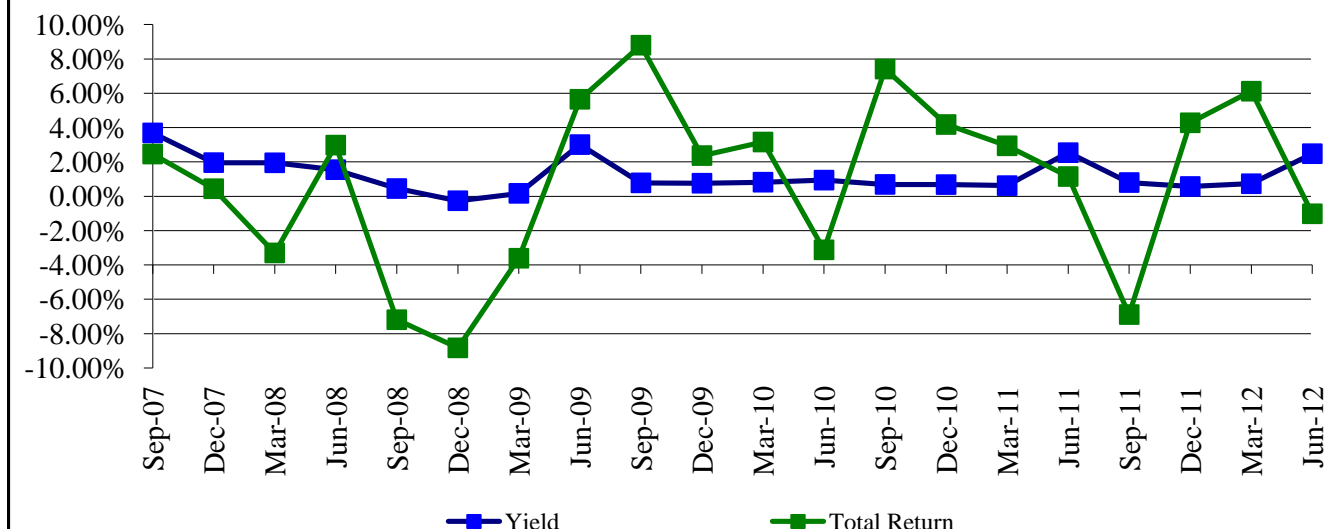
<u>Asset Class & Manager</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain/Loss</u>	<u>June 12 Interest & Dividends</u>	<u>FY12 YTD Interest & Dividends</u>	<u>June 12 Net Gain or (Loss)</u>	<u>FY12 YTD Net Gain or (Loss)</u>	<u>FY 12 TOTAL INCOME</u>
Large Cap Index								
State Street Global Advisors	\$1,516,243,430	\$1,651,737,443	\$135,494,014	\$1,644,058	\$35,669,180	\$469,614	\$76,551,760	\$112,220,940
UW Portfolio Management	<u>789,389</u>	<u>611,614</u>	<u>(177,775)</u>	<u>283</u>	<u>8,984</u>	<u>31</u>	<u>(48,478)</u>	<u>(39,495)</u>
Total	1,517,032,819	1,652,349,058	135,316,239	1,644,341	35,678,164	469,645	76,503,281	112,181,445
Small/Mid Cap US Equity								
GAMCO	291,867,603	307,652,675	15,785,071	232,417	4,736,033	164,963	19,609,771	24,345,804
International Equity								
Fisher Investments	366,635,154	350,694,111	(15,941,043)	2,477,318	8,888,474	5,339,957	(6,158,468)	2,730,007
Northern Trust	733,990,146	682,601,622	(51,388,525)	3,917,476	21,063,695	(4,260,606)	(7,409,423)	13,654,271
The Boston Company	145,546,597	121,322,951	(24,223,646)	865,989	4,102,322	(2,040,871)	(2,948,208)	1,154,114
Manning & Napier	<u>220,935,367</u>	<u>198,255,888</u>	<u>(22,679,479)</u>	<u>1,419,428</u>	<u>3,931,577</u>	<u>395,561</u>	<u>(1,394,212)</u>	<u>2,537,364</u>
Total	1,467,107,265	1,352,874,572	(114,232,693)	8,680,212	37,986,067	(565,959)	(17,910,311)	20,075,756
Private Equity								
Access Venture Partners	8,500,000	13,379,570	4,879,570	0	3	0	159,504	159,506
Cheyenne Capital Fund	<u>183,191,489</u>	<u>213,636,746</u>	<u>30,445,257</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,978,668</u>	<u>16,978,668</u>
Total	191,691,489	227,016,316	35,324,827	0	3	0	17,138,171	17,138,174
Real Estate								
Clarion	191,303,630	157,822,269	(33,481,361)	4	4,605,608	0	0	4,605,608
UBS Realty	141,303,630	126,740,727	(14,562,903)	4	3,703,622	0	0	3,703,622
Heitman	9,330,358	8,385,075	(945,283)	0	1	0	0	1
TA Realty	15,000,000	10,095,467	(4,904,533)	0	17,220	0	0	17,220
West River Realty	29,377,124	29,658,219	281,095	699,117	1,098,636	0	0	1,098,636
Cornerstone	<u>24,493,722</u>	<u>26,487,844</u>	<u>1,994,122</u>	<u>126,484</u>	<u>1,515,310</u>	<u>0</u>	<u>0</u>	<u>1,515,310</u>
Total	410,808,464	359,189,601	(51,618,863)	825,609	10,940,396	0	0	10,940,396
Absolute Return								
Aurora I	162,461,240	164,695,111	2,233,871	0	0	0	6,400,000	6,400,000
Aurora II	154,839,970	155,464,700	624,730	7	7	0	3,500,000	3,500,007
PAAMCO	315,848,210	324,208,684	8,360,474	0	0	0	12,143,628	12,143,628
Grosvenor	<u>83,967,464</u>	<u>103,975,720</u>	<u>20,008,256</u>	<u>21</u>	<u>425</u>	<u>91,360</u>	<u>10,732,706</u>	<u>10,733,132</u>
Total	717,116,884	748,344,215	31,227,331	27	432	91,360	32,776,334	32,776,766
Convertible Bonds								
AGI Capital	374,951,325	376,125,813	1,174,488	18	11,973,491	44,221	20,596,593	32,570,084
Fixed Income								
Neuberger Berman Core-Plus	1,789,921,371	1,882,790,104	92,868,733	2,319,450	42,657,506	5,787,304	37,483,098	80,140,604
PIMCO Core-Plus	1,790,273,451	1,891,073,827	100,800,376	4,822,012	40,580,556	590,369	4,997,476	45,578,033
WAMCO Core-Plus	1,789,308,610	1,878,129,607	88,820,997	5,990,047	52,795,305	54,551	4,269,467	57,064,771
Logan Circle Corporates	395,884,083	420,388,656	24,504,573	1,317,873	15,655,278	862,930	12,856,369	28,511,647
WAMCO Corporates	395,399,868	421,549,845	26,149,977	1,438,129	16,311,799	175,737	3,746,287	20,058,086
JPMorgan Mortgages	677,482,673	684,160,414	6,677,741	1,926,617	24,381,375	1,677,656	6,378,491	30,759,866
PIMCO Mortgages	677,124,315	685,264,861	8,140,546	1,172,045	20,961,238	816,301	16,294,840	37,256,078
PIMCO Global	<u>684,834,581</u>	<u>736,475,893</u>	<u>51,641,312</u>	<u>4,852,503</u>	<u>34,522,254</u>	<u>1,206,594</u>	<u>1,101,892</u>	<u>35,624,146</u>
Total	8,200,228,951	8,599,833,205	399,604,255	23,838,677	247,865,311	11,171,442	87,127,920	334,993,231
Fixed Income								
Internal Portfolio	542,293,357	560,073,528	17,780,170	1,384,710	36,277,553	153,491	2,155,025	38,432,578
Cash Equivalents								
JP Morgan	1,073,070,859	1,075,295,965	2,225,106	282,490	5,182,863	(14,194)	(187,041)	4,995,822
Wyoming Investments	334,313,904	334,344,187	30,283	1,308,242	10,061,424	0	0	10,061,424
Securities Lending				717,525	6,695,827	1,755	(18,425,117)	(11,729,290)
TOTALS	\$15,120,482,920	\$15,593,099,135	\$472,585,931	\$38,914,268	\$407,397,565	\$11,516,726	\$219,384,626	\$626,782,191

Notes: JP Morgan is Wyoming's current securities lending provider; the above losses were incurred in conjunction with a prior relationship with KeyBank.

Investment management fees are paid from investment income. FY 12 fees totaled \$39.7 million. Of the gross income shown above, \$23.2 million was deducted to pay fees billed by managers, and \$784K in administrative expenses including salaries, benefits, travel, etc. for nine investment staff in the Wyoming State Treasurer's Office. An additional \$16.5 million was withheld by managers who send their income to the State net of fees.

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PERMANENT WYOMING MINERAL TRUST FUND YIELD AND TOTAL RETURN COMPARED



Note: "Yield" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest, and realized and unrealized capital gains and losses. The chart above shows yield as more stable, while total return has varied over market cycles.

<u>Quarter Ending</u>	<u>Yield</u>		<u>Total Return</u>	
	<u>Quarter</u>	<u>Annual</u>	<u>Quarter</u>	<u>Annual</u>
September 30, 2007	3.69%		2.46%	
December 31, 2007	1.96%		0.44%	
March 31, 2008	1.95%		-3.30%	
June 30, 2008	1.55%	9.02%	2.98%	2.44%
September 30, 2008	0.45%		-7.19%	
December 31, 2008	-0.26%		-8.83%	
March 31, 2009	0.17%		-3.61%	
June 30, 2009	3.01%	3.48%	5.65%	-13.82%
September 30, 2009	0.78%		8.80%	
December 31, 2009	0.76%		2.37%	
March 31, 2010	0.82%		3.16%	
June 30, 2010	0.94%	3.30%	-3.12%	11.31%
September 30, 2010	0.69%		7.41%	
December 31, 2010	0.68%		4.18%	
March 31, 2011	0.62%		2.94%	
June 30, 2011	2.54%	4.63%	1.15%	16.52%
September 30, 2011	0.80%		-6.89%	
December 31, 2011	0.57%		4.28%	
March 31, 2012	0.73%		6.12%	
June 30, 2012	2.48%	4.65%	-1.02%	1.98%

FUND ALLOCATION

The Permanent Mineral Trust Fund and Permanent Land Funds may hold up to 55 percent in equities under current law. The State's Investment Policy sets out a long-term target allocation of 50 percent equities and 50 percent fixed income and cash.

The Hathaway Scholarship Endowment and Higher Education Endowment Funds also have an allowed long-term target of 50 percent equities, but the Treasurer set their FY 12 target slightly lower at 45 percent, given their need for more stable income.

The Workers Compensation Fund may invest up to 45 percent in equities; the specific target is determined by the director of the Department of Employment. The Department set the equity target at 30 percent for FY 12.

The June 30, 2012 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each fund.

	<u>Equities</u>	<u>Fixed</u>	<u>Wyo*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	50.0%	40.9%	2.0%	7.1%
Common School Permanent Land Fund	50.0	39.1	0.8	10.1
University Permanent Land Fund	50.9	41.8	0.0	7.3
Remaining Permanent Land Funds	47.8	40.2	0.0	12.0
Hathaway Scholarship Endowment Fund	40.2	49.8	0.0	10.0
Higher Education Endowment Fund	41.2	51.2	0.0	7.6
Workers Compensation Fund	28.4	64.6	0.0	7.0
Tobacco Settlement Fund	0.0	93.8	0.0	6.2
State Agency Pool	<u>0.0</u>	<u>91.2</u>	<u>3.5</u>	<u>5.3</u>
TOTAL	30.4%	60.3%	2.2%	7.1%

* Wyoming specific investments detailed later.

Almost 95 percent of the State's portfolio is managed by external investment firms, as shown on page 15. Total external fixed income and cash funding was \$9.648 billion on a cost basis on June 30, 2012, with a market value of \$10.051 billion. On June 30, 2011, total external fixed income and cash was \$7.742 at cost and \$7.999 market.

External equity manager funding at FY 12 year-end was \$4.595 billion on a cost basis, with a market value of \$4.647 billion. This compares to \$4.498 billion (cost) and \$4.894 billion (market) on June 30, 2011.

The Treasurer's internally managed bond portfolio was \$542.3 billion (cost) and \$560.1 (market) at the end of FY 12. University of Wyoming students manage a portion of the University Permanent Land Fund. The Treasurer's Office tracks this investment in-house. On June 30, 2012, the investment stood at \$789,389 on a costs basis with a market value of \$611,614.

WYOMING STATE INVESTMENT PORTFOLIO

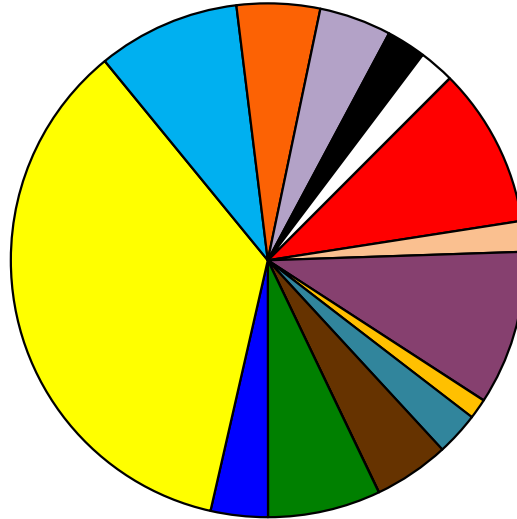
June 30, 2012

**\$15.120 Billion
Cost Basis**

FIXED INCOME

- Internal Bonds
\$542.3 M 3.6%
- Core-Plus
\$5,369.5 M 35.5%
- Mortgages
\$1,354.6 M 9.0%
- Corporates
\$791.3 M 5.2%
- Global
\$684.8 M 4.5%
- Convertibles
\$375.0 M 2.5%
- Wyoming Investments
\$334.3 M 2.2%

**TOTAL
\$9,451.8 M
62.5%**



CASH \$1,073.1 M 7.1%

EQUITIES

- Large Cap US
\$1,517.0 M 10.0%
- Small / Mid US
\$291.9 M 1.9%
- International
\$1,467.1 M 9.7%
- Private Equity
\$191.7 M 1.3%
- Real Estate
\$410.8 M 2.7%
- Absolute Return
\$717.1 M 4.7%

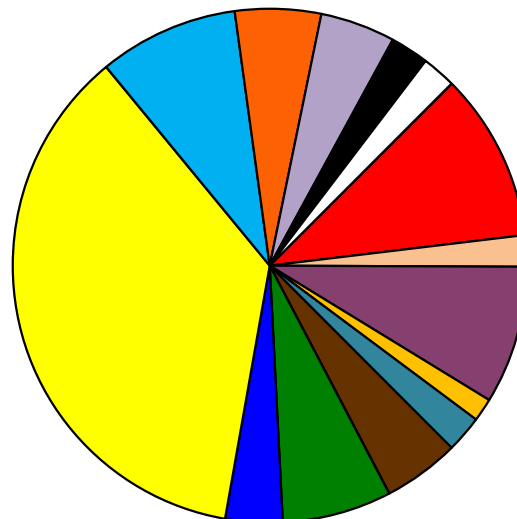
**TOTAL
\$4,595.6 M
30.4%**

**\$15.593 Billion
Market Value**

FIXED INCOME

- Internal Bonds
\$560.1 M 3.6%
- Core-Plus
\$5,652.0 M 36.2%
- Mortgages
\$1,369.4 M 8.8%
- Corporates
\$841.9 M 5.4%
- Global
\$736.5 M 4.7%
- Convertibles
\$376.1 M 2.4%
- Wyoming Investments
\$334.3 M 2.1%

**TOTAL
\$9,870.4 M
63.3%**



CASH \$1,075.3 M 6.9%

EQUITIES

- Large Cap US
\$1,652.3 M 10.6%
- Small / Mid US
\$307.7 M 2.0%
- International
\$1,352.9 M 8.7%
- Private Equity
\$227.0 M 1.5%
- Real Estate
\$359.2 M 2.3%
- Absolute Return
\$748.3 M 4.8%

**TOTAL
\$4,647.4 M
29.8%**

INVESTMENT MANAGER OVERSIGHT

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

PORTFOLIO MANAGER OVERSIGHT

The Treasurer's Office issued two RFPs during FY 12: for private equity and fixed income. The private equity search was for construction of a \$300-\$500 million diversified private equity fund to be built over a 3-5 year period. While responses were evaluated, no action has been taken.

In fixed income, the Treasurer's Office conducted an in-depth analysis of the fixed income portfolio put in place in 2006. After a year of study an RFP was issued in four areas: core, credit, emerging market debt and Treasury Inflation-Protected Securities (YIPS). Responses were due after FY 12 fiscal year end. Transition will be completed during the first half of FY 13.

SELECT COMMITTEE ON CAPITAL FINANCING AND INVESTMENTS

The State Treasurer met with the Select Committee on Capital Financing and Investments on December 14, 2011. Items discussed included on-going review of the state investment portfolio, spending policies and accounting procedures.

STATE TREASURER'S WEBSITE

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

MORE INFORMATION

The charts on the following pages illustrate the diversification of the State's portfolio and detail funding levels of the asset classes and the managers who collaborate with the State Treasurer's Office in the management of the State's portfolio.

For more information on the state investment portfolio and process, please contact Michael Walden-Newman, Chief Investment Officer at 307-777-6704, or michael.walden-newman@wyo.gov.

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

WYOMING STATE INVESTMENT PORTFOLIO
June 30, 2012

EXTERNAL EQUITIES		<u>Cost Basis</u>	<u>Market Value</u>
Large Cap Index	State Street Global Advisors	\$1,516,243,430	\$1,651,737,443
Small / Mid Cap	GAMCO	291,867,603	307,652,675
International	Fisher Investments	366,635,154	350,694,111
	Northern Trust	733,990,146	682,601,622
	The Boston Company	145,546,597	121,322,951
	Manning & Napier	220,935,367	198,255,888
Options Overlay	First Quadrant	0	0 *
Private Equity	Access Venture Partners (\$10 M committed)	8,500,000	13,379,570
	Cheyenne Capital Fund (\$257.95 committed)	183,191,489	213,636,746
Real Estate	ING Clarion	191,303,630	157,822,269
	UBS Realty	141,303,630	126,740,727
	Heitman (\$10 M committed)	9,330,358	8,385,075
	TA Realty (\$15 M committed)	15,000,000	10,095,467
	West River Realty (\$75 M committed)	29,377,124	29,658,219
	Cornerstone (\$75 M committed)	24,493,722	26,487,844
Absolute Return	Aurora I	162,461,240	164,695,111
	Aurora II	154,839,970	155,464,700
	PAAMCO	315,848,210	324,208,684
	Grosvenor (\$150 M committed)	83,967,464	103,975,720
Total External Equities		\$4,594,835,134	\$4,646,814,822
<i>excludes outstanding commitments</i>			
EXTERNAL FIXED INCOME, CONVERTIBLES AND CASH			
Convertibles	AGI Capital	\$374,951,325	\$376,125,813
Core-Plus	Neuberger Berman	1,789,921,371	1,882,790,104
	PIMCO	1,790,273,451	1,891,073,827
	WAMCO	1,789,308,610	1,878,129,607
Corporates	Logan Circle	395,884,083	420,388,656
	WAMCO	395,399,868	421,549,845
Mortgages	JPMorgan	677,482,673	684,160,414
	PIMCO	677,124,315	685,264,861
Global	PIMCO	684,834,581	736,475,893
Total External Fixed Income and Convertibles		\$8,575,180,277	\$8,975,959,020
Cash Manager	JPMorgan	1,073,070,859	1,075,295,965
Total External Cash		\$1,073,070,859	\$1,075,295,965
TOTAL EXTERNAL MANAGEMENT		\$14,243,086,270	\$14,698,069,807
INTERNALLY MANAGED FUNDS			
Fixed Income	Bonds	542,293,357	560,073,528
U. S. Equities	UW Portfolio Management Program	789,389	611,614
Total Internal Portfolio		\$543,082,746	\$560,685,142
Wyoming Investments		\$334,313,904	\$334,344,187
TOTAL INTERNAL MANAGEMENT		\$877,396,650	\$895,029,329
GRAND TOTAL ALL FUNDS		\$15,120,482,920	\$15,593,099,135

* Note: The above figures agree with the State's official performance reports as prepared by RV Kuhns & Associates. First Quadrant program inactive.

WYOMING STATE INVESTMENT PORTFOLIO
Permanent Wyoming Mineral Trust Fund
June 30, 2012
\$5.441 Billion
Cost Basis

FIXED INCOME

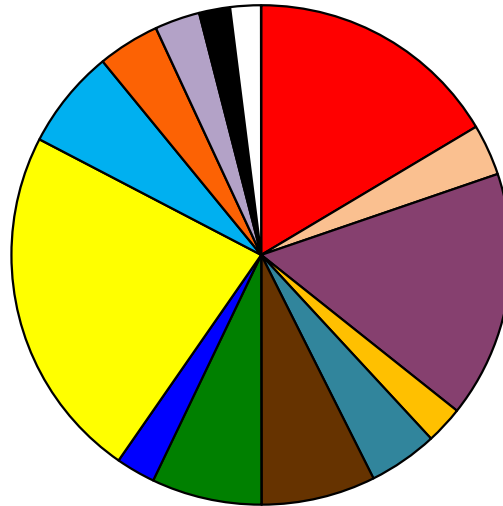
- Internal Bonds \$138.7 M 2.5% ●
- Core-Plus \$1,251.2 M 23.0% ●
- Mortgages \$350.2 M 6.4% ●
- Corporates \$217.4 M 4.0% ●
- Global \$159.3 M 2.9% ●
- Convertibles \$108.8 M 2.0% ●
- Wyoming Investments \$108.3 M 2.0% ○

TOTAL
\$2,333.8 M
42.9%

EQUITIES

- Large Cap US \$894.1 M 16.4% ●
- Small / Mid US \$180.3 M 3.3% ●
- International \$868.2 M 16.0% ●
- Private Equity \$131.9 M 2.4% ●
- Real Estate \$242.8 M 4.5% ●
- Absolute Return \$402.4 M 7.4% ●

TOTAL
\$2,719.6 M
50.0%



CASH \$387.5 M 7.1%

\$5.595 Billion
Market Value

FIXED INCOME

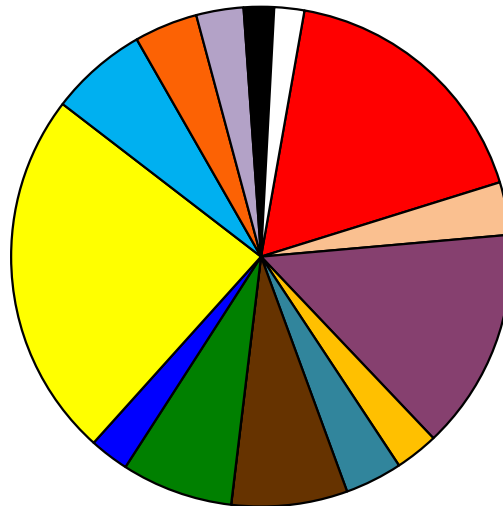
- Internal Bonds \$142.0 M 2.5% ●
- Core-Plus \$1,330.9 M 23.8% ●
- Mortgages \$352.8 M 6.3% ●
- Corporates \$229.2 M 4.1% ●
- Global \$171.1 M 3.1% ●
- Convertibles \$109.0 M 1.9% ●
- Wyoming Investments \$108.3 M 1.9% ○

TOTAL
\$2,443.3 M
43.7%

EQUITIES

- Large Cap US \$974.1 M 17.4% ●
- Small / Mid US \$190.5 M 3.4% ●
- International \$801.4 M 14.3% ●
- Private Equity \$156.2 M 2.8% ●
- Real Estate \$207.5 M 3.7% ●
- Absolute Return \$419.7 M 7.5% ●

TOTAL
\$2,749.3 M
49.1%



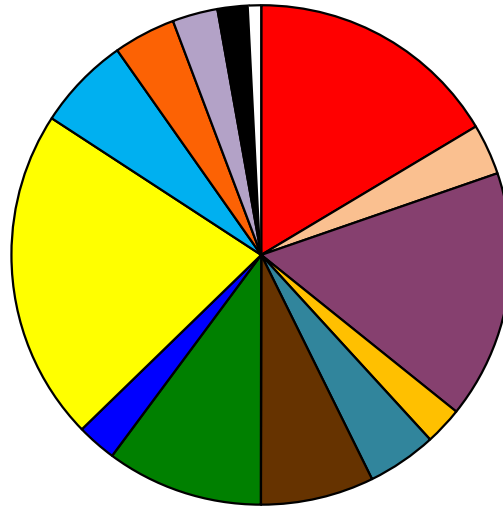
CASH \$402.9 M 7.2%

WYOMING STATE INVESTMENT PORTFOLIO
Common School Permanent Land Fund
June 30, 2012
\$2.318 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$59.3 M 2.6% ●
- Core-Plus \$498.1 M 21.5% ●
- Mortgages \$140.1 M 6.0% ●
- Corporates \$93.0 M 4.0% ●
- Global \$68.2 M 2.9% ●
- Convertibles \$46.5 M 2.0% ●
- Wyoming Investments \$18.4 M 0.8% ○

TOTAL
\$923.5 M
39.8%



CASH \$235.0 M 10.1%

EQUITIES

- Large Cap US \$380.4 M 16.4% ●
- Small / Mid US \$76.5 M 3.3% ●
- International \$372.3 M 16.1% ●
- Private Equity \$56.3 M 2.4% ●
- Real Estate \$103.9 M 4.5% ●
- Absolute Return \$170.1 M 7.3% ●

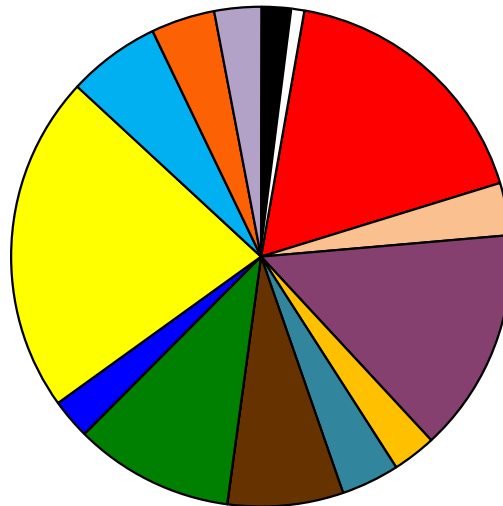
TOTAL
\$1,159.5 M
50.0%

\$2.371 Billion
Market Value

FIXED INCOME

- Internal Bonds \$61.6 M 2.6% ●
- Core-Plus \$517.3 M 21.8% ●
- Mortgages \$142.0 M 6.0% ●
- Corporates \$97.6 M 4.1% ●
- Global \$72.3 M 3.0% ●
- Convertibles \$46.6 M 2.0% ●
- Wyoming Investments \$18.4 M 0.8% ○

TOTAL
\$955.8 M
40.3%



CASH \$244.4 M 10.3%

EQUITIES

- Large Cap US \$414.3 M 17.5% ●
- Small / Mid US \$80.4 M 3.4% ●
- International \$343.2 M 14.5% ●
- Private Equity \$66.7 M 2.8% ●
- Real Estate \$103.9 M 4.5% ●
- Absolute Return \$177.5 M 7.5% ●

TOTAL
\$1,171.1 M
49.4%

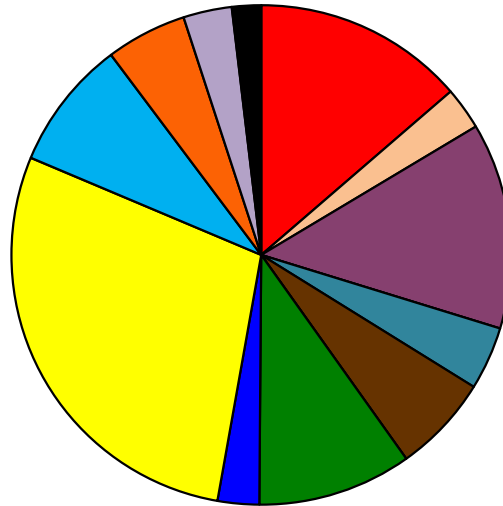
WYOMING STATE INVESTMENT PORTFOLIO
Hathaway Scholarship Endowment Fund
June 30, 2012
\$501.3 Million
Cost Basis

FIXED INCOME

- Internal Bonds \$13.5 M 2.7% ●
- Core-Plus \$143.1 M 28.5% ●
- Mortgages \$42.1 M 8.4% ●
- Corporates \$26.3 M 5.2% ●
- Global \$15.7 M 3.1% ●
- Convertibles \$9.5 M 1.9% ●
- TOTAL**
\$250.1 M
49.9%

EQUITIES

- Large Cap US \$68.5 M 13.7% ●
- Small / Mid US \$13.8 M 2.7% ●
- International \$66.9 M 13.3% ●
- Real Estate \$20.5 M 4.1% ●
- Absolute Return \$31.7 M 6.3% ●
- TOTAL**
\$201.3 M
40.2%



CASH \$49.9 M 10.0%

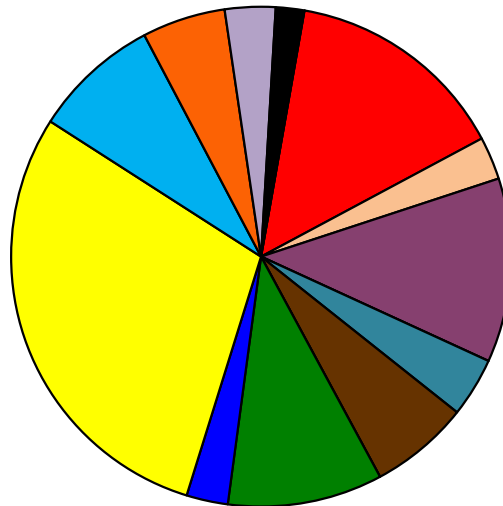
\$518.4 Million
Market Value

FIXED INCOME

- Internal Bonds \$14.0 M 2.7% ●
- Core-Plus \$151.7 M 29.3% ●
- Mortgages \$42.5 M 8.2% ●
- Corporates \$27.9 M 5.4% ●
- Global \$17.0 M 3.3% ●
- Convertibles \$9.5 M 1.8% ●
- TOTAL**
\$262.6 M
50.7%

EQUITIES

- Large Cap US \$74.7 M 14.4% ●
- Small / Mid US \$14.4 M 2.8% ●
- International \$61.6 M 11.9% ●
- Real Estate \$19.9 M 3.8% ●
- Absolute Return \$33.3 M 6.4% ●
- TOTAL**
\$203.9 M
39.3%

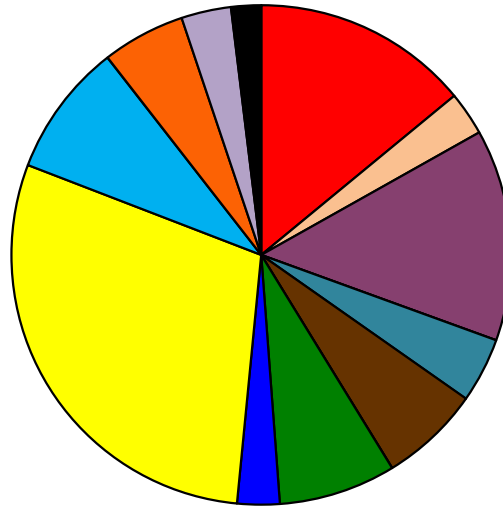


CASH \$51.9 M 10.0%

WYOMING STATE INVESTMENT PORTFOLIO
Higher Education Endowment Fund
June 30, 2012
\$108.4 Million
Cost Basis

FIXED INCOME

- Internal Bonds \$3.0 M 2.8% ●
- Core-Plus \$31.8 M 29.3% ●
- Mortgages \$9.3 M 8.6% ●
- Corporates \$5.8 M 5.4% ●
- Global \$3.5 M 3.2% ●
- Convertibles \$2.1 M 1.9% ●
- TOTAL**
\$55.5 M
51.2%

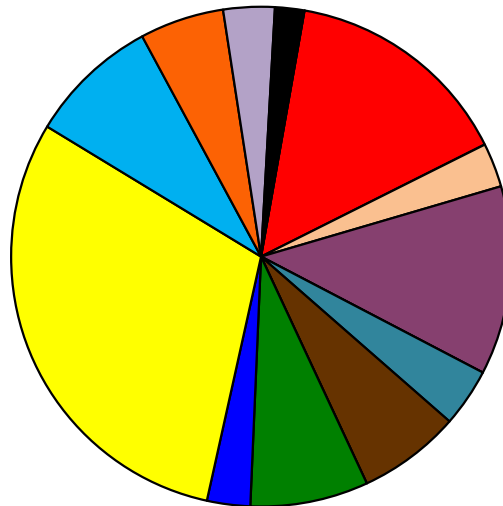


CASH \$8.2 M 7.6%

\$111.8 Million
Market Value

FIXED INCOME

- Internal Bonds \$3.1 M 2.8% ●
- Core-Plus \$33.8 M 30.2% ●
- Mortgages \$9.4 M 8.4% ●
- Corporates \$6.1 M 5.4% ●
- Global \$3.7 M 3.3% ●
- Convertibles \$2.1 M 1.9% ●
- TOTAL**
\$58.3 M
52.1%

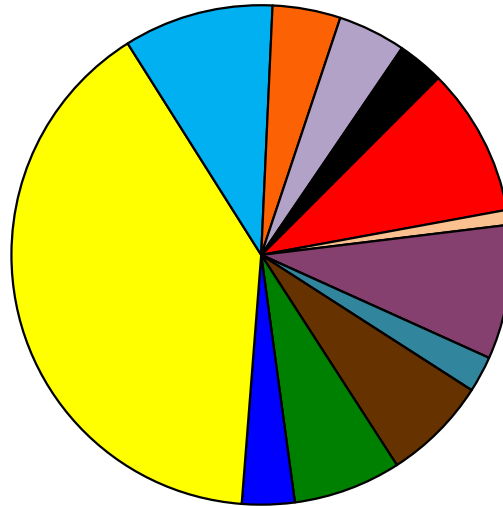


CASH \$8.5 M 7.6%

WYOMING STATE INVESTMENT PORTFOLIO
Workers Compensation Fund
June 30, 2012
\$1.403 Billion
Cost Basis

FIXED INCOME

- Internal Bonds \$47.6 M 3.4% ●
- Core-Plus \$558.5 M 39.8% ●
- Mortgages \$135.9 M 9.7% ●
- Corporates \$61.7 M 4.4% ●
- Global \$61.5 M 4.4% ●
- Convertibles \$42.0 M 3.0% ●
- TOTAL \$907.2 M 64.7%**



CASH \$97.7 M 7.0%

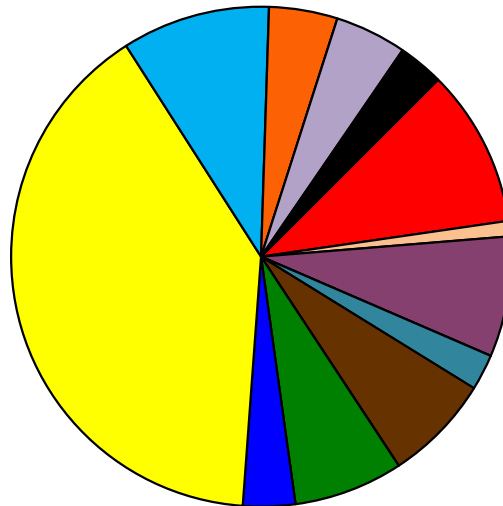
EQUITIES

- Large Cap US \$134.8 M 9.6% ●
- Small / Mid US \$13.5 M 1.0% ●
- International \$121.9 M 8.7% ●
- Real Estate \$32.8 M 2.3% ●
- Absolute Return \$95.3 M 6.8% ●
- TOTAL \$398.2 M 28.4%**

\$1.437 Billion
Market Value

FIXED INCOME

- Internal Bonds \$48.4 M 3.4% ●
- Core-Plus \$571.5 M 39.8% ●
- Mortgages \$137.7 M 9.6% ●
- Corporates \$63.5 M 4.4% ●
- Global \$66.6 M 4.6% ●
- Convertibles \$42.1 M 2.9% ●
- TOTAL \$929.7 M 64.7%**



CASH \$101.6 M 7.1%

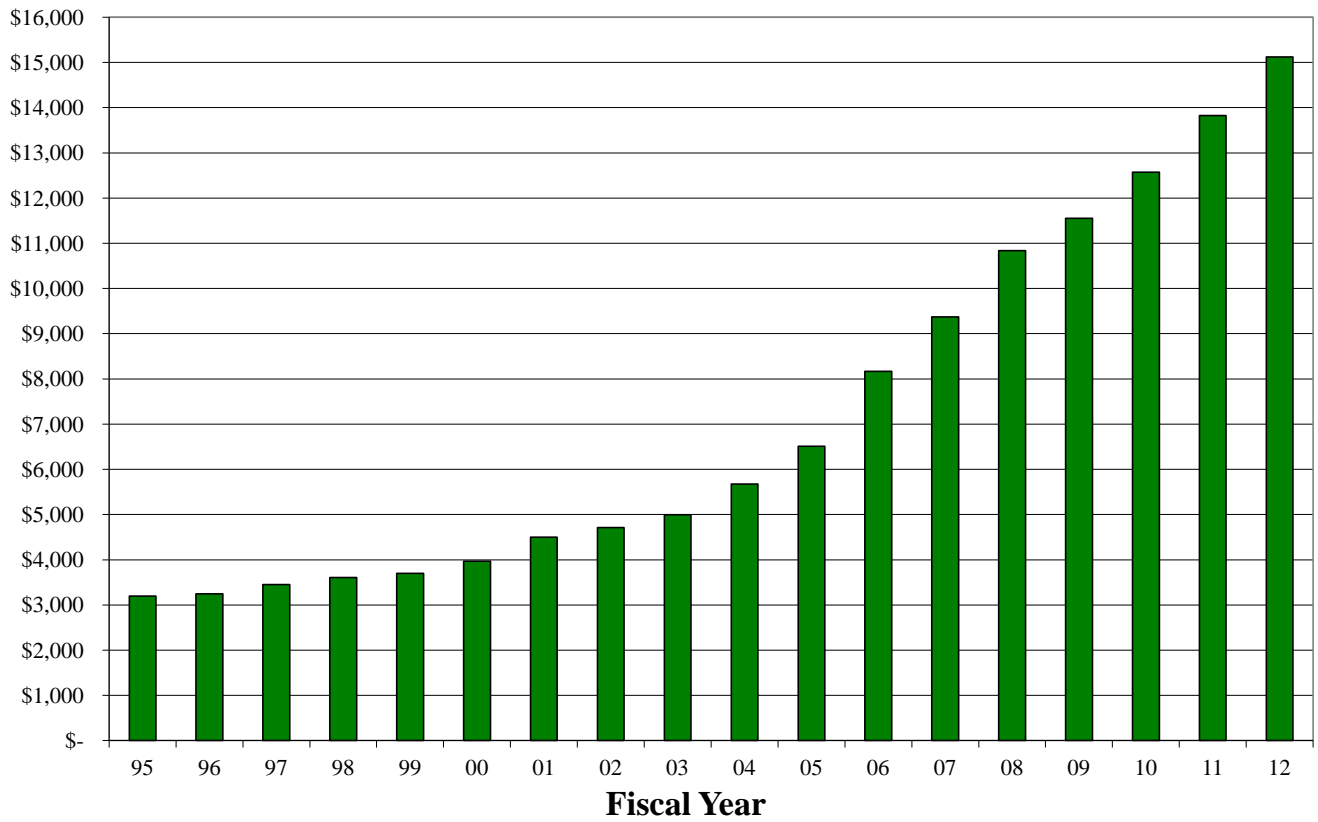
EQUITIES

- Large Cap US \$146.8 M 10.2% ●
- Small / Mid US \$14.1 M 1.0% ●
- International \$112.0 M 7.8% ●
- Real Estate \$33.3 M 2.3% ●
- Absolute Return \$99.4 M 6.9% ●
- TOTAL \$405.5 M 28.2%**

WYOMING STATE TREASURER'S OFFICE

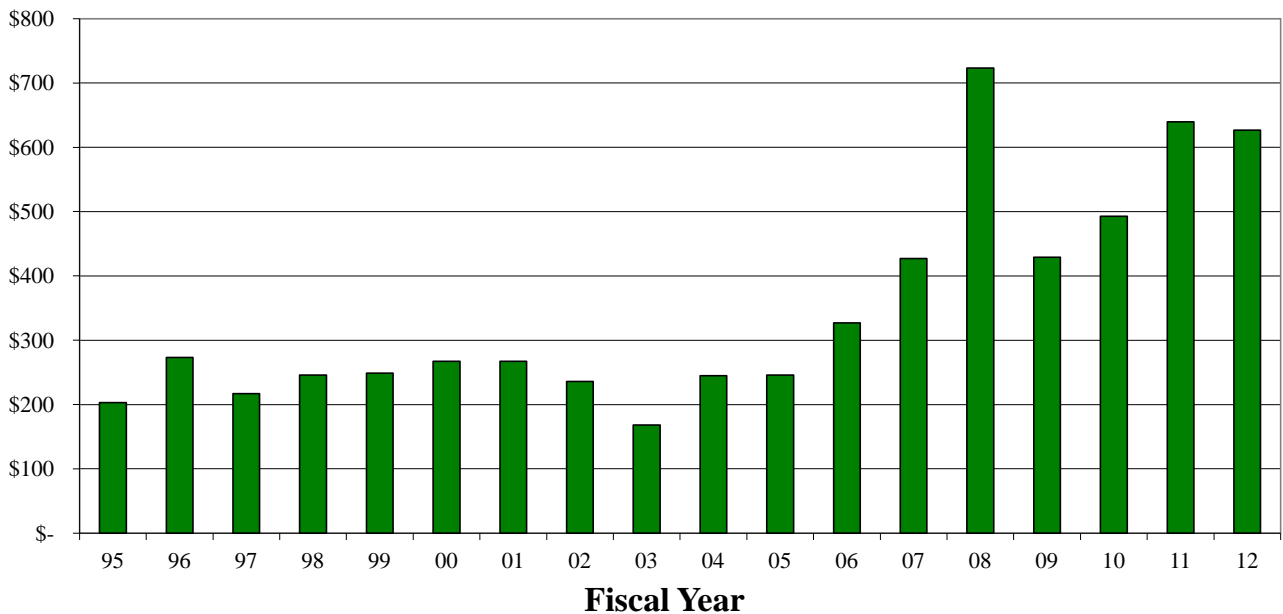
TOTAL STATE PORTFOLIO VALUE

(\$ Millions)



INVESTMENT INCOME

(\$ Millions)



**MARKET PERFORMANCE
SUMMARY ANALYSIS - ALL INVESTMENTS**

	<u>FY 12</u>			<u>Market Return</u>	
	<u>Total Investment Value</u>	<u>Current Market Value</u>	<u>% of MV</u>	<u>FY12 Return</u>	<u>3 Year Return</u>
<u>INVESTMENTS BY FUND</u>					
Permanent Wyoming Mineral Trust Func	\$5,440,883,650	\$5,595,493,940	35.9%	1.98%	9.77%
Permanent Land Fund	131,838,754	135,206,833	0.9%	2.15%	9.73%
Common School Permanent Land Func	2,318,017,076	2,371,333,538	15.2%	1.98%	10.22%
University Permanent Land Func	17,998,303	18,250,347	0.1%	1.46%	9.26%
Hathaway Scholarship Endowment Func	501,340,390	518,418,148	3.3%	2.61%	9.32%
Higher Education Endowment Func	108,407,594	111,829,141	0.7%	2.61%	9.33%
Workers Compensation Fund	1,403,130,016	1,436,849,381	9.2%	3.81%	9.06%
Tobacco Settlement Fund	67,885,067	69,855,405	0.4%	6.60%	8.05%
State Agency Pool	<u>5,130,982,071</u>	<u>5,335,862,401</u>	34.2%	5.51%	6.72%
Wyoming State Total Fund	<u>\$15,120,482,920</u>	<u>\$15,593,099,135</u>	100.0%	3.50%	8.83%
Wyoming State Actual Allocation Index				4.03%	7.69%
<u>INVESTMENTS BY ASSET CLASS AND MANAGER</u>					
<u>US Equity</u>					
State Street Global Advisors (Index)	\$1,516,243,430	\$1,651,737,443		5.45%	16.41%
UW Portfolio Management Program	789,389	611,614		3.25%	7.22%
S&P 500				5.45%	16.40%
US Large Cap Equity	<u>1,517,032,819</u>	<u>1,652,349,058</u>	10.6%		
Gabelli (Sm-Mid Cap Value)	\$291,867,603	\$307,652,675		-3.56%	18.51%
Russell 2500 Value				-1.49%	18.78%
US SMID Cap Equity	<u>291,867,603</u>	<u>307,652,675</u>	2.0%		
Total US Equity	<u>\$1,808,900,422</u>	<u>\$1,960,001,732</u>	12.6%		
<u>International Equity</u>					
The Boston Company Int'l Value Eq	145,546,597	\$121,322,951		-18.66%	n/a
MSCI AWC ex-U.S. Value				-15.13%	6.04%
Northern Trust Int'l Eq	733,990,146	682,601,622		-14.13%	n/a
Manning & Napier Int'l Eq	220,935,367	198,255,888		-16.50%	n/a
MSCI AWC ex-U.S.				-14.56%	6.97%
Fisher Int'l Eq	366,635,154	350,694,111		-15.06%	10.35%
Fisher Custom Benchmark				-14.56%	5.79%
Total International Equity	<u>\$1,467,107,265</u>	<u>\$1,352,874,572</u>	8.7%		
<u>US Fixed Income</u>					
WAMCO Core Plus	\$1,789,308,610	\$1,878,129,607		8.59%	8.94%
Neuberger Berman Core Plus	1,789,921,371	1,882,790,104		6.72%	9.79%
PIMCO Core Plus	1,790,273,451	1,891,073,827		7.54%	7.98%
BC Aggregate				7.47%	6.93%
PIMCO Mortgages	677,124,315	685,264,861		5.60%	6.72%
JP Morgan Mortgages	677,482,673	684,160,414		5.88%	7.60%
BC Mortgages				4.97%	5.40%
WAMCO Corporates	395,399,868	421,549,845		9.64%	11.23%
Logan Circle Corporates	395,884,083	420,388,656		10.73%	12.30%
BC Credit				9.54%	10.09%
PIMCO Global/Emerging Markets	684,834,581	736,475,893		6.67%	10.80%
Global/EM Custom Index				7.05%	9.78%
Wyoming State Treasurer's Office	542,293,357	560,073,528		4.33%	3.70%
BC Gov't/Credit				8.78%	7.34%
Total US Fixed Income	<u>\$8,742,522,308</u>	<u>\$9,159,906,733</u>	58.7%		

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

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

Note[3]: The Global/EM Custom Index consists of 32.5% Barclays Aggregate ex-US Hedged, 5% Barclays Aggregate ex-US Unhedged, 47.5% JP Morgan EMBI, and 15% JP Morgan GBI-EM Global Diversified Unhedged.

Note[4]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.

Note[5]: Fisher Custom Benchmark consists of MSCI EAFE (Gross) through July 2010 and the MSCI ACW Ex US (Net) thereafter.

MARKET PERFORMANCE (continued)
SUMMARY ANALYSIS - ALL INVESTMENTS

Manager/Investment Type	FY 12			Market Return	
	Total Investment Value	Current Market Value	% of MV	FY11 Return	3 Year Return
Convertible Bonds					
Allianz Global Investors Convertibles	<u>\$374,951,325</u>	<u>\$376,125,813</u>	2.4%	-2.66%	14.46%
BofA ML All Quality Convertible				-3.21%	13.30%
Cash & Cash Equivalents					
JP Morgan Cash Composite	1,073,070,859	\$1,075,295,965		0.44%	0.69%
JP Morgan Cash Custom Index				0.49%	0.70%
Total Cash & Cash Equivalents	<u>\$1,073,070,859</u>	<u>\$1,075,295,965</u>	6.9%		
Private Equity					
Cheyenne Capital Fund, LP	\$183,191,489	\$213,636,746		see note [4]	
Access Venture Partners II	8,500,000	13,379,570		see note [4]	
S&P 500 + 5%				10.72%	22.22%
Total Private Equity	<u>\$191,691,489</u>	<u>\$227,016,316</u>	1.5%		
Real Estate					
Clarion Lion Properties	\$191,303,630	\$157,822,269		13.16%	7.94%
UBS Trumbull Property	141,303,630	126,740,727		11.17%	8.84%
NCREIF ODCE				12.42%	8.39%
TA Realty Value-Added	15,000,000	10,095,467		see note [4]	
Heitman Value-Added	9,330,358	8,385,075		see note [4]	
WestRiver Value-Added	29,377,124	29,658,219		see note [4]	
Cornerstone Value-Added	24,493,722	26,487,844		see note [4]	
NCREIF Property				12.04%	8.82%
Total Real Estate	<u>\$410,808,464</u>	<u>\$359,189,601</u>	2.3%		
Absolute Return					
PAAMCO	\$315,848,210	\$324,208,684		-3.28%	4.65%
Aurora L.P.	162,461,240	164,695,111		-4.11%	3.78%
Aurora L.P. II	154,839,970	155,464,700		-4.23%	2.87
HFN FoF Multi-Strat				-3.79%	1.75%
Grosvenor Global Recovery Fund	83,967,464	103,975,720		4.59%	n/a
Global Recovery Custom Index				2.44%	14.59%
Total Absolute Return	<u>\$717,116,884</u>	<u>\$748,344,215</u>	4.8%		
Wyoming Investments	<u>\$334,313,904</u>	<u>\$334,344,187</u>	2.1%	n/a	n/a

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

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

Note[3]: Market values for non-core real estate and private equity are as of the most recent valuation, adjusted for subsequent cash flows. Investment (Cost) Values are not lagged.

Note[4]: Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.

Note[5]: The Global Recovery Custom Index consists of 50% Credit Suisse Distressed Index, 20% Credit Suisse High Yield Index, and 30% ABX Index.

Note[6]: Market values shown for Wyoming Investments reflect cost value of the investments, except at fiscal year end.

PERMANENT WYOMING MINERAL TRUST FUND
Fiscal Years 08 through 12 Analyzed and Compared

(\$ Millions)

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>
Beginning Book Value	\$3,329.5	\$3,896.6	\$4,262.2	\$4,555.4	\$5,050.0
Beginning Market Value	3,728.1	4,135.4	3,893.8	4,414.1	5,325.8
- Difference	398.6	238.9	(368.3)	(141.3)	275.8
- Percent	12.0%	6.1%	-8.6%	-3.1%	5.5%
Additions to Corpus					
- Constitutional Severance Tax 1.5% Deposit	\$213.6	\$290.7	\$217.6	\$252.3	\$232.7
- Add'l Severance Tax	142.4	193.8	72.5	168.2	155.1
- Additional Legislative Deposits/Diversions	40.0	0.0	(56.5)	(17.8)	0.0
- Spending Policy Reversions	171.1	0.0	0.0	32.4	0.0
- Spending Policy for Prior Year Adjustment					3.1
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	(118.9)	59.5	59.4	0.0
Total Increase to Corpus	\$567.1	\$365.6	\$293.2	\$494.6	\$390.9
Ending Book Value	\$3,896.6	\$4,262.2	\$4,555.4	\$5,050.0	\$5,440.9
Ending Market Value	4,135.4	3,893.8	4,414.1	5,325.8	5,595.5
- Difference	238.9	(368.3)	(141.3)	275.8	154.5
- Percent	6.1%	-8.6%	-3.1%	5.5%	2.8%
Total Distributed Income (gross of fees)					
- Interest	\$329.3	\$142.8	\$145.8	\$222.4	\$244.4
- Dividend	101.5	101.4	100.1	84.8	90.3
- Realized Net Capital Gain	38.4	38.8	38.0	44.4	54.4
	189.4	2.5	7.7	93.1	99.8
Change in Book Value	\$567.1	\$365.6	\$293.2	\$494.7	\$390.9
Change in Market Value	407.3	(241.6)	520.2	911.7	269.7
Cash Yield	9.02%	3.42%	3.30%	4.63%	4.65%
Total Return	2.44%	-13.82%	11.31%	16.52%	1.98%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

3. The 2009 Session Laws Section 350 diverted 50% of 2/3 of the tax collected to the PWMTF Reserve Account.

PERMANENT WYOMING MINERAL TRUST FUND: CORPUS
Revenue Receipts Fiscal Year 2012

	<u>JUNE 30, 2011</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>		<u>JUNE 30, 2012</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$5,049,967,702			
Severance Tax				
Coal		\$112,763,459		
Stripper Oil		25,539,731		
Other Valuable Products		(210,818)		
Oil		68,408,535		
Natural Gas		164,818,020		
Condensate-Gas		16,522,722		
Spending Policy for Prior Year Adjustment W.S. 9-4-719		3,074,299		
		TOTAL REVENUE		
		\$390,915,948		\$5,440,883,650

COMMON SCHOOL PERMANENT LAND FUND
Fiscal Years 08 through 12 Analyzed and Compared

(\$ Millions)

	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>
Beginning Book Value	\$1,466.2	\$1,682.7	\$1,794.4	\$1,967.6	\$2,129.9
Beginning Market Value	1,676.7	1,766.0	1,622.5	1,901.5	2,236.5
- Difference	210.5	83.3	(172.0)	(66.1)	106.6
- Percent	14.4%	5.0%	-9.6%	-3.4%	5.0%
Additions to Corpus					
- Sales, Royalties, etc.	\$161.3	\$163.8	\$140.9	\$142.4	\$188.1
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	55.1	0.0	0.0	0.0	0.0
- Income Accrued	0.0	0.0	7.6	0.0	0.0
Reduction of Corpus					
- Deferred Realized Capital Gain (Loss)	0.0	(52.1)	24.6	27.5	0.0
- Reverse Income Accrued				(7.6)	(0.0)
Total Increase to Corpus	\$216.5	\$111.7	\$173.1	\$162.3	\$188.1
Ending Book Value	\$1,682.7	\$1,794.4	\$1,967.6	\$2,129.9	\$2,318.0
Ending Market Value	1,766.0	1,622.5	1,901.5	2,236.5	2,371.3
- Difference	83.3	(172.0)	(66.1)	106.6	53.3
- Percent	5.0%	-9.6%	-3.4%	5.0%	2.3%
Total Distributed Income (gross of fees)	\$137.1	\$60.1	\$57.1	\$101.0	\$103.2
- Interest	37.7	40.5	36.8	38.3	38.5
- Dividend	16.5	17.8	16.4	19.2	23.4
- Realized Net Capital Gain	82.9	1.8	3.9	43.5	41.4
Change in Book Value	\$216.5	\$111.7	\$173.1	\$162.3	\$188.1
Change in Market Value	89.3	(143.6)	279.0	335.0	134.8
Cash Yield	9.51%	3.37%	3.20%	4.94%	4.62%
Total Return	2.27%	-13.25%	11.77%	17.48%	1.98%

1. Note: "Total Income" is spendable investment income including dividends, interest and realized capital gains. "Total Return" is comprised of dividends, interest and realized and unrealized capital gains. The Treasurer's Office calculates the "Cash Yield" return above based on average book value. RV Kuhns calculates total return based on the time-weighted rate of return - essentially compounded growth.

2. In May 2009, the State Treasurer adopted an interpretative policy effective July 1, 2008, for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital gains and losses are net positive, the Treasurer distributes the net capital gain as income. If capital losses exceed capital gains at year end, the losses are carried forward through the next fiscal year.

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

4. Includes Common School Permanent Land Fund II.

PERMANENT LAND FUND: CORPUS
Revenue Receipts Fiscal Year 2012

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2011 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2012 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$45,713,862		
Oil & Gas Lease Royalties		\$116,650	
Sodium & Trona Lease Royalties		1,884,674	
Right-of-Way Easements		21,754	
Surface Damage		1,437	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>1,158,955</u>	
		\$3,183,469	48,897,331
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	\$6,425,938		
Oil & Gas Lease Royalties		\$155,928	
Sand & Gravel Royalties		806	
Right-of-Way Easements		2,510	
Surface Damage		107,333	
Real Estate-Sales		9,126	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>163,285</u>	
		\$438,988	6,864,926
<u>L03 FISH HATCHERY</u>			
Beginning Balance	\$413,197		
Right-of-Way Easements		\$7,633	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>10,475</u>	
		\$18,107	431,304
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	\$2,124,924,901		
Bentonite Lease Royalties		\$729,679	
Coal Lease Royalties		62,609,914	
Miscellaneous Mineral Lease Royalties		45,567	
Oil & Gas Lease Royalties		117,785,945	
Sand & Gravel Royalties		216,956	
Sodium & Trona Lease Royalties		812,610	
Right-of-Way Easements		956,049	
Right-of-Way Easement		2,808	
Uranium Lease Royalties		4,195	
Surface Damage		3,208,381	
Real Estate Sales		20,633	
Real Estate Sales		563,796	
1993 Series Bond Maturity W.S. 9-4-605		676,074	
Spending Policy Reserve to Corpus W.S. 9-4-719		462,133	
Reverse Income held in CS Pool on June 30, 2011		<u>(2,566)</u>	
		\$188,092,175	2,313,017,076

L14 COMMON SCHOOL II (1)(2)

Beginning Balance	\$5,000,000		
		\$0	5,000,000

L05 DEAF, DUMB & BLIND

Beginning Balance	\$3,798,853		
Oil & Gas Lease Royalties		\$33,275	
Right-of-Way Easements		151	
Surface Damage		1,953	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>96,408</u>	
		\$131,786	3,930,639

L06 CAREY ACT

Beginning Balance	\$1,832,781		
Bentonite Lease Royalties		\$2,180	
Oil & Gas Lease Royalties		55,654	
Surface Damage		795	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>46,685</u>	
		\$105,313	1,938,094

L07 OMNIBUS

Beginning Balance	\$34,754,112		
Oil & Gas Lease Royalties		\$4,179,629	
Sand & Gravel Royaltie		35,567	
Sodium & Trona Lease Royalties		5,827	
Right-of-Way Easements		(13,236)	
Surface Damage		102,207	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>886,887</u>	
		\$5,196,881	39,950,992

L08 WYOMING STATE HOSPITAL

Beginning Balance	\$4,107,721		
Oil & Gas Lease Royalties		\$90,474	
Surface Damage		2,106	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		103,899	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		<u>(450,965.61)</u>	
		<u>(\$254,485.83)</u>	3,853,235

L09 WYOMING STATE TRAINING SCHOOL

Beginning Balance	\$2,701,348		
Oil & Gas Lease Royalties		\$486,619	
Right-of-Way Easements		1,645	
Surface Damage		14,101	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		69,258	
Per Session Laws 2010 Ch 39, Sec2, Sec 048		<u>(89,188)</u>	
		\$482,435	3,183,782

L10 WYOMING STATE PENITENTIARY

Beginning Balance	\$8,513,523		
Oil & Gas Lease Royalties		\$4,488,103	
Right-of-Way Easements		1,940	
Surface Damage		24,249	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>230,160</u>	
		\$4,744,452	13,257,975

L11 WYOMING STATE AGRICULTURAL COLLEGE (1)

Beginning Balance	\$8,891,091		
Oil & Gas Lease Royalties		\$423,810	
Right-of-Way Easements		(19,673)	
Surface Damage		8,811	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>226,436</u>	
		\$639,384	9,530,475

L12 WYOMING STATE UNIVERSITY (1)

Beginning Balance	\$17,415,542		
Oil & Gas Lease Royalties		\$112,810	
Temporary Leases		1,964	
Right-of-Way Easements		12,117	
Surface Damage		14,305	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		<u>441,566</u>	
		\$582,761	17,998,303

TOTAL REVENUE **\$203,361,266**

1. These funds are not available for appropriation.
2. In Fiscal Year 2009 Common School Permanent Land Fund II was added to the Common School Pool along with Common School Permanent Land Fund and is being invested there. Income is diverted to the Education Trust Fund per Special Session Laws 1997 Ch. 3 Section 504.
3. Revenue from above "sales" is the principal payment from the sale of state lands and from right-of-ways granted on state lands. "Royalties" are derived from oil and mineral leases on state lands.
4. "Income held in Common School Pool on June 30" represents income accrued.

WYOMING INVESTMENTS

As of June 30, 2012

<u>Program</u>	<u>See Notes</u>	<u>Statutory Allotment</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Investments for Public Purposes</u>				
Farm Loans	A	\$275,000,000	\$25,866,796	\$249,133,204
Irrigation Loans	B	20,000,000	1,062,160	18,937,840
Joint Powers Loans	C	60,000,000	9,836,640	50,163,360
Hot Springs State Park	D	2,000,000	53,652	1,946,348
Small Business Assistance & FmHA Ag Loans	E	0	99,501	0
Shoshone Municipal Pipeline Treatment Plant	F	16,500,000	13,062,146	0
Sheridan Area Water Treatment Project	G	6,750,000	1,197,334	0
Laramie Territorial Park Loan	H	10,000,000	10,000,000	0
Reimbursement to Counties for Deferred Taxes	I	2,000,000	0	2,000,000
Industrial Development Bonds	J	600,000,000	0	100,000,000
Airport Loans-Aeronautics Commission	K	10,000,000	5,291,519	4,708,481
Gillette Madison Pipeline Project	L	13,612,500	5,527,500	8,085,000
UW Athletic Facilities Bridge Ln	M	2,609,744	0	0
Wyoming Real Estate-State Land Purchases	N	25,585,493	18,335,738	14,993,267
		<u>\$1,044,057,737</u>	<u>\$90,332,984</u>	<u>\$449,967,502</u>

*The list of investments shown above are investments of state funds for a specific public purpose, other than permissible investments made in compliance with state investment policy under W.S. 9-4-715 through 9-4-719 and 9-4-831, which are authorized or directed by the legislature in law. As stipulated in W.S. 9-4-715(n), total investments of permanent funds for a specific public purpose authorized or directed by the legislature are limited to one billion dollars excluding investments made pursuant to W.S. 37-5-406. Prior to the convening of each general session of the legislature, the State Treasurer shall, after consultation with the State Loan and Investment Board, recommend to the Select Committee on Capital Financing and Investments whether any adjustment should be made in the limitation. The Treasurer closely monitors the outstanding balances of all public purpose investments to ensure the statutory limitation is not exceeded. Most of these investments are made from the Permanent Wyoming Mineral Trust Fund.

In addition to the specific public purpose investments listed above, the following statutory commitments have been made:

		<u>Commitment Amount</u>	<u>Outstanding Amount</u>	<u>Commitment Amount Available</u>
WCDA Mortgage Bonds	O	\$25,000,000	\$0.00	\$0.00
		<u>\$25,000,000</u>	<u>\$0</u>	<u>\$0</u>

		<u>Commitment Amount</u>	<u>Outstanding Investments</u>	<u>Amount Available</u>
<u>Other Wyoming Investments</u>				
Basin Electric Power Bond			\$32,048,000	
Cheyenne Stage II GIC			4,208,918	
Drainage District Bonds			24,000	
Time Deposit Open Account Banking Program	P	150,000,000	207,700,000	0
		<u>\$150,000,000</u>	<u>\$243,980,918</u>	<u>\$0</u>

Total Wyoming Investments **\$334,313,904**

WYOMING INVESTMENTS NOTES & STATUTORY REFERENCES

INVESTMENTS FOR PUBLIC PURPOSES:

- (A) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55 M is for a livestock enhancement program;
- (B) Irrigation district loans under W.S. 11-34-301;
- (C) Joint Powers loans under W.S. 16-1-109;
- (D) Hot Springs State Park loans under W.S. 36-8-318;
- (E) Guaranteed portion of certain Small Business Assistance Act loans and guaranteed portion of certain Farmers Home Administration. Up to \$55 million was previously authorized and no new loans were to be made after December 31, 2006. W.S. 9-4-701(e) was repealed when investment statutes were amended in the 2008 legislative session;
- (F) Shoshone municipal water treatment project, under 1987 Wyoming Session Laws, Chapter 117, as amended;
- (G) Sheridan area water treatment project, under 1989 Wyoming Session Laws, Chapter 230, as amended;
- (H) Laramie Territorial Park, under 1989 Wyoming Session Laws, Chapter 285, as amended;
- (I) W.S. 9-4-715(j), deferred property taxes;
- (J) W.S. 9-4-715(m), industrial development bonds, no investment in excess of one hundred million dollars (\$100,000,000) is to be made for any one project without specific legislative authority; expires 06/30/17 unless extended;
- (K) Airport construction, development and improvement loans under W.S. 10-3-403;
- (L) Gillette Madison pipeline project, 2009 WY Session Laws, Ch 103 and 2010 WY Session Laws, Ch 115;
- (M) UW Athletic Bridge Loan; 2008 Wyoming Session Laws, Ch 48, Sec. 324. Loan was paid off during FY12;
- (N) W.S. 9-4-715(k) authorizes the investment of funds received from sale of state trust lands plus up to \$2,000,000 one-time seed money contained in the Common School Permanent Land Fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the Trust. Funds were also appropriated to the State Loan and Investment Board from the CSPLF in 2005 and 2006 for this purpose as well.

STATUTORY COMMITMENTS:

- (O) Purchase of up to \$100 million WCDA bonds was authorized from the Common School Permanent Land Fund; however, the authorization period ended with only \$25 million actually used. The balance of these bonds were paid in full during FY 12.

OTHER WYOMING INVESTMENTS:

- (P) W.S. 9-4-803 authorizes the State Treasurer to deposit state funds in approved Wyoming banks and Wyoming savings and loans. Currently, the amount the State Treasurer has made available to banks each year amounts to five percent (5%) of the State Agency Pool assets.

WYOMING INVESTMENTS BY FUND

June 30, 2012

Interest Paid					Loan Balance		
Fund	Investment	Amount			Fund	Investment	Amount
<u>State Agency Pool</u>					<u>State Agency Pool</u>		
	TDOAs	429,421	0.18%			TDOAs	\$207,700,000
	Subtotal	429,421				Subtotal	\$207,700,000
	Total	429,421				Total	\$207,700,000
<u>Common School Perm. Land Fund</u>					<u>Common School Perm. Land Fund</u>		
	Lovell Drainage District	0	4.00%			Lovell Drainage District	\$24,000
	WCDA	13,563	6.70%			WCDA	\$0
	School Foundation Borrowing	3,947,500	6.00%			School Foundation Borrowing	\$0
	Wyoming Real Estate	0	0.00%			Wyoming Real Estate	\$18,335,738
	Subtotal	3,961,063				Subtotal	\$18,359,738
<u>University Permanent Land Fund</u>					<u>University Permanent Land Fund</u>		
	UW Athletic Facilities Bridge Ln	18,816	4.50%			UW Athletic Facilities Bridge Ln	\$0
	Subtotal	18,816				Subtotal	\$0
<u>Permanent Mineral Trust Fund</u>					<u>Permanent Mineral Trust Fund</u>		
	Aeronautics Loans	354,853	5.00%			Aeronautics Loans	\$5,291,519
	Farm Loans	1,796,155	7.75%			Farm Loans	\$25,866,796
	Hot Springs St Park	5,085	6.25%			Hot Springs St Park	\$53,652
	Irrigation Loans	173,826	5.00%			Irrigation Loans	\$1,062,160
	JPA Loans	568,396	6.90%			JPA Loans	\$9,836,640
	Local Government Loans	150,000	1.50%				\$10,000,000
	SBAA	7,343	3.45%			SBAA	\$99,501
	Water Develop Loans- Gillette	0	4.00%			Water Develop Loans	\$5,527,500
	Water Develop Loans	580,032	4.00%			Water Develop Loans	\$14,259,480
	GIC AIG Financial	438,406	6.50%			GIC AIG Financial	\$4,208,918
	GIC Metropolitan Life	16,563	7.45%			GIC Metropolitan Life	\$0
	WIA Basin Electric	1,561,465	4.69%			WIA Basin Electric	\$32,048,000
	Subtotal	5,652,125				Subtotal	\$108,254,166
	TOTAL	10,061,424				TOTAL	334,313,904

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SECURITIES LENDING INCOME

July 1, 2011 thru June 30, 2012

In cooperation with JP Morgan Chase Bank, Wyoming runs a very conservative & prudent securities lending program. Income from the overall program is allocated back to each fund from which the securities are loaned & substantial additional income is achieved for the State of Wyoming.

JP Morgan Chase Bank

	GROSS INCOME	ACCRUED REBATE AND BANK FEES	NET INCOME RECOGNIZED
Common School Permanent Land Fund	\$1,030,681.09	\$15,893.05	\$1,046,574.14
Permanent Land Funds Pool	58,254.58	0.44	\$58,255.02
University Permanent Land Fund	7,829.23	84.24	\$7,913.47
Hathaway Endowment Fund	261,774.89	(23,331.94)	\$238,442.95
Higher Education Endowment Fund	57,806.15	(5,015.96)	\$52,790.19
Worker's Compensation Fund	785,522.46	(174,377.46)	\$611,145.00
Permanent Mineral Trust Fund	2,473,612.18		\$2,483,073.35
Tobacco Settlement Fund	50,748.59	(19,671.41)	31,077.18
State Agency Pool	3,567,911.86	(1,401,356.15)	2,166,555.71
	<u>\$8,294,141.03</u>	<u>(\$1,598,314.02)</u>	<u>\$6,695,827.01</u>
TOTAL			

JP Morgan Chase Bank Securities Lending Loss

	LOSS RECOGNIZED
Common School Permanent Land Fund	(\$1,919,897.17)
Permanent Land Funds Pool	(99,495.63)
University Permanent Land Fund	(9,212.56)
Hathaway Endowment Fund	(643,036.57)
Higher Education Endowment Fund	(141,873.40)
Worker's Compensation Fund	(1,995,440.15)
Permanent Mineral Trust Fund	(5,079,804.69)
Tobacco Settlement Fund	(154,770.98)
State Agency Pool	(8,381,585.61)
	<u>(\$18,425,116.76)</u>
TOTAL	

Securities lending loss is due to the Key Bank securities lending program.

Securities lending income is included in the total investment income reported for FY 12.

The Net Income Recognized includes a final adjustment to the international securities lending income. It is not included in the Gross Income or the Expenses.

INVESTMENT ACCOUNT BALANCES
As Of June 30, 2012

FUND/ACCOUNT NAME	CASH & RECEIVABLES* (STATE AGENCY POOL INVESTMENTS)	INVESTMENTS (at Cost)	ACCOUNT BALANCE (Corpus)
Miner's Hospital Permanent Land Fund	\$5,864,086.19	\$43,033,244.33	\$48,897,330.52
Public Buildings At Capitol Permanent Land Fund	823,286.67	6,041,639.82	6,864,926.49
Fish Hatchery Permanent Land Fund	51,724.79	379,579.28	431,304.07
Common School Permanent Land Fund	230,029,526.43	2,082,987,549.23	2,313,017,075.66
Common School II	5,000,000.00	0.00	5,000,000.00
D.D. & B. Asylum Permanent Land Fund	471,387.87	3,459,251.55	3,930,639.42
Carey Act Permanent Land Fund	232,428.86	1,705,665.23	1,938,094.09
Omnibus Permanent Land Fund	4,791,183.09	35,159,809.35	39,950,992.44
State Hospital Permanent Land Fund	462,105.07	3,391,130.30	3,853,235.37
State Training School Permanent Land Fund	381,819.90	2,801,962.39	3,183,782.29
Penitentiary Permanent Land Fund	1,589,982.64	11,667,992.15	13,257,974.79
Agricultural College Permanent Land Fund	1,142,956.60	8,387,518.38	9,530,474.98
University Permanent Land Fund	1,322,544.97	16,675,757.78	17,998,302.75
Subtotal-Permanent Land Fund	\$252,163,033.09	\$2,215,691,099.78	\$2,467,854,132.87
Permanent Wyoming Mineral Trust Fund	387,464,525.39	5,053,419,124.90	5,440,883,650.29
Tobacco Settlement Fund	4,175,077.57	63,709,989.00	67,885,066.57
Hathaway Scholarship Endowment	49,927,361.97	451,413,027.75	501,340,389.72
Higher Education Endowment	8,202,766.18	100,204,827.38	108,407,593.56
Subtotal-All Permanent Funds	\$701,932,764.20	\$7,884,438,068.81	\$8,586,370,833.01
Worker's Compensation	97,677,869.62	1,305,452,146.50	1,403,130,016.12
Total Permanent Funds & Worker's Compensation	\$799,610,633.82	\$9,189,890,215.31	\$9,989,500,849.13
State Agency Pool	(\$799,610,633.82)	\$5,930,592,705.17 **	\$5,130,982,071.35
TOTAL	\$0.00	\$15,120,482,920.48	\$15,120,482,920.48

*The Cash & Receivables column represents the portion of the state agency pool investment attributable to each of the permanent funds, the Hathaway Scholarship Endowment fund, the Higher Education Endowment fund and the Worker's Compensation fund and is included in each specific fund, thus it is removed from the State Agency Pool cash & receivables balance.

**The State Agency Investment Pool includes the total of the cash & receivable column plus the cash balance of all the other funds for which specific investments have not been made.

SPENDING POLICY RESERVE ACCOUNTS

PERMANENT WYOMING MINERAL TRUST FUND COMMON SCHOOL PERMANENT LAND FUND EXCELLENCE IN HIGHER EDUCATION FUND

The Wyoming State Legislature established investment earnings spending policy reserve accounts for three of the state's permanent funds; the Permanent Wyoming Mineral Trust Fund (PWMTF), the Common School Account within the Permanent Land Fund (CSPLF) and the Excellence in Higher Education Fund (Higher Ed Fund).

In the 2000 Session, the Legislature established annual spending policy amounts for earnings from PWMTF and the CSPLF. To the extent earnings exceed the amount set in statute for the PWMTF, the excess flows to the PWMTF reserve account. For the CSPLF, earnings in excess of the spending policy amount still flow to the Common School land income account and School Foundation Program account; however, an automatic appropriation is made from "over the \$200 million cap" in federal mineral royalties which would otherwise be deposited into the School Foundation Program account in an amount equal to the excess earnings to the CSPLF reserve account. Monies in the reserve accounts are available to supplement earnings for those years in which earnings fail to reach the spending policy amounts. If the reserve accounts reach more than 75 percent of the spending policy amount, the excess reserves are placed in the appropriate corpus. The purpose of these spending policies is to make the earnings flow consistent and to protect the corpus from inflation.

During the 2007 Session, an annual spending policy amount and a spending policy reserve account was established for the Higher Ed Fund. Like the PWMTF spending policy and reserve account, to the extent earnings from the Higher Ed Fund exceed the spending policy amount, excess earnings flow to the Higher Ed reserve account. Once the reserve account reaches more than 75 percent of the spending policy amount, the excess reserves are placed in the Higher Ed Fund corpus. The 2007 legislation also provided for a continuous appropriation from the Higher Ed reserve account to supplement the spending from the earnings of the Higher Ed Fund in those years earnings fail to meet the spending policy amount. (This automatic appropriation of funds from the PWMTF and CSPLF reserve accounts was repealed in 2004.)

The spending policy amount for FY 12 for each of these permanent funds is based on the statutory percentage rate of 5 percent of the five-year rolling average market value. During the 2010 Session, a footnote to the appropriations bill was approved (Chapter 39, Section 301) which stipulates that no funds are to flow from these spending policy reserve accounts to the corpus of their respective accounts until June 30, 2012. However, during the 2011 session, Chapter 88, Section 301, repealed this provision for the PWMTF. At the end of FY 12, no funds flowed into the corpus of the PWMTF corpus, but \$462,132 flowed into the CSPLF corpus and \$3,408,126 flowed into the Higher Ed Fund corpus.

The following three pages illustrate how the spending policy reserve accounts for the PWMTF, the CSPLF and the Higher Ed Fund work.

**SPENDING POLICY: PERMANENT WYOMING MINERAL TRUST FUND (PWMTF)
2012 FISCAL YEAR END (06-30-12)**

last update 07/20/12

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

The spending policy amount for fiscal year 2012 was \$214,972,698. Total PWMTF investment income for fiscal year 2012 was \$235,847,144, however, \$30 million was excluded in the calculation of the FY 12 investment earnings applicable to the PWMTF reserve account in compliance with legislation passed during the 2012 budget session (Chapter 2, Section 300 (c) resulting in net earnings of \$205,847,144 for FY 12. As this amount was less than the spending policy amount, no funds flowed into the reserve account and no funds spilled over to corpus at the end of fiscal year 2012. The ending balance remains at \$144,315,485 which is less than 75% of the spending policy amount (\$161,229,523) so nothing spilled over to Corpus at the end of FY 12.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	1,396,009,173	1998										
7/1/98	1,507,006,444	1999										
7/1/99	1,540,767,270	2000										
7/1/00	1,539,636,928	2001										
7/1/01	1,755,553,508	2002	1,547,794,665	8.000%	123,823,573	90,510,496	0			92,867,680	0	
7/1/02	1,864,380,749	2003	1,641,468,980	7.625%	125,162,010	58,647,855	0			93,871,507	0	
7/1/03	2,050,845,569	2004	1,750,236,805	5.000%	87,511,840	98,110,315	10,598,475 (f)		10,598,475	65,633,881	0	10,598,475
7/1/04	2,218,179,475	2005	1,885,719,246	5.000%	94,285,962	87,789,397	0	44,500,000 (b)	56,747,488 (c)	70,714,472	0	55,098,475 (d)
7/1/05	2,557,758,285	2006	2,089,343,517	5.000%	104,467,176	123,952,616	19,485,440 (f)		74,583,915	78,350,382	0	74,583,915
7/1/06	3,070,623,840	2007	2,352,357,584	5.000%	117,617,879	150,487,083	32,869,204 (f)		107,453,119	88,213,409	19,239,709 (e)	88,213,409
7/1/07	3,728,082,077	2008	2,725,097,849	5.000%	136,254,892	321,357,789	185,102,897		273,316,306	102,191,169	171,125,137	102,191,169
7/1/08	4,135,435,366	2009	3,142,015,809	5.000%	157,100,790	135,264,226	0		102,191,169	117,825,593	0	102,191,169
7/1/09	3,893,843,313	2010	3,477,148,576	5.000%	173,857,429	139,450,800	0	54,264,775 (g)	156,455,944	130,393,072	0 (h)	156,455,944
7/1/10	4,414,080,035	2011	3,848,412,926	5.000%	192,420,646	215,755,659	23,335,013		179,790,957	144,315,485	35,475,472 (i)	144,315,485
7/1/11	5,325,828,961	2012	4,299,453,950	5.000%	214,972,698	205,847,144 (j)			144,315,485	161,229,523	0	144,315,485

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) Appropriation from General Fund to this reserve account-2004 budget session
- (c) Reflects addition of \$1,649,014 realized earned income on reserve account.
- (d) Reflects balance following correction of \$1,649,014 realized earned income-transfer out to general fund.
- (e) Reflects \$12,109,656 reduction of reversion to corpus following correction of market values
- (f) Reflects reduction in amount to reserve following correction of market values--\$9,599,515 transferred back to general fund
- (g) Reflects the net of the special appropriation of severance tax into the reserve account which amounted to \$74,264,775 (2009 session laws, Ch 159, Sec. 350) and the appropriation of \$20,000,000 from this reserve account to the office of state lands and investments to be allocated to cities, towns and counties (2010 Session laws, Ch 39, Sec 335)
- (h) 2010 Session laws, Ch 39, Sec 301(a) - no funds are to spill over to corpus until June 30, 2012
- (i) 2011 Session laws, Ch 88, Sec 301 repeals the provision of Ch 39, Sec 301(a) of the 2010 session laws such that funds are to once again spill over to corpus if the balance in reserve exceeds the spending policy amount.
- (j) 2012 Session laws, Ch 26, Sec 300 (c) - excludes \$30 million from earnings calculation for general fund appropriation to AML fund balancing account

**SPENDING POLICY: COMMON SCHOOL PERMANENT LAND FUND (CSPLF)
2012 FISCAL YEAR END (06-30-12)**

last update 07/20/12

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

The spending policy amount for fiscal year 2012 was \$92,048,598. Total CSPLF investment income for FY12 was \$99,567,151. As investment earnings exceeded the five percent (5%) spending policy amount, \$7,518,553 flowed to the spending policy reserve account at the end of fiscal year 2012, leaving a fiscal year end balance in the reserve account of \$69,498,581. This amount exceeded 75% of the spending policy amount by \$462,132 which spilled over to Corpus and left an ending balance in the reserve account of \$69,036,448 at the end of fiscal year 2012.

As of	Total Market Value (a)	For FY	Rolling 5-year Average	Spending Policy Level	Spending Policy Amount	Investment Income*	Investment Income over Spending Policy to Reserve Acct.	Legislative Appropriation	Year End Reserve Bal. Before Reversion	75% of Spending Policy	Over 75% spills over to Corpus	Ending Reserve Balance
7/1/97	782,431,215	1998										
7/1/98	838,949,498	1999										
7/1/99	857,362,587	2000										
7/1/00	839,611,767	2001										
7/1/01	899,161,216	2002	843,503,257	8.200%	69,167,267	37,700,000	0			51,875,450	0	
7/1/02	930,348,643	2003	873,086,742	7.825%	68,319,038	36,070,760	0			51,239,278	0	
7/1/03	1,013,895,764	2004	908,075,995	5.000%	45,403,800	48,190,294	2,786,494 (h)		2,786,494	34,052,850	0	2,786,494
7/1/04	1,014,318,667	2005	939,467,211	5.000%	46,973,361	51,092,246	4,118,885 (h)	30,000,000 (b)	37,852,862 (e)	35,230,020	2,622,841 (g)	34,282,538 (f)
7/1/05	1,165,218,792	2006	1,004,588,616	5.000%	50,229,431	53,845,180	3,615,749 (h)		37,898,288	37,672,073	226,214 (g)	37,672,073
								(13,500,000) (c)				
7/1/06	1,371,627,543	2007	1,099,081,882	5.000%	54,954,094	65,520,931	10,566,837 (h)	(4,200,000) (d)	30,538,910	41,215,571	0	30,538,910
7/1/07	1,678,302,393	2008	1,248,672,632	5.000%	62,433,632	133,866,782	71,433,150		101,972,060	46,825,224	55,146,837	46,825,224
7/1/08	1,766,046,029	2009	1,399,102,685	5.000%	69,955,134	56,969,255	0	167,274 (i)	46,992,498	52,466,351	0	46,992,498
7/1/09	1,622,477,081	2010	1,520,734,368	5.000%	76,036,718	54,643,154	0		46,992,498	57,027,539	0 (j)	46,992,498
7/1/10	1,901,503,362	2011	1,667,991,282	5.000%	83,399,564	98,387,094	14,987,530		61,980,028	62,549,673	0 (j)	61,980,028
7/1/11	2,236,530,927	2012	1,840,971,958	5.000%	92,048,598	99,567,151	7,518,553		69,498,581	69,036,448	462,132	69,036,448

Source: W.S. 9-4-719

* Does not include investment income on CSPLF II (\$5 million set aside from Express Pipeline Partnership of 1996) per 1997 session laws, ch 3, Sec 504

- (a) Total Market Value for FY09 & Prior are Actual Market Values
- (b) \$30,000,000 was appropriated from the school foundation account into this reserve account-2004 budget session
- (c) \$13,500,000 was appropriated from this reserve account into the Hathaway scholarship expenditure account-2006 budget session
- (d) \$4,200,000 was appropriated from this reserve account for distribution to the community colleges and the University of Wyoming to begin to implement the plan for excellence in the higher education endowment--\$2.8 million to UW and \$1.4 million equally split among the seven (7) community colleges.
- (e) Reflects addition of \$947,482 realized earned income on reserve account
- (f) Reflects balance following correction of \$947,482 realized earned income-transfer out to CSPLF income fund
- (g) Reflects reduction in amount to revert to corpus following correction of market values--\$1,099,854 transferred back to reserve
- (h) Reflects reduction in amount to reserve following correction of market values--\$1,076,494 transferred back to general fund
- (i) UW returned \$167,274 of the \$2.8 million distributed from the \$4,200,000 appropriation to begin to implement the plan for the excellence in higher education endowment
- (j) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

**SPENDING POLICY: EXCELLENCE IN HIGHER EDUCATION ENDOWMENT (Higher Ed)
2012 FISCAL YEAR END (06-30-12)**

last update 07/20/12

W.S. 9-4-719 established annual spending policy amounts from the Excellence in Higher Education (Higher Ed) Endowment fund (currently five percent (5%) of the average five (5) year rolling average market value) and created the Excellence in Higher Education Endowment (Higher Ed) reserve account. To the extent investment earnings from the Higher Ed Endowment fund exceed the five percent (5%) spending policy amount, the excess earnings flow to the Higher Ed reserve account. If the investment earnings from the Higher Education Endowment fund are less than the five percent (5%) spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and seven community college foundations in accordance with W.S. 21-16-1201. Distributions of the annual spending policy amount is to be distributed on a quarterly basis, 2/3 to UW and 1/3 equally to the community colleges. If there are insufficient funds in the income account at the time the quarterly payments are to be made, then funds are to be taken from the reserve account to make the distributions to UW and the community colleges.

The spending policy amount for fiscal year 2012 was \$4,939,140. Total investment income from the Higher Education Endowment fund for FY12 was \$5,634,089 which exceeded the the five percent (5%) spending policy amount by \$694,949. This amount flowed into the spending policy reserve account at the end of fiscal year 2012. However, a total of 2,301,930 was transferred from the reserve account to the Higher Ed income account during FY12 as there were insufficient funds in the income account to make the quarterly payments to the colleges due to timing of the investment income distributions. A balance of \$3,026,904 in unexpended, unobligated funds was remaining in the income account at fiscal year end which was transferred to the reserve account. The balance in the reserve account at the end of fiscal year 2012 exceeded 75% of the spending policy amount by \$3,408,126, which spilled over to Corpus at the end of fiscal year 2012. The balance in the Higher Ed reserve account at the end of FY12 is \$3,704,355.

	Total	Rolling 5-year	Spending	Spending	Investment	Earnings over	Earnings less than 5%	Legislative	Transfers	Year End Reserve	75% of	Over 75%	Ending
As of	Market Value	For FY	Average	Policy Level	Income	5% of spending	of spending policy	Appropriations	to (from)	Balance Before	Spending	spills over	Reserve
				Amount	*	policy amount	from Reserve Acct		Reserve	Reversion to Corpus	Policy	to Corpus	Balance
						to Reserve Acct	to be distributed		Account	or to cover shortfall			
7/1/05	929,697 (a)	2006		5.000%	0.00	0				0	0	0	0
7/1/06	48,379,952 (a)	2007	48,379,952	5.000%	2,418,998	726,921				0	1,814,248	0	0
7/1/07	78,867,967 (a)	2008	63,623,960	5.000%	3,181,198	4,474,394	1,293,196			1,293,196	2,385,898	0	1,293,196
7/1/08	104,820,958	2009	77,356,292	5.000%	3,867,815	3,926,014	151,616 (c)	0		1,444,812 (c)	2,900,861	0	1,444,812 (d)
7/1/09	96,094,847	2010	82,040,931	5.000%	4,102,047	3,493,118		(608,929)	3,852,480 (b)	4,688,364 (c)	3,076,535	0	4,688,364 (d)
7/1/10	102,674,540	2011	86,167,653	5.000%	4,308,383	6,086,019	1,777,636	0	(79,026)	6,386,974 (c)	3,231,287	0	6,386,974
7/1/11	111,455,707	2012	98,782,804	5.000%	4,939,140	5,634,089	694,949		30,558	7,112,481	3,704,355	3,408,126	3,704,355

Source: W.S. 9-4-719

Notes:

- (a) Total Market Value for FY06 - FY08 are based on Higher Ed portion of SAP market value
- (b) Appropriation - federal mineral royalty diversion - 2009 session, Ch 159, Sec 342
- (c) Reflects balance following correction of \$93,417, realized earned income-transfer out of Higher Ed income fund
- (d) 2010 Session Laws, Ch 39 Sec 301(b) - no funds are to spill over to corpus until June 30, 2012

EXCELLENCE IN HIGHER EDUCATION ENDOWMENT PROGRAM

Wyoming Statute 21-16-1201 through 1204, passed in 2005, authorized the creation of the Excellence in Higher Education Endowment Program which consists of three separate accounts, the Excellence in Higher Education endowment fund (Higher Ed fund), the Excellence in Higher Education income account (Higher Ed income account) and the Excellence in Higher Education endowment reserve account (Higher Ed reserve account).

A portion of the federal mineral royalties, over the \$200 million cap, was transferred from the School Foundation fund to the Higher Education fund (the corpus) until a maximum of \$105 million had been deposited. It was fully funded in April of fiscal year 2008.

The Higher Ed fund is retained by the State and invested by the State Treasurer in the same manner as any other permanent fund and held inviolate. Investment earnings from the Higher Ed fund (corpus) are transferred to the Higher Ed income account and distributed quarterly to the seven community colleges and the university.

W.S. 9-4-719 (k), created the Higher Ed endowment reserve account and W.S. 9-4-719(o) established the annual spending policy amount for the Higher Ed fund (currently five percent of the average five-year rolling average market value). Earnings from the Higher Ed fund during each fiscal year in excess of the spending policy amount are deposited into the Higher Ed reserve account. To the extent investment earnings from the Higher Ed fund are less than the five percent spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University of Wyoming and the seven community colleges in accordance with W.S. 21-16-1201. If the Higher Ed reserve account balance exceeds 75% of the spending policy amount, the excess is to flow to the Higher Ed fund (corpus).

The earnings distributed are used by the university and community colleges for the recruitment and retention of faculty, establishing endowed faculty positions and to acquire instructional and resource materials, classroom equipment and other resources necessary to support the work of endowed faculty.

The spending policy amount for fiscal year 2012 was \$4,939,140, which was distributed from the Higher Ed income account to the University of Wyoming and the seven (7) Wyoming community colleges. Pursuant to W.S.9-4-719 (m), earnings in excess of the spending policy amount, a total of \$694,949, were transferred out of the income account and into the reserve account. The balance in the Higher Ed reserve account at the end of fiscal year 2012 was \$7,112,481. This amount exceeded seventy-five percent of the spending policy amount for fiscal year 2012 by \$3,408,126, therefore, this amount spilled over from the Higher Ed reserve account to the Higher Education endowment fund (corpus) on 06/30/12 leaving an ending balance of \$3,704,355 in the Higher Ed reserve account at the end of fiscal year 2012.

**Excellence in Higher Education
Summary of Corpus**

For Period Ending	School Foundation FMRs up to \$105 million	Reserve Account Spillover	Ending Cash Balance	Ending Market Value
FY05	929,697		929,697	
FY06	\$54,697,351		\$55,627,048	\$929,697
FY07	\$23,697,924		\$79,324,972	\$48,379,952
FY08	\$25,675,028		\$105,000,000	\$78,867,967
FY09			\$105,000,000	\$104,820,958
FY10			\$105,000,000	\$96,094,847
FY11			\$105,000,000	\$102,674,540
FY12		\$3,408,127	\$108,408,127	\$111,455,707
TOTALS as of 06/30/12	\$105,000,000	\$3,408,127	\$108,408,127	

Higher Ed Income Account Summary

<u>For Period Ended</u>	<u>Investment Income</u>	<u>Distributed to UW & CC</u>	<u>Transfers from Reserve</u>	<u>End of FY Transfers to Reserve Account</u>	<u>Ending Cash Balance</u>
FY07	\$726,921	(\$726,921)			0.00
FY08	\$4,498,553	(\$3,181,198)		(\$1,293,196)	24,159.00
FY09	\$3,995,273	(\$3,867,815)		(\$58,199)	93,418.00
FY10	\$3,794,560	(\$4,102,047)	\$554,571	(\$340,502)	0.00
FY11	\$6,100,410	(\$4,323,128)	\$1,389,454	(\$3,166,736)	0.00
FY12	\$5,657,547	(\$4,924,395)	\$2,308,497	(\$3,041,649)	0.00
<u>TOTALS as of 06/30/12</u>	<u>\$24,773,264</u>	<u>(\$21,125,504)</u>	<u>\$4,252,522</u>	<u>(\$7,900,282)</u>	<u>0.00</u>

Higher Ed Reserve Account Summary

<u>For Period Ended</u>	<u>Transfers from Reserve Acct to Income Acct</u>	<u>End of FY Transfers from Income Acct</u>	<u>Legislative Appropriation</u>	<u>Spill over to Corpus</u>	<u>Investment income Earned on Reserve Account</u>	<u>Ending Cash Balance</u>
FY07						\$0
FY08		\$1,293,196				\$1,293,196
FY09		\$58,199	93417			\$1,444,812
FY10	(\$949,431)	\$340,502	\$3,852,480			\$4,688,363
FY11	(\$1,482,870)	\$3,181,481				\$6,386,974
FY12	(\$2,308,497)	\$3,026,904		(\$3,408,126)	\$7,101	\$3,704,356
<u>TOTALS as of 06/30/12</u>	<u>(\$4,740,798)</u>	<u>\$7,900,282</u>	<u>\$3,945,897</u>	<u>(\$3,408,126)</u>	<u>\$7,101</u>	<u>\$3,704,356</u>

HATHAWAY STUDENT SCHOLARSHIP

Wyoming State Statute 21-16-1301 through 1302, authorized the creation of the Hathaway Scholarship Program which consists of three separate accounts, the Hathaway student scholarship endowment fund (Hathaway fund), the Hathaway scholarship expenditure account (expenditure account) and the Hathaway student scholarship reserve account (reserve account).

To fund the Hathaway Scholarship Program, a portion of the federal mineral royalties, over the \$200 million cap, was transferred from the School Foundation fund to the Hathaway fund until a maximum of \$400 million had been deposited. The Hathaway Scholarship Program was fully funded in April of fiscal year 2007.

The Hathaway fund (the corpus) is retained by the State and invested by the State Treasurer in the same manner as any other permanent fund and held inviolate. Interest earned on the corpus transferred to the Hathaway expenditure account to fund scholarships for Wyoming students to attend the Wyoming community colleges and the University of Wyoming, if students meet certain criteria set by the legislature.

At the end of each fiscal year, any unencumbered, unobligated funds in the Hathaway expenditure account must be transferred to the Hathaway reserve account. If funds in the Hathaway expenditure account are ever insufficient to cover payment for the scholarships, funds are to be transferred from the Hathaway reserve account to the Hathaway expenditure account.

At the end of each fiscal year, if funds in the reserve account are more than the greater of \$12 million or the amount equal to 3.75 percent of the previous five year average market value of the corpus, the excess amount in the reserve is transferred to the corpus on or after July 1 each year.

A total of \$25,160,195 of investment income was deposited into the expenditure account during FY2012 while \$15,420,545 was paid out in scholarships. A total of \$6,512,127 was transferred from the reserve account into the expenditure account during the fiscal year to fund scholarship payments due to timing of the payments and receipt of revenue.

At the end of FY 2012, there was \$16,251,777 residing in the expenditure account that was transferred to the reserve account in compliance with W.S. 21-16-1302(b). This left a balance of \$44,174,808 in the reserve account on June 30, 2012. Therefore, the excess in the reserve account above the statutory limit was \$28,295,326. This amount, therefore, spilled over to corpus leaving a final balance of \$15,879,482 in the reserve account at the end of FY12 and a balance of \$501,340,390 in the Hathaway Scholarship Endowment fund (corpus) at the end of fiscal year 2012.

**Hathaway Scholarship Endowment Fund
Summary of Corpus**

For Period Ended	School Foundation FMRs up to \$400 million	Coal Bonus	Reserve Account Spillover	Ending Cash Balance	Ending Market Value
FY05	3,397,432			3,397,432	
FY06	\$205,766,229			\$209,163,661	
FY07	\$89,149,332			\$298,312,993	
FY08	\$101,687,007		\$19,252,450	\$419,252,450	417,997,280
FY09		\$42,870,209	\$3,792,614	\$465,915,273	431,076,939
FY10		\$7,129,791		\$473,045,064	467,033,391
FY11				\$473,045,064	502,843,583
FY12			\$28,295,326	\$501,340,390	518,418,148
TOTALS as of 06/30/12	\$400,000,000	\$50,000,000	\$51,340,390	\$501,340,390	

Hathaway Scholarship Expenditure Account Summary

For Period Ended	Investment Income	Appropriated Funds (from CS reserve)	Scholarship Payments	Transfers from Reserve for Scholarships	End of FY Transfers to Reserve Account	Ending Cash Balance
FY07	\$12,902,185	\$13,500,000	(\$2,983,732)		(\$23,418,453)	\$0
FY08	\$18,257,535		(\$7,673,538)	\$1,717,263	(\$9,551,260)	\$2,750,000
FY09	\$16,801,974		(\$10,801,516)	\$3,964,942	(\$7,757,555)	\$4,957,845
FY10	\$16,992,416		(\$13,467,589)		(\$8,482,672)	\$0
FY11	\$31,037,236		(\$14,854,402)	\$5,844,289	(\$22,027,123)	\$0
FY12	\$25,160,195		(\$15,420,545)	\$6,512,127	(\$16,251,777)	\$0
TOTALS as of 06/30/12	\$121,151,541	\$13,500,000	(\$65,201,322)	\$18,038,621	(\$87,488,840)	\$0

Hathaway Scholarship Reserve Account Summary

<u>For Period Ended</u>	Transfers from Reserve Acct to Expenditure Acct for Scholarships	End of FY Transfers from Expenditure Acct to Reserve Acct	Spill over to Corpus	Correction Investment Earnings on Reserve Acct to General fund	Investment income Earned on Reserve Account	<u>Ending Cash Balance</u>
FY07		\$23,418,453				\$23,418,453
FY08	(\$1,717,263)	\$9,551,260	(19,252,450)			\$12,000,000
FY09	(\$3,964,942)	\$7,757,555	(3,792,613)			\$12,000,000
FY10		\$8,482,672				\$20,482,672
FY11	(\$5,844,289)	\$22,027,123		(\$2,276,327)		\$34,389,179
FY12	(\$6,512,127)	\$16,251,777	(28,295,326)		\$45,979	\$15,879,482
<u>TOTALS as of 06/30/12</u>	<u>(\$18,038,621)</u>	<u>\$87,488,840</u>	<u>(\$51,340,389)</u>	<u>(\$2,276,327)</u>	<u>\$45,979</u>	<u>\$15,879,482</u>

BANKING & TIME DEPOSIT OPEN ACCOUNT (TDOA)

Approved Depositories

The State Board of Deposits, consisting of the five elected officials, met on April 7, 2011 to consider the applications from Wyoming financial institutions to be designated as State Depositories under the provisions of the State Depository Law. The Board approved 46 financial institutions.

All deposits in excess of the federally insured amount are protected by a pledge of securities, mortgage loans or Certificate of Deposit Account Registry (CDARS), in lieu of a pledge of assets, to the State Treasurer as prescribed by statute.

The State Treasurer and the Department of Audit have determined that the parent and branches will be considered a single entity for FDIC Insurance, Time Deposit-Open Accounts (TDOAs) and other deposit programs. The parent bank will hold the depository relationship.

TDOA – Time Deposit Open Account

The TDOA program is a discretionary State Treasurer program by which public funds are placed in banks approved as eligible state depositories. This program assists banks that lack an asset base sufficient to meet their lending needs.

Banks utilizing this program must fully collateralize the deposits and pay interest to the State Treasurer at rates set quarterly by the State Loan and Investment Board. The Board meets quarterly, in advance of each calendar quarter, to set the interest rate for the ensuing quarter.

The TDOA rates for the four quarters of FY 12 were set at 0.27%, 0.20%, 0.13% and 0.11%. Therefore, the annualized TDOA rate for FY 12 was actually 0.18%.

TDOA income for FY 12 was \$429,421.

Only 26 of the 46 approved depositories had TDOA funds as of June 30, 2012.

TDOA Deposits in Wyoming Banks as of June 30, 2012 Totaled \$207,700,000

1 st National Bank	35,000,000	FirsTier Bank	3,000,000
ANB (American National Bank)	63,055,000	Johan Bank of Wyoming	1,000,000
Bank of Bridger	1,000,000	Lusk State Bank	1,000,000
Bank of Jackson Hole	17,000,000	Oregon Trail Bank	2,000,000
Buffalo Federal Savings Bank	2,400,000	Pinnacle Bank	9,200,000
Central Bank and Trust	6,000,000	Platte Valley Bank	2,600,000
Cheyenne State Bank	1,300,000	Points West Community Bank	5,000,000
Commerce Bank of Wyoming	12,000,000	Security First Bank	1,000,000
First Bank of Wyoming	10,000,000	Summit National Bank	400,000
First Federal Savings	10,000,000	Tri-County Bank	245,000
First National Bank of Gillette	3,900,000	Uinta Bank	11,000,000
First National Bank of Wyoming	2,400,000	Wyoming Bank and Trust	2,200,000
First State Bank	3,000,000	Wyoming National Bank	2,000,000

WYO-STAR

WYOMING STATE TREASURER'S ASSET RESERVE

In 1987, the Wyoming State Legislature authorized any county, municipality, school district or any other local government entity to participate in the WYO-STAR program (W.S. 9-1-416.) The Wyoming State Treasurer established an investment pool or common fund in which all monies are commingled for investment purposes.

Each WYO-STAR participant has an individual interest in the pool based on the ratio of that participant's cash balance as a percentage of the total cash balance of the pool. Separate accounts are maintained for each governmental entity.

The primary goal of the WYO-STAR portfolio is to pursue a short-term and extended-term fixed income investment strategy. The WYO-STAR portfolio maintains an exceptionally strong credit profile. This rigorous risk management approach has been tailored to meet the State's investment guidelines and position the WYO-STAR portfolio defensively.

Liquidity being the second objective, WYO-STAR continues to guarantee the return of funds on a 24-hour notice.

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

All WYO-STAR investments conform to the statute covering the State Treasurer's other investments (W.S. 9-4-831). WYO-STAR investments, conformance to state statutes, and manager performance are reviewed quarterly by the State Loan and Investment Board's consultant R.V. Kuhns.

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

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

As of June 30, 2012, there were 160 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2012, was \$712,452,017.

Participants earned \$2,815,162 in the FY 12.

WYO-STAR yields realized in FY 12 are as follows:

07/11	0.484%	01/12	0.356%
08/11	0.742%	02/12	0.337%
09/11	0.713%	03/12	0.334%
10/11	0.510%	04/12	0.335%
11/11	0.395%	05/12	0.372%
12/11	0.271%	06/12	0.324%

The annualized yield for FY 12 was 0.431%.

FY 2012 DISTRIBUTIONS TO CITIES & TOWNS

<u>CITY/TOWN</u>	<u>POPULATION</u>	<u>SEVERANCE TAX W.S. 39-14-801</u>	<u>FEDERAL MINERAL ROYALTY W.S. 9-4-601</u>	<u>TOTAL</u>
Afton	1,911	\$70,128.03	\$146,341.56	\$216,469.59
Albin	181	6,642.17	20,117.92	\$26,760.09
Alpine	828	30,385.14	71,907.79	\$102,292.93
Baggs	440	16,146.69	30,427.30	\$46,573.99
Bairoil	106	3,889.89	16,348.45	\$20,238.34
Bar Nunn	2,213	81,210.54	94,275.69	\$175,486.23
Basin	1,285	47,155.71	86,165.78	\$133,321.49
Bear River	518	19,009.05	42,480.14	\$61,489.19
Big Piney	552	20,256.77	64,381.27	\$84,638.04
Buffalo	4,585	168,255.93	244,629.58	\$412,885.51
Burlington	288	10,568.76	27,949.99	\$38,518.75
Burns	301	11,045.81	25,499.95	\$36,545.76
Byron	593	21,761.34	47,841.49	\$69,602.83
Casper	55,316	2,029,933.64	1,996,569.70	\$4,026,503.34
Cheyenne	59,466	2,182,226.39	2,682,070.26	\$4,864,296.65
Chugwater	212	7,779.78	22,052.59	\$29,832.37
Clearmont	142	5,210.99	18,088.26	\$23,299.25
Cody	9,520	349,355.86	469,324.64	\$818,680.50
Cokeville	535	19,632.91	51,770.13	\$71,403.04
Cowley	655	24,036.57	51,275.15	\$75,311.72
Dayton	757	27,779.66	47,456.45	\$75,236.11
Deaver	178	6,532.06	21,857.99	\$28,390.05
Diamondville	737	27,045.72	65,653.43	\$92,699.15
Dixon	97	3,559.61	15,401.02	\$18,960.63
Douglas	6,120	224,585.91	326,137.15	\$550,723.06
Dubois	971	35,632.82	74,573.13	\$110,205.95
East Thermopolis	254	9,321.04	21,665.88	\$30,986.92
Edgerton	195	7,155.92	18,985.43	\$26,141.35
Elk Mountain	191	7,009.14	18,696.85	\$25,705.99
Encampment	450	16,513.66	30,777.90	\$47,291.56
Evanston	12,359	453,538.76	670,650.42	\$1,124,189.18
Evansville	2,544	93,357.29	106,132.99	\$199,490.28
Fort Laramie	230	8,440.33	22,553.32	\$30,993.65
Frannie	157	5,761.43	20,549.45	\$26,310.88
Gillette	29,087	1,067,406.91	1,537,359.72	\$2,604,766.63
Glendo	205	7,522.89	21,720.69	\$29,243.58
Glenrock	2,576	94,531.59	145,962.30	\$240,493.89
Granger	139	5,100.88	17,702.24	\$22,803.12
Green River	12,515	459,263.50	528,405.90	\$987,669.40
Greybull	1,847	67,779.45	117,290.44	\$185,069.89
Guernsey	1,147	42,091.50	69,388.40	\$111,479.90
Hanna	841	30,862.22	44,487.17	\$75,349.39
Hartville	62	2,275.20	14,939.91	\$17,215.11
Hudson	458	16,807.24	43,099.39	\$59,906.63
Hulett	383	14,054.98	42,153.86	\$56,208.84
Jackson	9,577	351,447.59	482,070.09	\$833,517.68
Kaycee	263	9,651.32	25,171.76	\$34,823.08
Kemmerer	2,656	97,467.34	197,544.82	\$295,012.16
Kirby	92	3,376.11	15,501.01	\$18,877.12
La Barge	551	20,220.07	52,869.80	\$73,089.87
La Grange	448	16,440.27	35,556.11	\$51,996.38

(Continued on Next Page)

FY 2012 DISTRIBUTIONS TO CITIES & TOWNS

CITY/TOWN	POPULATION	SEVERANCE	FEDERAL	TOTAL
		TAX	MINERAL	
		W.S. 39-14-801	W.S. 9-4-601	
Lander	7,487	274,750.77	474,345.24	\$749,096.01
Laramie	30,816	1,130,856.07	711,902.56	\$1,842,758.63
Lingle	468	17,174.21	36,473.80	\$53,648.01
Lost Springs	4	146.78	12,203.36	\$12,350.14
	2,360	86,605.03	145,701.36	\$232,306.39
Lusk	1,567	57,504.27	128,188.59	\$185,692.86
Lyman	2,115	77,614.24	127,201.69	\$204,815.93
Manderson	114	4,183.47	18,313.54	\$22,497.01
Manville	95	3,486.22	18,862.10	\$22,348.32
Marbleton	1,094	40,146.57	112,867.94	\$153,014.51
Medicine Bow	284	10,421.95	21,957.60	\$32,379.55
Meeteetse	327	11,999.94	30,605.49	\$42,605.43
Midwest	404	14,825.61	29,472.38	\$44,297.99
Mills	3,461	127,008.46	138,982.44	\$265,990.90
Moorcroft	1,009	37,027.31	86,535.86	\$123,563.17
Mountain View	1,286	47,192.41	83,222.88	\$130,415.29
Newcastle	3,532	129,613.97	175,687.88	\$305,301.85
Opal	96	3,522.92	18,598.00	\$22,120.92
Pavillion	231	8,477.02	26,172.41	\$34,649.43
Pine Bluffs	1,129	41,430.98	65,636.02	\$107,067.00
Pine Haven	490	17,981.56	49,739.90	\$67,721.46
Pinedale	2,030	74,495.01	196,601.36	\$271,096.37
Powell	6,314	231,705.14	316,324.12	\$548,029.26
Ranchester	855	31,375.96	51,658.19	\$83,034.15
Rawlins	9,259	339,777.93	339,639.25	\$679,417.18
Riverside	52	1,908.24	13,823.21	\$15,731.45
Riverton	10,615	389,539.12	666,255.46	\$1,055,794.58
Rock River	245	8,990.77	17,540.67	\$26,531.44
Rock Springs	23,036	845,353.09	960,011.45	\$1,805,364.54
Rolling Hills	440	16,146.69	37,369.36	\$53,516.05
Saratoga	1,690	62,017.99	74,254.82	\$136,272.81
Sheridan	17,444	640,143.23	762,913.22	\$1,403,056.45
Shoshoni	649	23,816.38	54,817.70	\$78,634.08
Sinclair	433	15,889.83	30,181.86	\$46,071.69
Superior	336	12,330.22	28,783.79	\$41,114.01
Star Valley Ranch	1,503	55,155.65	118,300.03	\$173,455.68
Sundance	1,182	43,375.90	98,801.16	\$142,177.06
Ten Sleep	260	9,541.24	24,832.55	\$34,373.79
Thayne	366	13,431.12	40,154.90	\$53,586.02
Thermopolis	3,009	110,421.41	129,506.34	\$239,927.75
Torrington	6,501	238,567.48	313,292.92	\$551,860.40
Upton	1,100	40,366.76	65,044.33	\$105,411.09
Van Tassell	15	550.47	13,083.50	\$13,633.97
Wamsutter	451	16,550.38	33,501.48	\$50,051.86
Wheatland	3,627	133,100.16	186,984.92	\$320,085.08
Worland	5,487	201,356.66	285,816.19	\$487,172.85
Wright	1,807	66,311.57	109,575.02	\$175,886.59
Yoder	151	5,541.27	18,928.50	\$24,469.77
GRAND TOTALS	384,960	\$14,126,893.81	\$18,562,500.00	\$32,689,393.81

Distribution Dates: Severance Tax: Quarterly
Federal Mineral Royalty: Quarterly

FY 2012 DISTRIBUTIONS TO COUNTIES

COUNTIES	RAILROAD CAR TAX W.S. 39-13-103	VETERANS' EXEMPTION W.S. 39-13-105	US FOREST RESERVE W.S. 9-4-501	TAYLOR GRAZING ACT W.S. 9-4-401	SEVERANCE TAX DISTRIBUTION W.S. 39-14-801	LIVESTOCK PREDATORY ANIMAL CONTROL FEES W.S. 11-6-210	FINES & PENALTIES W.S. 8-1-109	INDIAN EXEMPTION W.S. 31-3-101	TOTAL
Albany	\$177,859.54	\$228,553.19	\$294,708.57	\$34,318.57	\$366,887.19	\$52,064.75	\$172,726.32	0.0	\$1,327,118.13
Big Horn	69,453.78	112,412.03	427,839.07	15,677.62	142,930.82	34,965.00	59,306.12	0.0	\$862,584.44
Campbell	249,991.53	163,490.41	0.00	42,092.71	437,708.25	73,715.25	234,430.68	0.0	\$1,201,428.83
Carbon	152,490.67	96,827.96	415,338.88	52,522.77	159,582.46	131,404.95	563,895.67	0.0	\$1,572,063.36
Converse	283,658.82	106,056.83	9,324.33	70,879.33	140,889.47	68,500.70	90,557.34	0.0	\$769,866.82
Crook	31,089.79	76,108.91	240,384.57	22,151.77	108,971.72	66,629.20	43,028.59	0.0	\$588,364.55
Fremont	44,986.79	317,715.12	656,022.59	31,079.88	388,351.69	72,273.15	189,749.94	248,658.92	\$1,948,838.08
Goshen	164,550.20	157,223.85	0.00	9,277.26	188,117.97	62,057.57	72,066.14	0.00	\$653,292.99
Hot Springs	27,812.63	67,250.31	32,494.06	12,127.72	84,085.41	16,865.35	34,184.23	0.00	\$274,819.71
Johnson	0.00	116,817.09	198,913.27	52,670.71	87,680.94	69,428.85	128,099.11	0.00	\$653,609.97
Laramie	275,751.08	1,331,987.11	0.00	4,458.54	876,299.22	17,132.49	543,297.99	0.00	\$3,048,926.43
Lincoln	93,219.56	112,474.32	614,294.71	10,411.49	180,277.49	54,605.06	93,438.42	0.00	\$1,158,721.05
Natrona	77,727.08	595,841.15	2,320.13	101,973.61	720,594.07	47,724.20	402,670.81	0.00	\$1,948,851.05
Niobrara	81,376.42	30,660.30	0.00	18,192.95	119,243.84	57,911.05	12,039.22	0.00	\$319,423.78
Park	43,672.87	278,303.39	823,702.21	20,646.31	277,107.35	37,271.35	134,393.55	0.00	\$1,615,097.03
Platte	108,221.21	146,261.16	811.12	11,915.00	139,761.89	25,434.37	42,681.33	0.00	\$475,086.08
Sheridan	96,772.20	334,831.88	153,440.28	4,182.23	291,004.49	62,646.80	149,054.39	0.00	\$1,091,932.27
Sublette	0.00	61,015.00	289,398.23	16,642.14	98,790.78	13,673.26	226,453.20	0.00	\$705,972.61
Sweetwater	297,113.64	280,281.79	49,473.05	54,027.82	417,509.24	16,608.85	269,839.48	0.00	\$1,384,853.87
Teton	0.00	60,771.58	207,502.43	202.50	208,811.00	0.00	129,763.31	0.00	\$607,050.82
Uinta	131,513.25	142,333.24	25,198.84	9,897.91	214,488.72	42,610.35	102,057.32	0.00	\$668,099.63
Washakie	25,550.50	94,731.90	19,470.77	17,073.09	141,686.33	29,244.80	73,890.08	0.00	\$401,647.47
Weston	107,333.44	79,672.54	8,655.89	34,575.45	132,959.87	39,806.90	52,870.82	0.00	\$455,874.91
GRAND TOTAL	\$2,540,145.00	\$4,991,621.06	\$4,469,293.00	\$646,997.38	\$5,923,740.21	\$1,092,574.25	\$3,820,494.06	\$248,658.92	\$23,733,523.88

FEDERAL MINERAL ROYALTY DISTRIBUTION

	UNDER \$200 MILLION %	DISTRIBUTIONS MADE IN FY 12	OVER \$200 MILLION DIST FY 12	Coal Bonus (received in FY12 to be Distributed in FY13)	TOTAL FY 12 ROYALTY MONEY DISTRIBUTED
Cities & Towns	9.375%	\$18,562,500.00	\$0.00		\$18,562,500.00
University Of Wyoming Foundation Fund	6.750%	13,365,000.00	0.00		\$13,365,000.00
d	30.375%	60,142,500.00	0.00		\$60,142,500.00
Highway Fund State Roads	2.250%	4,455,000.00	0.00		\$4,455,000.00
Cities, Counties & Special Districts Capital Const.	3.750%	7,425,000.00	0.00		\$7,425,000.00
School Districts - Grants	2.700%	5,346,000.00	0.00		\$5,346,000.00
1% General Fund		2,000,000.00	0.00		\$2,000,000.00
UW Bond Coverage			0.00		\$0.00
Budget Reserve Account			406,218,740.15		\$406,218,740.15
TOTAL	100.00%	\$200,000,000.00	\$609,378,448.59	\$0.00	\$809,378,448.59
Bonus Payments				0.00	
Cities, Counties & Special Districts Capital Const.*	3.75%	\$5,625,000.00	0.00		\$5,625,000.00
School Capital Construction	40.00%	136,229,794.57	0.00		\$136,229,794.57
Community College Commission**	10.00%	1,600,000.00	0.00		\$1,600,000.00
Highway Funds*	12.50%	1,875,000.00	0.00		\$1,875,000.00
TOTAL	100.00%	\$145,329,794.57	\$0.00	\$0.00	\$145,329,794.57
GRAND TOTAL FY10 DISTRIBUTIONS		\$345,329,794.57	\$609,378,448.59	\$0.00	\$954,708,243.16
GRAND TOTAL FY10 COLLECTIONS				\$0.00	\$954,708,243.16

Notes:

Distribution FY 12 plus FY 12 "over \$200 million" = Total FY 12 royalty money distributed.

The "over \$200 million FY 12" distribution was completed 9/12.

Mineral Royalties are distributed quarterly to Cities & Towns and State Agencies but monthly to the School Foundation Fund.

*The first seven million five hundred thousand dollars of Coal Bonus payments shall be distributed according to 9-4-601(b)(i)(A).

** 9-4-601(b)(iv)(A) ten percent but not to exceed one million six hundred thousand dollars.

ENDOWMENT CHALLENGE FUND MATCHING PROGRAMS

There were six endowment challenge fund matching programs administered by the State Treasurer's Office as of June 30, 2012, involving 49 eligible institutions. The initial appropriation to an endowment challenge fund matching program occurred in fiscal year 2001. The Wyoming State Legislature has appropriated matching funds totaling \$233.2 million as of June 30, 2012.

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

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

The following is a list of the endowment challenge fund matching programs authorized by the state statutes as of June 30, 2012 that are to be administered by the state treasurer:

- The University of Wyoming (UW) Endowment Challenge Program
W.S. 21-16-901 through 21-16-904 established in fiscal year 2001.
- The University Athletics Challenge Account
W.S. 21-16-1001 through 21-16-003 established in fiscal year 2004.
- The University Academic Facilities Challenge Account,
W.S. 21-16-1401 through 21-16-1403 established in fiscal year 2006.
- The Community College Challenge Programs, seven (7) in total,
W.S. 21-16-1101 through 21-16-1104 established in fiscal year 2004.
- The Critical Access/Rural Hospital Endowment Challenge programs, sixteen (16) in total,
W.S. 35-1-1001 through 35-1-1004 established in fiscal year 2007.
- The Wyoming Public Library Endowment Challenge Program, twenty-three (23) in total,
W.S. 18-7-201 through 18-7-205 established in fiscal year 2009.

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

During the 2012 Legislative Session the Hospital Endowment Challenge Program reverted to the Budget Reserve any unexpended and unobligated funds in excess of 1.5 million. The amount that was reverted from this program was 1.4 million.

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

University and Community College Endowment Challenge Program Inception through June 30, 2012				
<u>Institution</u>	<u>Total Appropriation</u>	<u>Unfunded Commitments</u>	<u>Payments</u>	<u>Remaining Appropriation</u>
UW	\$92,150,000	\$5,070,829	\$83,070,025	\$4,009,146
UW Athletics	\$19,000,000	\$1,322,782	\$17,677,218	\$0
UW Academic Facilities	\$53,327,478	\$4,047,667	\$29,794,213	\$19,485,598
Casper	\$10,083,333	\$0	\$9,898,726	\$184,607
CWCC	\$5,000,000	\$12,245	\$4,987,755	\$0
EWCC	\$3,667,803	\$0	\$2,789,828	\$877,975
LCCC	\$8,000,000	\$561,276	\$7,195,058	\$243,666
NWCC	\$9,333,333	\$328,529	\$7,994,741	\$1,010,063
Sheridan	\$9,915,530	\$1,515,830	\$7,950,839	\$448,861
WWCC	\$5,000,000	\$11,105	\$3,845,481	\$1,143,414
TOTAL	\$215,477,477	\$12,870,263	\$175,203,884	\$27,403,330

Critical Access or Rural Hospital Endowment Challenge Fund Matching Programs Inception through June 30, 2012				
<u>Institution</u>	<u>Total Appropriation</u>	<u>Unfunded Commitments</u>	<u>Payments</u>	<u>Remaining Appropriation</u>
Star Valley Medical	\$240,070	\$0	\$132,927	\$107,143
Johnson Co Mem Hospital	\$250,000	\$0	\$250,000	\$0
West Park Hospital	\$107,142	\$0	\$0	\$107,142
Mem Hospital Converse Co	\$317,172	\$5,475	\$210,029	\$101,668
So Lincoln Med Ctr	\$107,143	\$0	\$0	\$107,143
No Big Horn Hospital	\$117,143	\$0	\$10,000	\$107,143
Weston Co Health Serv	\$107,143	\$0	\$0	\$107,143
Powell Med Foundation	\$248,475	\$0	\$141,332	\$107,143
Carbon Co Mem Hospital	\$107,143	\$0	\$0	\$107,143
Crook Co Hospital	\$107,143	\$0	\$0	\$107,143
Hot Springs Co Mem Hosp	\$250,000	\$0	\$250,000	\$0
Community Hospital (Torr)	\$157,143	\$0	\$50,000	\$107,143
Platt Co Mem Hospital	\$107,143	\$0	\$0	\$107,143
Washakie Med Ctr	\$107,143	\$0	\$0	\$107,143
So Big Horn Co Hosp Dist	\$107,143	\$0	\$0	\$107,143
Niobrara Health & Life Ctr	\$191,699	\$0	\$84,557	\$107,142
TOTAL	\$2,628,845	\$5,475	\$1,128,845	\$1,494,525

Public Library Endowment Challenge Programs Inception through June 30, 2012					
<u>County Library</u>	<u>Appropriation</u>	<u>Endowment Gift</u>	<u>Amount Paid</u>	<u>Unfunded Commitments</u>	<u>Unobligated</u>
6901 Natrona	\$656,522	\$455,497	\$555,497	\$0	\$101,025
6902 Laramie	\$656,522	\$225,403	\$550,806	\$0	\$105,716
6903 Sheridan	\$656,522	\$278,261	\$656,522	\$0	\$0
6904 Sweetwater	\$656,522	\$206,955	\$306,955	\$0	\$349,567
6905 Albany	\$656,522	\$195,362	\$656,522	\$0	\$0
6906 Carbon	\$656,522	\$247,638	\$595,276	\$0	\$61,246
6907 Goshen	\$656,522	\$151,663	\$554,990	\$0	\$101,532
6908 Platte	\$656,522	\$83,219	\$349,656	\$0	\$306,866
6909 Big Horn	\$656,522	\$75,620	\$326,861	\$0	\$329,661
6910 Fremont	\$656,522	\$316,632	\$416,632	\$1,277	\$238,613
6911 Park	\$656,522	\$189,794	\$479,587	\$0	\$176,935
6912 Lincoln	\$656,522	\$68,262	\$236,523	\$1,962	\$418,037
6913 Converse	\$656,522	\$69,350	\$238,700	\$0	\$417,822
6914 Niobrara	\$656,522	\$185,961	\$656,522	\$0	\$0
6915 Hot Springs	\$656,522	\$112,000	\$436,000	\$0	\$220,522
6916 Johnson	\$656,522	\$201,301	\$502,601	\$0	\$153,921
6917 Campbell	\$656,522	\$245,392	\$345,392	\$1,600	\$309,530
6918 Crook	\$656,522	\$34,482	\$203,446	\$0	\$453,076
6919 Unita	\$656,522	\$92,530	\$285,059	\$0	\$371,463
6920 Washakie	\$656,522	\$111,391	\$434,174	\$0	\$222,348
6921 Weston	\$656,522	\$88,699	\$366,097	\$0	\$290,425
6922 Teton	\$656,522	\$143,584	\$243,584	\$0	\$412,938
6923 Sublette	\$656,522	\$500,000	\$600,000	\$0	\$56,522
TOTAL	\$15,100,006	\$4,278,996	\$9,997,402	\$4,839	\$5,097,765

INTERFUND BORROWING SCHOOL FOUNDATION PROGRAM

For several years the state issued tax and revenue anticipation notes (TRANS), as authorized by W.S. 9-4-1101 through 9-4-1105, to fund temporary cash flow shortfalls in the School Foundation Fund in order to make school foundation program payments to Wyoming school districts as required by Wyoming Statutes. However, since fiscal year 2007, the State of Wyoming has not issued any tax and revenue anticipation notes. Instead, school foundation program payments are made by temporary interfund borrowing from the corpus of the Common School Permanent Land Fund (CSPLF) at 6% interest as allowed by W.S. 21-13-316.

A cash flow analysis spreadsheet is included on the following page that shows the schedule of actual revenue receipts during FY 12, the schedule of statutory School Foundation payments and the incorporation of interfund borrowing from and repayment to the CSPLF for fiscal year 2012.

Interest payments from the school foundation program for this interfund borrowing totaled \$3,947,500 for FY 12. The amount of interest paid to the Common School Permanent Land Fund account was reported as income to the account to be distributed among all school districts during FY 12 as provided by Wyoming Statute.

The primary reason for the lack of liquidity to make scheduled school foundation program payments is due to the timing of receipt of revenues mainly from federal mineral royalties and ad valorem taxes.

The State Treasurer could also use the provisions of W.S. 9-1-417, which allows utilization of loans from the general fund or budget reserve account, up to \$60 million, to assist in meeting the cash flow needs for obligations of the school foundation program which come due prior to the receipt of program revenues. Loans from the general fund must be repaid as soon as anticipated revenue is received.

Liquidity needs were built into the state's investment asset allocation plan for the CSPLF for fiscal year 2012. To ensure liquidity needs are met.

Interfund borrowing will again be used to fund the cash flow for the school foundation program during FY 13.

State of Wyoming
School Foundation Account - with CSPLF Borrowing
FISCAL YEAR 2012

	Actual July 2011	Actual Aug 2011	Actual Sept 2011	Actual Oct 2011	Actual Nov 2011	Actual Dec 2011	Actual Jan 2012	Actual Feb 2012	Actual Mar 2012	Actual Apr 2012	Actual May 2012	Actual Jun 2012	FY 2012 Totals	LSO & CREG FY 12 Estimates Jan 2012
Beginning Balance	340,290,823	345,105,100	179,594,254	162,082,120	15,141,025	86,294,014	55,053,214	140,633,195	80,274,830	18,791,446	28,327,955	42,774,155	340,290,823	8,377,899
Revenues and Transfers														
Auto Tax	692,497	302,051	6,976,407	3,467,760	3,102,204	955,238	2,425,396	1,102,560	482,840	449,381	461,230	458,322	20,875,885	20,000,000
Car Company Tax	252,104		30,715		54,227							1,558	338,604	400,000
Property Tax	1,712,326	857,465	924,907	5,860,899	55,843,654	80,117,575	19,196,272	4,394,614	1,126,792	2,206,997	46,359,182	74,377,983	292,978,666	292,076,403
Penalty-Delinq taxes							0	0	0	0	0	0	0	0
Federal Mineral Royalty (under 200mm)	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	7,392,000	88,704,000	
FMR (over 200mm)			50,291,885				36,625,766		0	69,908,868		61,293,463	218,119,981	281,200,000
Interest - WY Municipalities	141,692	94,120	73,930	34,761	21,850	26,963	211,612	105,522	60,956	46,339	78,196	209,050	1,104,992	1,000,000
Interest - Investments		1,186,139	708,783	558,982	167,986	15,004	177,153	251,978	259,380	106,958	109,969	1,418,727	4,961,060	4,000,000
Recapture	218				240,321		98,634,788					122,919,318	221,794,645	221,000,000
Comm School Income Fund (Trsfr from)	2,560						38,600,213					95,999,877	134,602,651	61,700,000
Net Capital Gain/(Loss)		168,854	109,441	158,142	110,950	3,054	131,473	196,696	112,642	51,618	(10,183)	(1,032,688)	0	0
CSPLF Borrowing					155,000,000		(50,000,000)					(105,000,000)	0	0
Total Revenues and Transfers	10,193,397	10,000,829	66,508,067	17,472,544	221,933,192	88,509,836	153,394,673	13,443,370	9,434,610	80,162,161	54,390,394	258,037,609	983,480,483	889,754,302
Expenditures														
Entitlements - School Districts	5,324	(100,257,772)	(71,984,556)	(68,633,083)	(68,745,183)	(69,301,480)	(68,981,347)	(69,154,756)	(68,936,278)	(68,936,207)	(34,483,362)	0	(689,408,700)	
ECA Entitlements													0	
Entitlement/Audit Adjustments	22,098		302,177		(687,000)	191,427	824,411	50,000	(113,233)	773,957	0	0	1,363,837	(2,500,000)
Combined Incentive Payments				(100,406)									(100,406)	(100,990)
Tax Shortfall Grants				(577,202)	(275,028)		(4,821)						(857,052)	(10,000,000)
Recapture Loan		(43,570,821)				41,694,457	1,000,000		894,625	0	0		18,261	
Vocational Education Grants								(8,114)	(46,851)	0	(1,163)	(29,289)	(353,106)	(250,000)
SF01 & SF70 Summer School		(4,061,010)		(25,381)		(8,545,912)	585,486		(6,697)	(107,883)	(4,255)	(65,000)	(12,230,653)	(10,000,000)
2010 Budg Bill School Age Blind Summer				(10,000)									(10,000)	(7,500)
SF70 At-Risk													(6,804)	
SF70 Distance Education													(6,295)	
SF70 Distance Education Grant	(7,781)	(15,857)	(48,014)	(13,852)	(5,345)	(16,461)	(22,583)	(22,841)	0	(2,409)	(3,852)	(6,689)	(165,685)	(250,000)
COP Payments	(717,521)	(868,036)	(643,936)	(723,443)	(726,226)	(767,500)	(674,107)	(814,075)	(778,171)	(797,691)	(779,002)	(769,759)	(9,059,467)	(11,193,903)
Employer Insurance Contribution	(1,627,105)	(1,730,163)	(286,659)										(3,643,927)	(9,574,167)
SF01 & SF70 Instructional Facilitators	79,437	(20,192,209)		64,587	17,557			138,841					(19,813,558)	(20,500,000)
National Bd Certification Payment Reimb								(1,280,000)					(1,280,000)	(1,344,000)
School Finance Technology HB12		(5,673)	(7,006)	(24,891)	(165,788)	(14,659)	(116)	(6,562)	(44,720)	(13,155)	(3,923)		(286,493)	(340,000)
Education Reform	(48,577)	(1,012,466)	(1,369,430)	(610,337)	(548,501)	(550,899)	(513,131)	(850,304)	(704,752)	(708,821)	(3,616,316)	(3,773,613)	(14,307,148)	(15,852,504)
Student Performance Data System	(296,811)	(39,946)	(41,547)	(49,642)	(40,456)	(210,527)	(40,000)	(39,092)	(27,964)	(928)	113,424	(38,002)	(711,489)	(1,068,568)
WDE Budget	(190,410)	(393,098)	(229,460)	(173,215)	(250,919)	(538,884)	(154,843)	(164,168)	(151,496)	(158,677)	(302,264)	(227,574)	(2,935,009)	(3,733,130)
WDE - Recalibration	(14,513)	(14,404)	(14,830)	(14,374)	(14,466)	(14,191)	(14,032)	40,679	(10,093)	(7,233)	(7,210)	3,449	(81,016)	
* Capital Facilities Bond Debt Service (FMR)	232,586		(6,955,496)	1,729,500	1,167,000		3,729,500	0	0	0	0	(7,518,553)	(7,615,463)	
+ C.S. Spending Policy transfer to C.S. Reserve								0	0	0	0	0	0	0
National Guard Youth Challenge	(23,621)	(173,890)	(60,418)	55,473	(29,378)	(36,643)	103,073	(135,008)	(21,615)	117,989	(59,071)	(29,064)	(292,164)	(525,153)
School Funding Equity Litigation	(77,458)	(67,212)	(139,712)	(67,587)	(47,462)	(57,210)	(33,474)	(33,197)	(35,674)	(89,537)	(33,882)	(36,443)	(718,848)	(1,122,745)
Capital Construction	(2,694,540)	(3,037,505)	(2,453,091)	(3,521,797)	(867,348)	(1,275,452)	(2,776,356)	(900,801)	(435,233)	(1,117,091)	(207,408)	(565,271)	(19,798,302)	(230,000,000)
Teacher Shortage Loan Repayment	4,167	(3,710)	(71,489)	(366)	588	(436)	998	(98,398)	434	478	1,016	(7,647)	(174,365)	(300,000)
Trust Land Preservation - OSLI		(40,019)	(1,981)	(14,465)	(16,048)	(13,475)	0	0	(2,946)	(21,050)	(1,215)	(497)	(111,696)	(586,115)
Retirement System Audit								0					0	(11,747,500)
LSO	(18,531)	(27,694)	(14,953)	(42,765)	(31,437)	(3,025)	(68,350)	(5,500)	(10,488)	(828)	(20,842)	(55,117)	(299,531)	
ETS													(962,524)	
Vouchers	(5,865)										(636)		(181)	(6,682)
09 SF 124 Sec 2 (WS 21-13-306) Foundation				(91,660,394)	(79,514,764)	(79,514,764)							(250,689,922)	
Interfund Borrowing Interest Expense					0	(775,000)	(775,000)	(525,000)	(525,000)	(525,000)	(525,000)	(525,000)	(297,500)	(6,500,000)
Total Education Expenditures	(5,379,120)	(175,511,476)	(84,020,201)	(164,413,639)	(150,780,203)	(119,750,636)	(67,814,692)	(73,801,735)	(70,917,995)	(70,625,651)	(39,944,194)	(14,304,970)	(1,037,529,182)	(1,093,503,540)
Ending Balance	345,105,100	179,594,254	162,082,120	15,141,025	86,294,014	55,053,214	140,633,195	80,274,830	18,791,446	28,327,955	42,774,155	286,506,794.04	286,242,123	(195,371,339)
CSPLF Loan Balance	0	0	0	0	155,000,000	155,000,000	105,000,000	105,000,000	105,000,000	105,000,000	105,000,000	0	0	0

* W.S. 9-4-605
FMR Divert/Repay Cap Fac Bond Debt Service

+ W.S. 9-4-719 Spending Policy

CAPITAL FACILITIES REVENUE BOND

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

SERIES	AMOUNT ISSUED	INTEREST RANGE %	BONDS OUTSTANDING JULY 1, 2011	PRINCIPAL PAYMENTS FY12	YEAR OF MATURITY	BALANCE JUNE 30, 2012
1992	\$28,750,000	3.0-6.25	\$12,465,000	\$0	(2020)	\$12,465,000
1993	8,777,522	4.1-6.2	880,455	880,455	(2011)	\$0
2002	10,405,000	2.75-5.0	2,380,000	1,160,000	(2012)	\$1,220,000
2005	23,440,000	2.5-5.0	20,200,000	605,000	(2023)	\$19,595,000
Total Outstanding Revenue Bonds						\$33,280,000

Future minimum payments for revenue bonds are as follows:

FISCAL YEAR ENDED JUNE 30	PRINCIPAL	INTEREST
2013	1,860,000	1,685,050
2014	2,150,000	1,590,031
2015	2,260,000	1,479,588
2016	2,375,000	1,357,256
2017	2,510,000	1,223,113
2018-2022	12,715,000	4,011,706
2023-2025	9,410,000	721,750

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 & liability for the defeased bonds are not included in this financial statement.

New Issues:

No new bonds were issued In fiscal year 2012.

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BOND GUARANTEE AND BOND SUPPLEMENTAL COVERAGE PROGRAMS

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

SCHOOL DISTRICT BOND GUARANTEE PROGRAM

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

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

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

As of June 30, 2012, the State Loan and Investment Board had approved guaranteeing school district bonds issues with original amounts totaling \$169,639,000. Of these, 28 issues have now been called or paid off completely and \$3,950,000 is still outstanding. On May 24, 2012 the Fremont County School District #1-01 issue was refunded by the 2012 series bonding.

LOCAL GOVERNMENT BOND GUARANTEE PROGRAM

Wyoming Statute 9-4-1002 authorizes the State Loan and Investment 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, 2012, the State Loan and Investment Board had not approved any local government bond issues for this guarantee program.

UNIVERSITY OF WYOMING REVENUE BOND SUPPLEMENTAL COVERAGE PROGRAM

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

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

As of June 30, 2012, the State Loan and Investment Board had approved supplemental coverage for one bond issued by the University for facility improvements and refunding revenue bonds in the amount of \$16,740,000.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

The 1993 Wyoming State Legislature enacted the Uniform Unclaimed Property Act (W.S. 34-24-101 through 34-24-139), effective March 11, 1993; Section 140 was enacted in 1994. During Fiscal Year 2012, funds totaling more than \$5.3 million were received and deposited into the trust fund to be held in perpetuity for the owners. More than \$2.0 million was returned to the rightful owners or heirs.

The Unclaimed Property Division is responsible for receiving unclaimed funds from any entity that cannot locate the owner. Packets are mailed annually 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 via the owner notification program and the owner outreach program. 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, responsibilities and how to claim their funds.

The unclaimed funds listing is available for public inspection after the funds have been held for two years. This two-year period allows for owner outreach and notification. If the owner fails to come forth within the two-year period, the names are 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. No fee is charged if the funds are collected directly through the Unclaimed Property Division.

The Unclaimed Property Division maintains the records for almost 467,000 properties, totaling more than \$68.1 million. Since inception, the division has returned more than \$27.1 million to rightful owners or heirs.

The major goals and accomplishments for FY12 were: (1) negotiated and contracted with Verus Financial LLC for auditing services and (2) managed the largest number of stock issues since the program inception.

Unclaimed property owner information and lists were requested by several heirfinders. Written inquiries from persons seeking their possible unclaimed funds decreased by 62% over FY11. These inquiries were received from states and several foreign countries. Internet inquiries on the Wyoming Unclaimed Property Website (www.wywindfall.gov) decreased 44% over FY11. Claims filed by rightful owners/heirs increased by 33% and owner outreach increased by 303% over FY11.

WYOMING UNIFORM UNCLAIMED PROPERTY ACT

<u>FISCAL YEAR</u>	<u>BEGINNING BALANCE</u>	<u>RECEIVED</u>	<u>DISBURSED</u>	<u>ENDING BALANCE</u>
FY00	10,170,551.29	1,975,557.85	1,274,918.31	10,871,190.83
FY01	10,871,190.83	2,763,717.84	1,050,831.89	12,584,076.78
FY02	12,584,076.78	3,489,779.83	1,917,521.28	14,156,335.33
FY03	14,156,335.33	3,116,677.58	1,657,258.29	15,615,754.62
FY04	15,615,754.62	3,784,421.94	1,982,406.14	17,417,770.42
FY05	17,417,770.42	3,188,781.15	1,389,724.33	19,216,827.24
FY06	19,216,827.24	4,468,854.76	1,390,353.36	22,295,328.64
FY07	22,295,328.64	4,258,239.76	1,439,396.86	25,114,171.54
FY08	25,114,171.54	4,169,527.52	1,372,748.31	27,910,950.75
FY09	27,910,950.75	4,945,635.62	749,176.57	32,107,409.80
FY09-13th Period				
- NSF Write-Offs	32,107,409.80	0.00	2,820.42	32,104,589.38
FY10	32,104,589.38	4,831,273.70	2,955,361.51	33,980,501.57
FY11	33,980,501.57	5,653,817.01	1,822,298.06	37,812,020.52
FY12	37,812,020.52	5,339,450.49	2,094,396.51	41,057,074.50

NOTES:

Due to conversion to a new unclaimed property database system, the disbursed amount in FY 09 dropped significantly. Public outreach projects were placed on hold for almost 1.5 years due to this conversion. The disbursed amount increased again in FY 10 upon completion of the conversion and reinstatement of the outreach projects.

Prior 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 (CSPLF).

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 CSPLF. Instead, unclaimed funds are held in perpetuity for the rightful owners or their heirs in accordance with statute.

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WYOMING FAMILY COLLEGE SAVINGS PROGRAM

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

Following passage of this change in legislation, Wyoming closed its 529 college savings program and partnered with the State of Colorado to offer 529 college savings plans. Under this new structure, Wyoming residents are able to invest in any 529 plan offered by CollegeInvest, a not-for-profit division of the Colorado Department of Higher Education and enjoy the same preferred fee structure as Colorado residents. Wyoming was the first state to partner with another state to offer 529 college savings plans.

Money saved through 529 plans can be used nationwide at any eligible educational institution, including public or private colleges, universities, vocational schools and even some foreign universities. Money in 529 plans can be used to pay for qualified higher education expenses such as tuition, fees, certain room and board and required supplies.

As part of the partnership with Colorado CollegeInvest, the Wyoming Family College Savings Program Trust (Trust) entered into a five-year Intergovernmental Agreement for Marketing Services (Marketing Agreement). On September 2, 2011, CollegeInvest notified the State Treasurer of their desire not to renew this Marketing Agreement due to the low number of CollegeInvest savings accounts held by Wyoming residents and the increasing administrative costs CollegeInvest was experiencing. Both parties mutually agreed to this request and the contract, therefore, expired on September 4, 2011. However, any Wyoming account that was opened after December 12, 2005 and before September 5, 2011 will remain subject to or exempt from fees and charges in accordance with the Marketing Agreement for the life of such Wyoming Account. This simply means that CollegeInvest will no longer market their 529 college savings plans on behalf of Wyoming. However, Wyoming citizens can still enroll and participate in the Colorado CollegeInvest plan or another state's 529 plan being offered.

Attached is a final spreadsheet which shows the activity during fiscal year 2012 while the program was still in place. As of September 4, 2011 when the partnership with CollegeInvest ended, there were 1,096 accounts totaling \$7,817,349 in average net assets.

CollegeInvest Wyoming 529 College Savings Plan Accounts July 1, 2011 through September 4, 2011

Month/Year	Scholars Choice		Direct Portfolio		Stable Value Plus		Program Total	
	Net Accounts	Net Assets	Net Accounts	Net Assets	Net Accounts	Net Assets	Net Accounts	Net Assets
FY12								
JUL 11	315	\$2,745,458	634	\$4,763,859	65	\$610,065	1,014	\$8,119,382
AUG 11	371	\$2,625,272	638	\$4,649,983	65	\$627,857	1,074	\$7,903,112
as of SEP 04 11	317	\$2,625,272	714	\$4,560,697	65	\$631,380	1,096	\$7,817,349

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APPENDIX

BALANCE SHEET

As Of June 30, 2012

ASSETS

Treasurer's Cash	\$12,432,729.04		
WYO-STAR Cash	0.00		
Cash with Fiscal Agent	68,475,495.29	\$80,908,224.33	
	<hr/>		
Income Receivable	70,123,186.83		
WYO-STAR Income Receivable	0.00	70,123,186.83	
	<hr/>		
State Investments @ Cost	15,120,482,920.48		
WYO-STAR Investments @ Cost	899,715.02		
	<hr/>		
Total Investments @ Cost		15,121,382,635.50	
		<hr/>	
TREASURER'S TOTAL ASSETS			\$15,272,414,046.66

LIABILITIES

Due to Local Government Entities (WYO-STAR income) 0.00

EQUITY

State Investment Equity	15,132,915,649.52		
Bond Funds with Fiscal Agent	68,475,495.29		
Unapportioned Income	70,123,186.83		
	<hr/>		
Total State Equity		15,271,514,331.64	
WYO-STAR Participation		899,715.02	
		<hr/>	
TREASURER'S TOTAL LIABILITY & FUND EQUITY			\$15,272,414,046.66

STATEMENT OF CASH FLOWS
WELLS FARGO ACCOUNT
For Year Ended June 30, 2012

Cash flows from operating activities:

Receipts	1	6,468,313,953.22
Less return items		<u>(2,252,658.15)</u>
Net Cash receipts		6,466,061,295.07
Increase (Decrease) in Petty Cas		(150,525.00)
Expenses		
Warrants redeemed	2	<u>(5,817,406,592.90)</u>

Net Cash provided (used) by operating activities 648,504,177.17

Cash flow from investment operations:

Cash Investment income received	3	407,397,564.55
Deferred Income (Gain/Loss)		219,384,625.95
Net increase in investments & loans receivable		<u>(1,268,458,680.73)</u>

Net Cash provided (used) by investment activities (641,676,490.23)

Net increase (decrease) in Cash 6,827,686.94

Beginning Cash: July 1, 2011 5,605,042.10

Ending Cash: June 30, 2012 12,432,729.04

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.

Fiscal Year 2012 net cash receipts decreased .25% compared to FY 11.

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 2012 warrants redeemed decreased 2.38% compared to FY 11.

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

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LEGISLATIVE AUTHORITY

<p>W.S. 9-1-401; 9-1-409 through 9-1-417 W.S. 8-1-109 W.S. 9-4-206 W.S. 9-4-305 W.S. 9-4-401 W.S. 9-4-501 through 9-4-503 W.S. 9-4-601 through 9-4-607 W.S. 9-4-605 W.S. 9-4-714 through 9-4-719 & 9-4-831 W.S. 9-4-719 W.S. 9-4-801 through 9-4-829 W.S. 9-4-901 through 9-4-904 W.S. 9-4-1001 through 9-4-1002 W.S. 9-4-1101 through 9-4-1105 W.S. 9-4-1203 W.S. 9-15-103 W.S. 10-3-403 W.S. 11-6-210 W.S. 11-34-129 W.S. 11-34-301 W.S. 16-1-109 W.S. 18-7-201 through 18-7-205 W.S. 21-16-113 W.S. 21-16-714 W.S. 21-16-809 thru 21-16-818 W.S. 21-16-902 through 21-16-904 W.S. 21-16-1001 through 21-16-1003 W.S. 21-16-1101 through 21-16-1104 W.S. 21-16-1201 through 21-16-1204 W.S. 21-16-1302 W.S. 21-16-1401 through 21-16-1403 W.S. 21-22-101; 102 W.S. 27-3-202 W.S. 31-3-101(b)(iii), (vi), (xiv) W.S. 34-24-101 through 34-24-140 W.S. 35-1-1003; 1004 W.S. 36-8-309 W.S. 37-5-206 W.S. 37-5-406 W.S. 39-13-103 W.S. 39-13-102; 105 W.S. 39-13-107 W.S. 39-14-109; 211; 311; 411; & 39-14-509; 611; 711; 801 W.S. 39-17-111 W.S. 41-2-124 W.S. 41-2-210 1987-ch 117 1989-ch 131, 285 1989-ch 230 2009-ch 103; 2010 ch 115</p>	<p>State Treasurer-Duties Generally Distribution of Fines & Penalties Disposition of Revenue/Petty Cash Accounts Inflation Proofing Permanent Land Funds Distribution of Taylor Grazing Funds Distribution of Forest Reserve Funds Distribution of Federal Mineral Royalties Bond Issues - Capital Facilities Investment of State Funds</p> <p>Investment Earnings Spending Policy Deposits in Wyoming Banks & S&L Refunding Bonds Guarantee Program for School District & Local Gov't Bonds Tax & Revenue Anticipation Notes Investment of Tobacco Settlement Fund Investment of Wildlife/Natural Resource Trust Account Wyoming Investment-Airport Loans - Aeronautics Commission Distribution of Livestock Predatory Animal Control Fees Wyoming Investment-Farm Loans Wyoming Investment-Small Water Development Project Loans Wyoming Investment-Joint Powers Board Loans County Libraries Endowment Challenge Acct/Invest & Distribute Match Investment in Insured, Guaranteed or Higher Education Loans Student Loan Standby Commitment Family College Savings Program UW Endowment Challenge Account/Invest & Distribute Matching Funds UW Athletics Challenge Account/Invest & Distribute Matching Funds Community College Endowment Challenge Account/Invest & Distribute Match Higher Education Endowment Fund-Investment & Distribution Hathaway Student Scholarship Program-Investment, Distribution & Reserve Acct UW Academic Facilities Challenge Account/Invest & Distribute Match Investment of Wyoming Education Trust Fund Investment of Worker's Compensation Funds Distribution- Indian Motor Vehicle Tax Exemption Reimbursement Unclaimed Property Critical Access/Rural Hospital Endowment Challenge Acct-Invest & Distribute Wyoming Investment in Hot Springs State Park Loans Investment in Natural Gas Pipeline Authority Bonds Investment in Wyo Infrastructure Authority Bonds Distribution of Railroad Car Tax Distribution-Veterans Property Tax Exemption Reimbursements Deferred Tax Loans to Counties Distribution of Severance Tax</p> <p>Distribution of Gas Tax Refund Distribution-Water Development funds Wyoming Investment in Cheyenne Stage II Water Project Wyoming Investment in Shoshone Municipal Water Treatment Project Loan Wyoming Investment in Sheridan Area Water Treatment Facility Loan Wyoming Investment in Laramie Territorial Park Loan Investment in Gillette Madison Pipeline</p>
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