

# WYOMING STATE TREASURER ANNUAL REPORT



**FOR THE PERIOD  
JULY 1, 2016 THROUGH JUNE 30, 2017**

***Mark Gordon, State Treasurer***

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

*Patrick D. Fleming, Chief Investment Officer*

*Erica L. Legerski, Director of Finance*

*Lachelle L. Brant, Director of Unclaimed Property*



**Mark Gordon**  
**WYOMING's 32nd STATE**  
**TREASURER**



Valerie Gordon-Johnson moving cows  
Gordon Ranch owned by Mark and Jennie Gordon  
Photographic Contribution: Mark Gordon

### Message from Treasurer Mark Gordon

“Times and conditions change so rapidly that we must keep our aim constantly focused on the future.” Walt Disney’s quote pretty well sums up what Wyoming has experienced over the past decade or so — perhaps longer. Just in my five years as State Treasurer, Wyoming has seen both record high and record low prices for oil, coal, gas and other minerals. Three years ago, Wyoming enjoyed one of her flushes years ever only to find she would suffer a catastrophic loss in revenue the next when commodity prices collapsed. 2016 will be remembered for the fact it represented the biggest loss in revenue for the state on record. 2017, happily, has been a better year.

The story of how important our state’s portfolio is to our economic wellbeing should be familiar by now. It begins with the idea that investment income should help smooth the ups and downs of the commodity cycles Wyoming has known throughout statehood. It continues with the realization that investments have become one of the three leading contributors to our state’s general fund. They now provide a significant part of financing our education system, a crucial ingredient of assuring a bright future; and a means of assuring Wyoming will continue to be a low tax state. Keeping our aim on that future has been the watchword of the Treasurer’s Office during my term in office.

In this annual report, readers will find a lot that is new and, as in the past, I hope you will find the information contained herein to be informative, useful, and constructive. Together with a completely redesigned web page at [state.treasurer.wyo.gov](http://state.treasurer.wyo.gov), we have worked hard to improve our outreach to the public. Our efforts garnered us recognition in the Peterson Institute’s international transparency rankings for all sovereign funds last year. We came third just behind Norway and New Zealand and ahead of all our domestic peers.

Transparency is important to us because we believe everyone in Wyoming should know what we do in this office. Over this past year from educating on the value of Constitutional Amendment A, to establishing and hosting the Stroock International Sovereign Wealth Forum, to openly recasting the asset allocations for each of Wyoming's funds, to reorganizing the Unclaimed Property department, to professionalizing our entire office, we have been extraordinarily busy.

This annual report outlines the significant changes we have made to our office in virtually everything we do which has laid the groundwork necessary to modernize, internalize, and revise antiquated and obsolete systems that no longer meet the State's increasing needs. We undertook these efforts for two principle reasons: 1. The Treasurer's Office needed to become more efficient, and 2. The Treasurer's Office could improve its performance while proportionally reducing the budget needed to run it. In short we knew we could do it better, for less.

From top to bottom, we looked at every system and process looking for ways to improve functionality and streamline operations. Some of the most striking differences might be found in the Unclaimed Property division where Director Lachelle Brant and her staff have focused on improving and streamlining the experience of clients who are anxious to recover properties that have gone missing. The results of the division's efforts are noteworthy: each year on average about eight million dollars of unclaimed properties are sent to the State Treasurer's Office for safekeeping. Examples of the types of properties that are conveyed to our office can include deposits, uncashed checks, mineral royalties and so on, all of which have not been claimed by a rightful owner. By statute, we are charged with locating the owners of every piece of it or holding it in perpetuity. This last year, the Treasurer's Unclaimed Property staff completely revamped their processes, brought new technology on board, and as a result have returned almost seven million dollars. Their efforts are more than double the amount of any year's prior best effort, and is indicative of an office dedicated to returning wayward properties to their rightful owners as promptly and courteously as possible.

The way Wyoming's Investment Portfolio is managed has undergone extensive changes as well. Here too the office has been working to upgrade quarter-century old technology and the processes to modern state-of-the-art standards. We began with a thorough review of all that we do and why. We measured ourselves against peer funds, and learned from them. What we discovered was that while Wyoming was cheap keeping our staff to a minimum, our approach was not inexpensive. The fees the state paid to outside managers were considerable and, in some cases, managers were unable to return more than we paid them.

Consequently, we realized sizable savings by bringing some of our more routine investments in-house and tying them to well-established indexes. Thus we reduced our overall office budget and improved our returns.

Chief Investment Officer Patrick Fleming and Director of Finance Erica Legerski have played a large role in transforming an antiquated government agency towards a modern investment program at the very time when Wyoming's reliance on investment returns is more critical than perhaps it has ever been before. The importance of these returns to our state's wellbeing will only grow in the years to come.

All of this is to say, this office has been extraordinarily busy over the course of this past year from educating the public about the landmark constitutional "Amendment A" to reworking almost every system we rely upon. We are working to make sure our office is equipped to meet the challenges of tomorrow as well as today. In all of this, I want to thank an exceptional staff and a dedicated leadership team including Erica Legerski, Patrick Fleming, Betsy Anderson, and Lachelle Brant for their hard work under trying circumstances.

I especially want to thank Deputy Patricia Arp for persevering in what must have seemed like a year-long log rolling contest. She has kept our ship on course through thick and thin and is delivering one of the foremost Treasury Operations in the country.

The people of Wyoming can be justifiably proud of the work of the Wyoming State Treasurer's Office. Our record can be found in the pages of this report. Times do change, but our responsibilities to the citizens of Wyoming and our focus on her future does not.

Sincerely,



Mark Gordon  
State Treasurer



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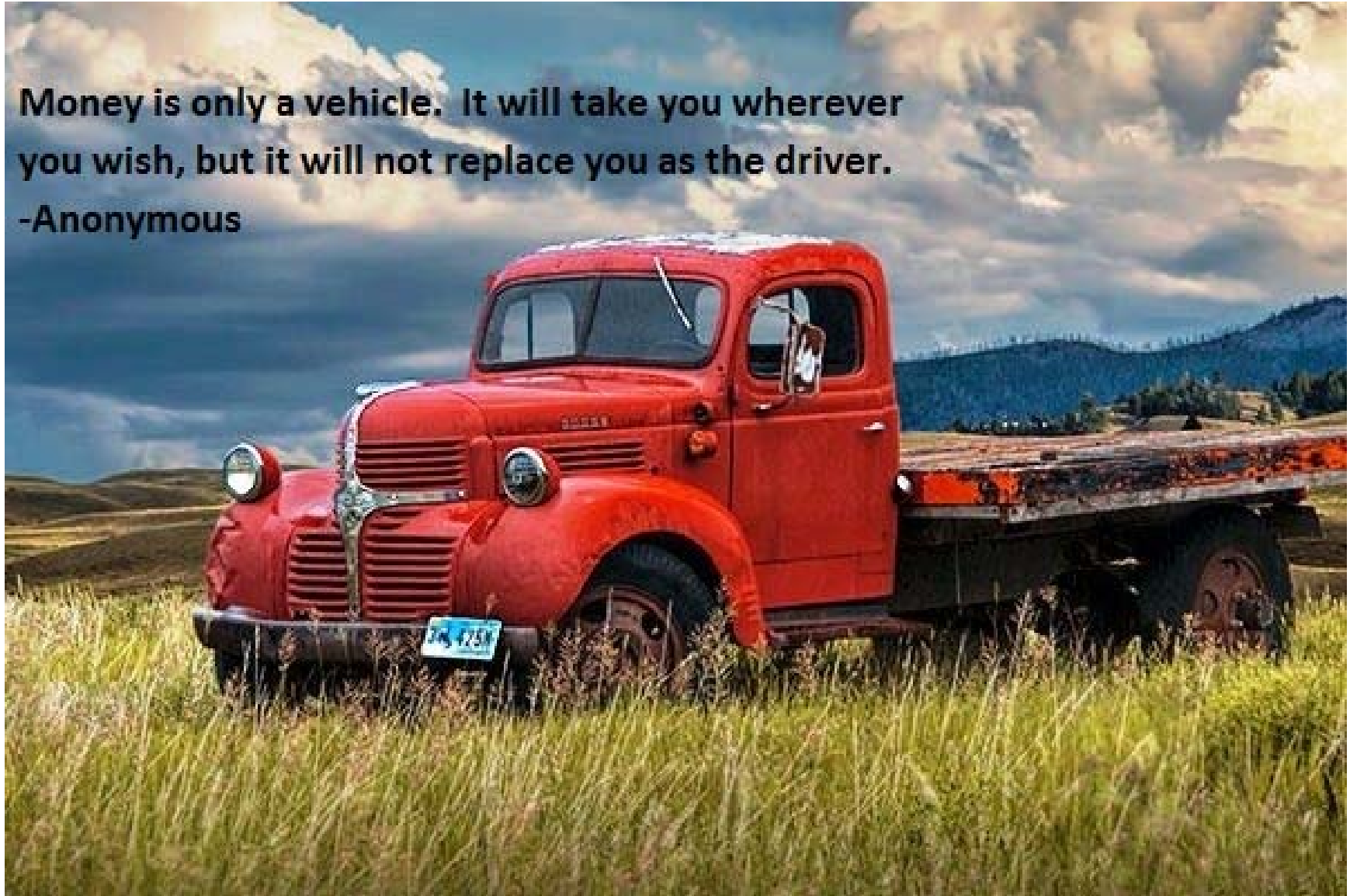
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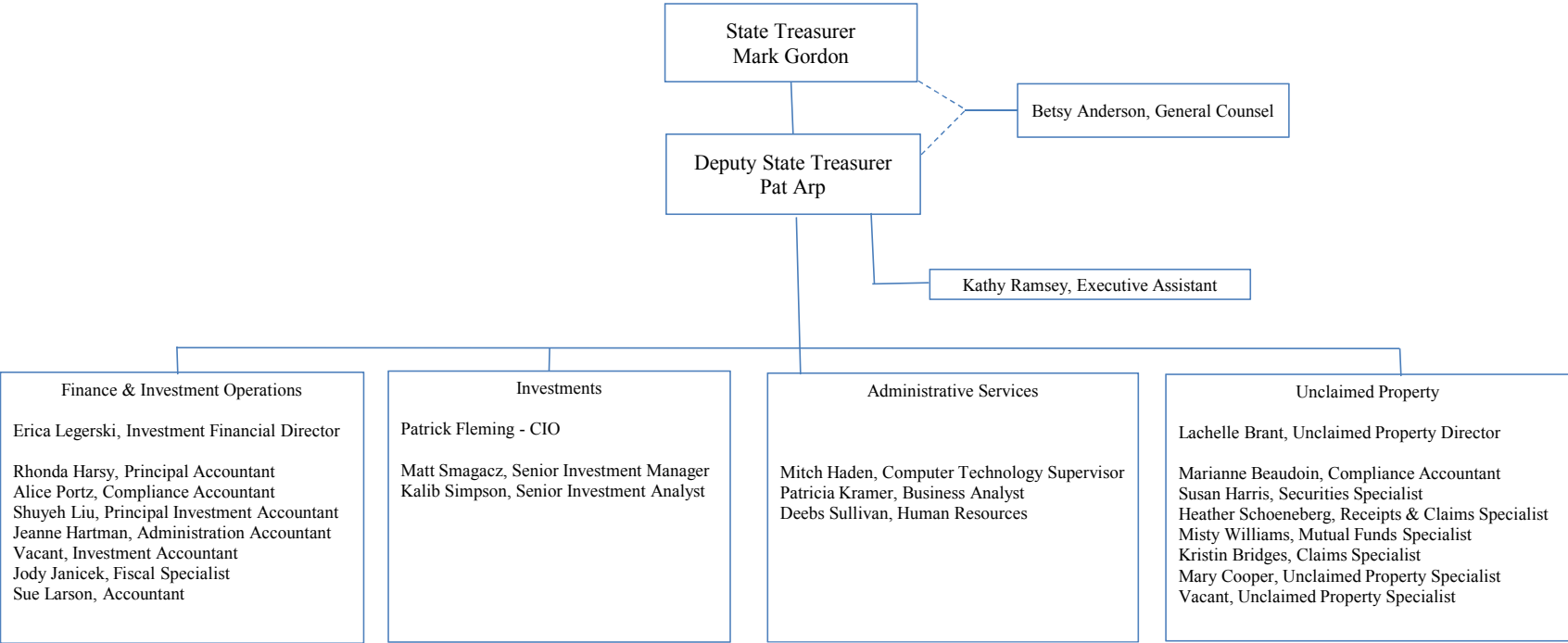
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**Money is only a vehicle. It will take you wherever you wish, but it will not replace you as the driver.  
-Anonymous**



# WYOMING STATE TREASURER'S OFFICE





# **INVESTMENTS**



# CIO OUTLOOK

For fiscal year end June 30, 2017, the results of the State's Funds show our four permanent funds had returns ranging from 9.4% to 8.4%, while our State Agency Pool, which mainly invests in short duration bonds, had a return of 1.1%. The total assets for the period grew to \$20.756 billion compared to \$19.581 billion on June 30, 2016. The total of all funds had a return of 6.10 % net of fees vs. our stated benchmark return of 5.16 %, or an outperformance of 94 basis points. This is the fund's best performance above our benchmark over a one, three, five and 10 year period.

Currently, we have approximately 60% of our assets in fixed income securities and the remaining in equity-type securities. With recent legislative changes, we are now able to increase our equity exposure, which has historically lead to higher returns. At present, we are not increasing our equity exposure however, because the stock market is on the high end of its historical valuation. A few examples of this overvaluation are:

- The S&P 500 is selling at 22 times trailing-twelve-month earnings, which is in the 98th percentile of valuations since 2006.

- The Shiller Cyclically Adjusted Price Earnings Ratio stands at 31.1 and is 85% higher than its historical mean of 16.8. This multiple was exceeded only in 1929 and 2000 after which the stock market experienced a major correction.

- Total U.S. stock market capitalization as a percentage of GDP, which Warren Buffet said is, "Probably the best single measure of where valuations at any given moment," reached a 17 year high October 2017 of 137. This compares to a 1995-2017 median of about 100. Berkshire Hathaway now holds 15% in cash. This is the highest percentage of cash that they have held since 2007.

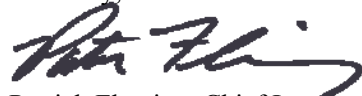
Our view is that the overall US stock market is expensive, and we would look to add to our equity exposure when the market corrects or continue to reduce our exposure accordingly if the market continues to rally.

Global assets continue to be distorted by central bank purchases. The three major government central banks (The Federal Reserve, European Central Bank and Bank of Japan) own approximately \$13.7 trillion in bonds. To put this in perspective, total outstanding sovereign debt is approximately \$44 trillion. This has distorted global interest rates and inflated values in equities and riskier assets. Japanese and most major European government bonds have a negative interest rate for maturities of two years and under. These low interest rates cause many asset managers to "reach" for higher yielding and riskier assets, even if the asset is very expensive when compared to historical standards.

In the U.S., many Wall Street firms have recently scaled back their expectations for fiscal stimulus under President Trump and the degree of monetary tightening by the Federal Reserve. However, the Federal Reserve has signaled that they will be maturing and not reinvesting approximately \$2 trillion of debt and the ECB has mentioned that they are looking to reduce the size of their bond purchases. We are entering uncharted waters as the world has never seen what happens when the major central banks unwind their very large asset holdings. When we see inflation and/or U.S. GDP growth increasing on a sustainable upward trajectory, we will look to reduce our bond exposure accordingly.

Most major asset classes are historically expensive across numerous valuation methods. We are in the process of changing our asset allocation to reduce risk while trying to keep our interest income at a similar level to last year. We will continue to strive to protect the assets of the state while looking to provide the best risk-adjusted returns possible.

Sincerely,



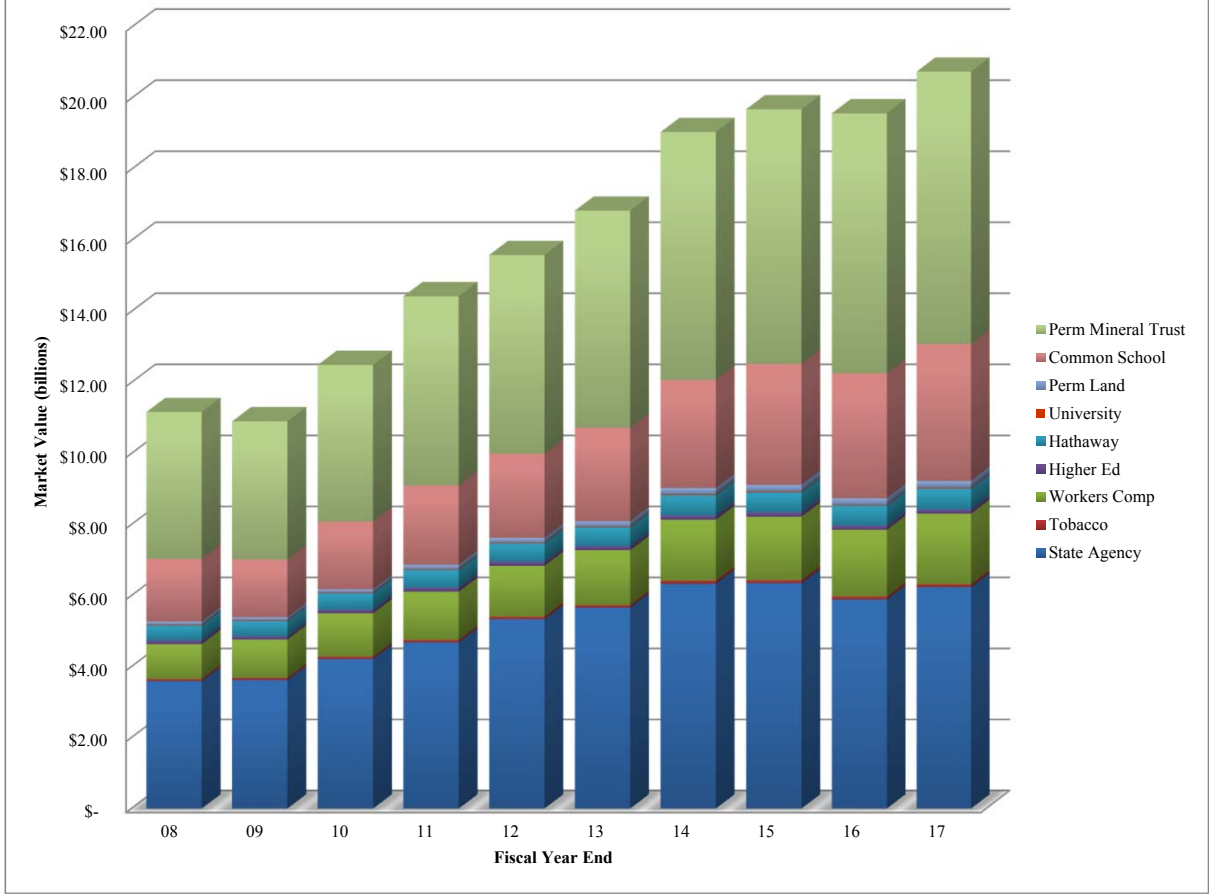
Patrick Fleming, Chief Investment Officer

**WYOMING STATE INVESTMENT PORTFOLIO**  
As of June 30, 2017

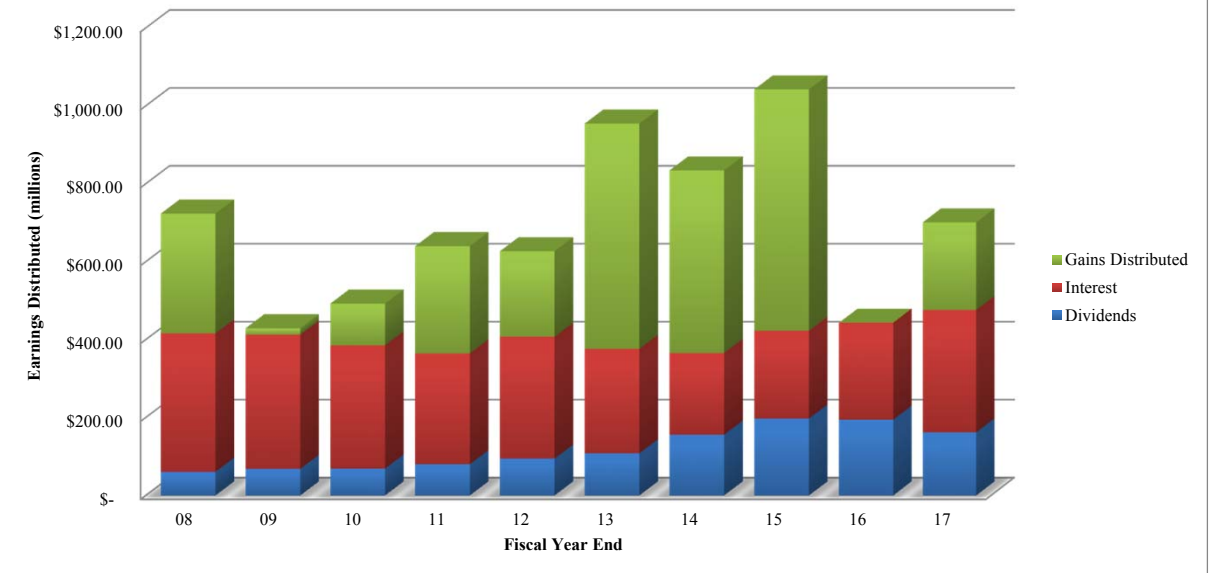
The State Treasurer's Office manages \$20.8 billion in non-pension investable funds across seven fund types. Five funds, the Permanent Wyoming Mineral Trust Fund, the Permanent Land Funds, the Hathaway Scholarship Endowment Fund, the Excellence in Higher Education Endowment Fund and the Workers' Compensation Fund may hold equities under current law. The other funds cannot: the State Agency Pool and the Tobacco Settlement Fund.

	<u>Cost Basis</u>	<u>Market Value</u>	<u>MV as a Percent of Total MV</u>
<b>Permanent Wyoming Mineral Trust Fund</b>	<b>\$7,127,236,101</b>	<b>\$7,665,940,594</b>	<b>36.9%</b>
<i>Funded with constitutional and intermittent statutory mineral severance tax revenues, and occasional direct legislative appropriations. Income from the PWMTF goes to the state general fund. Up to 70 percent of the PWMTF may be invested in equities.</i>			
<b>Permanent Land Funds</b>	<b>3,792,018,222</b>	<b>4,070,849,681</b>	<b>19.6%</b>
<i>Funded with royalties, leases, fees and permits, and other revenue generated from state lands. Investment income from these funds go to state public institutions. The Common School Permanent Land Fund is the largest of the land funds: \$3.6 billion book/cost, \$3.85 billion market; its investment income helps to fund Wyoming's K-12 schools. Up to 70 percent of the Permanent Land Funds may be invested in equities.</i>			
<b>Hathaway Scholarship Endowment Fund</b>	<b>552,564,524</b>	<b>588,863,703</b>	<b>2.8%</b>
<i>Funded with federal mineral royalties. Investment income is used to pay higher education tuition for qualifying Wyoming high school graduates at the University of Wyoming and Wyoming's community colleges. Up to 70 percent of the Hathaway Scholarship Fund may be invested in equities.</i>			
<b>Excellence in Higher Education Endowment Fund</b>	<b>114,147,274</b>	<b>121,412,872</b>	<b>0.6%</b>
<i>Funded with federal mineral royalties. Investment income is used to pay for recruitment and retention of faculty, to establish endowed faculty positions and to support the work of endowed faculty at the University of Wyoming and Wyoming's community colleges. Up to 70 percent of the Higher Education Endowment Fund may be invested in equities.</i>			
<b>Workers' Compensation Fund</b>	<b>1,909,367,169</b>	<b>1,984,625,770</b>	<b>9.6%</b>
<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>			
<b>Tobacco Settlement Fund (FY18 will be moved to Pool A)</b>	<b>84,120,446</b>	<b>84,071,542</b>	<b>0.4%</b>
<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>			
<b>State Agency Pool</b>	<b>6,244,191,368</b>	<b>6,240,106,375</b>	<b>30.1%</b>
<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>			
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$19,823,645,102</b>	<b>\$20,755,870,537</b>	<b>100.0%</b>

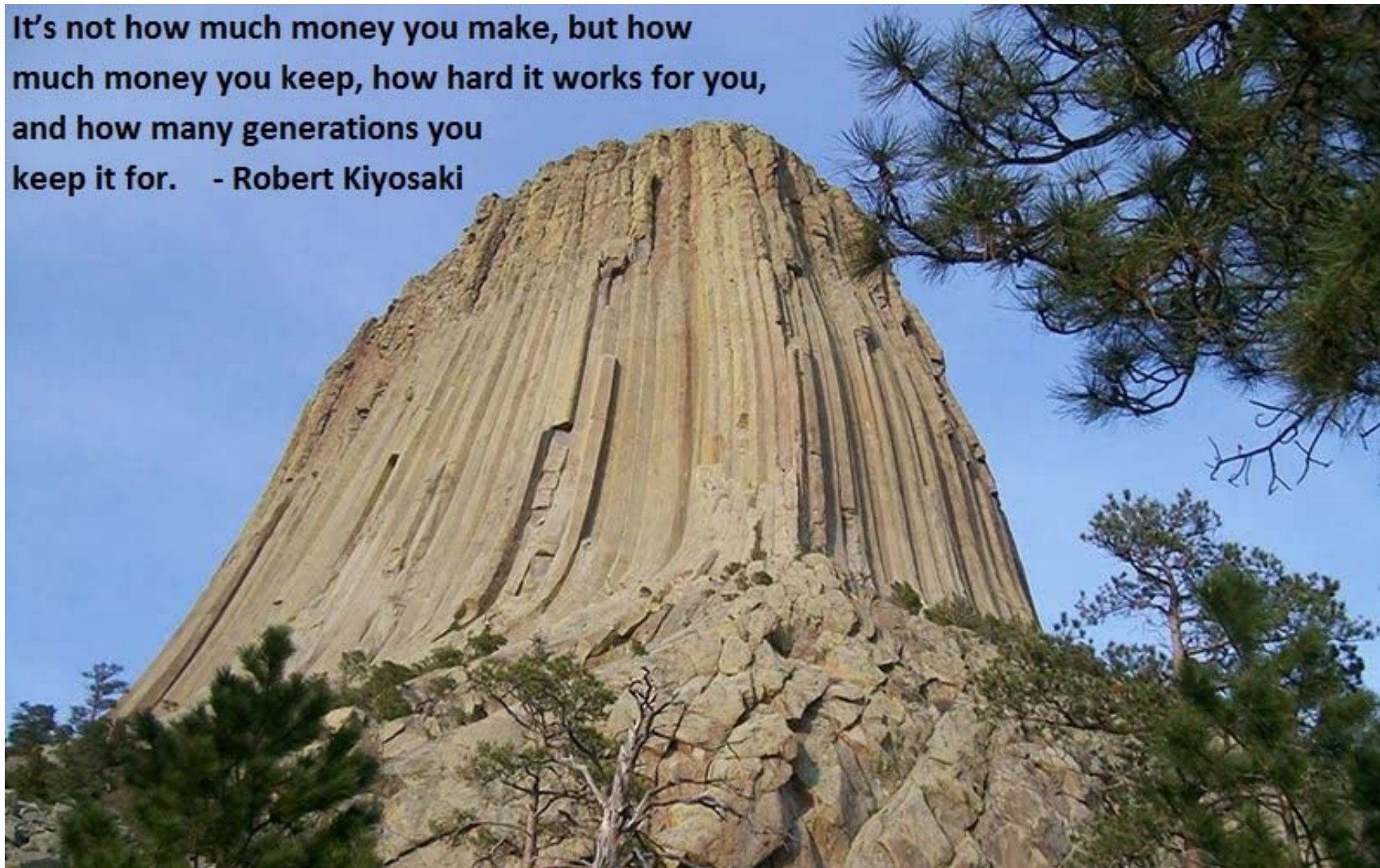
### TOTAL STATE PORTFOLIO VALUE



### INVESTMENT EARNINGS



**It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for. - Robert Kiyosaki**



## INVESTMENT ACCOUNT BALANCES

As of June 30, 2017

FUND/ACCOUNT NAME	CASH & RECEIVABLES (STATE AGENCY POOL INVESTMENTS)	INVESTMENTS (at Cost)	ACCOUNT BALANCE (Corpus)
Common School Permanent Land Fund	\$389,569,749.25	\$3,201,554,994.00	\$3,591,124,743.25
Common School II	\$5,000,000.00	\$0.00	\$5,000,000.00
University Permanent Land Fund	\$1,725,125.22	\$18,150,775.87	\$19,875,901.09
Miner's Hospital Permanent Land Fund	\$5,630,511.18	\$57,696,982.80	\$63,327,493.98
Public Buildings At Capitol Permanent Land Fund	\$1,071,850.77	\$10,983,470.85	\$12,055,321.62
Fish Hatchery Permanent Land Fund	\$489,349.41	\$5,014,462.04	\$5,503,811.45
D.D. & B. Asylum Permanent Land Fund	\$380,461.12	\$3,898,661.79	\$4,279,122.91
Carey Act Permanent Land Fund	\$206,488.95	\$2,115,933.92	\$2,322,422.87
Omnibus Permanent Land Fund	\$4,858,777.46	\$49,788,871.88	\$54,647,649.34
State Hospital Permanent Land Fund	\$247,560.87	\$2,536,806.08	\$2,784,366.95
State Training School Permanent Land Fund	\$398,741.56	\$4,085,985.11	\$4,484,726.67
Penitentiary Permanent Land Fund	\$1,369,395.79	\$14,032,474.60	\$15,401,870.39
Agricultural College Permanent Land Fund	\$996,762.71	\$10,214,028.35	\$11,210,791.06
<b>Subtotal-Permanent Land Fund</b>	<b>\$411,944,774.28</b>	<b>\$3,380,073,447.30</b>	<b>\$3,792,018,221.58</b>
Hathaway Scholarship Endowment	59,971,606	492,592,918	552,564,524
Higher Education Endowment	11,065,255	103,082,018	114,147,274
Permanent Wyoming Mineral Trust Fund	725,786,112	6,401,449,989	7,127,236,101
<b>Subtotal-All Permanent Funds</b>	<b>\$1,208,767,748</b>	<b>\$10,377,198,372</b>	<b>\$11,585,966,120</b>
Workers' Compensation	285,093,089	1,624,274,080	1,909,367,169
<b>Total Permanent Funds &amp; Workers' Compensation</b>	<b>\$1,493,860,837</b>	<b>\$12,001,472,452</b>	<b>\$13,495,333,289</b>
Tobacco Settlement Fund	5,300,890	78,819,556	84,120,446
State Agency Pool	(1,499,161,726)	7,743,353,094	6,244,191,368
<b>TOTAL</b>	<b>\$0</b>	<b>\$19,823,645,102</b>	<b>\$19,823,645,102</b>

NOTES:

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 Workers' Compensation Fund and is included in each specific fund, thus it is removed from the State Agency Pool cash and receivables balance.

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

**PERMANENT WYOMING MINERAL TRUST FUND**  
**Fiscal Years 13 Through 17 Analyzed and Compared**  
(\$ Millions)

	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>
Beginning Book Value	\$5,440.9	\$5,888.5	\$6,368.3	\$6,848.9	\$7,066.4
Beginning Market Value	5,595.5	6,112.8	6,979.1	7,172.2	7,319.4
- Difference	154.5	224.2	610.8	323.3	253.0
- Percent	2.8%	3.8%	9.6%	4.7%	3.6%
<b>Additions to Corpus</b>					
- Constitutional Severance Tax 1.5% Deposit	\$207.3	\$211.7	\$207.9	\$136.2	\$32.3
- Additional Severance Tax	138.2	141.1	138.6	90.8	21.6
- Additional Legislative Deposits/Diversions	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	102.1	127.1	134.2	0.0	0.0
- Spending Policy for Prior Year Adjustment	0.0	0.0	0.0	0.0	0.0
- Income Distribution Adjustment (\$32K)				(0.0)	0.0
<b>Reduction of Corpus</b>					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(9.4)	6.9
<b>Total Increase to Corpus</b>	<b>\$447.6</b>	<b>\$479.8</b>	<b>\$480.6</b>	<b>\$217.5</b>	<b>\$60.8</b>
Ending Book Value	\$5,888.5	\$6,368.3	\$6,848.9	\$7,066.4	\$7,127.2
Ending Market Value	6,112.8	6,979.1	7,172.2	7,319.4	7,665.9
- Difference	224.2	610.8	323.3	253.0	538.7
- Percent	3.8%	9.6%	4.7%	3.6%	7.6%
<b>Total Distributed Income (Gross of Fees)</b>	<b>\$373.1</b>	<b>\$403.3</b>	<b>\$504.6</b>	<b>\$151.5</b>	<b>\$313.9</b>
- Interest	79.0	61.8	61.1	67.1	98.8
- Dividend	61.3	75.4	94.2	93.8	75.0
- Realized Net Capital Gain	232.8	266.1	349.3	(9.4)	140.1
<b>Change in Book Value</b>	<b>\$447.6</b>	<b>\$479.7</b>	<b>\$480.6</b>	<b>\$217.5</b>	<b>\$60.8</b>
<b>Change in Market Value</b>	<b>517.3</b>	<b>866.3</b>	<b>193.1</b>	<b>147.2</b>	<b>346.6</b>
<b>Cash Yield</b>	<b>6.57%</b>	<b>6.56%</b>	<b>7.62%</b>	<b>2.31%</b>	<b>4.37%</b>
<b>Total Return</b>	<b>8.19%</b>	<b>12.67%</b>	<b>2.91%</b>	<b>1.07%</b>	<b>8.69%</b>

NOTES:

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

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

**PERMANENT WYOMING MINERAL TRUST FUND: CORPUS**  
**Revenue Receipts as of June 30, 2017**

	<u>JUNE 30, 2016</u> <u>CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2017</u> <u>CORPUS BALANCE</u>
Beginning Balance	\$7,066,416,652		
Severance Tax			
Coal		14,033,534	
Stripper Oil		5,085,798	
Other Valuable Products		(3,132,522)	
Oil		9,929,642	
Natural Gas		23,404,910	
Condensate-Gas		4,584,840	
Gain (Loss) Income Deferred-Prior year		9,428,213	
State Agency Pool & Tobacco Settlement Not Distributed		(2,547,398)	
Income Distribution Adjustment-Prior Year		<u>32,432</u>	
	<b>TOTAL REVENUE</b>	<b>\$60,819,448.30</b>	<b>\$7,127,236,101</b>

## COMMON SCHOOL PERMANENT LAND FUND

### Fiscal Years 13 Through 17 Analyzed and Compared

(\$ Millions)

	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>
Beginning Book Value	\$2,318.0	\$2,533.4	\$2,782.3	\$3,261.7	\$3,401.1
Beginning Market Value	2,371.3	2,630.6	3,046.5	3,405.3	3,520.3
- Difference	53.3	97.2	264.2	143.6	119.2
- Percent	2.3%	3.8%	9.5%	4.4%	3.5%
<b>Additions to Corpus</b>					
- Sales, Royalties, etc.	\$176.8	\$190.5	\$414.4	\$142.7	\$191.7
- Additional Legislative Deposits	0.0	0.0	0.0	0.0	0.0
- Spending Policy Reversions	38.7	58.4	64.9	0.0	0.0
- Income Accrued	0.0	0.0	0.0	0.0	0.0
<b>Reduction of Corpus</b>					
- Deferred Realized Capital Gain (Loss)	0.0	0.0	0.0	(3.3)	3.3
- Reverse Income Accrued	0.0	0.0	0.0	0.0	0.0
<b>Total Increase to Corpus</b>	<b>\$215.4</b>	<b>\$248.9</b>	<b>\$479.4</b>	<b>\$139.5</b>	<b>\$195.0</b>
Ending Book Value	\$2,533.4	\$2,782.3	\$3,261.7	\$3,401.1	\$3,596.1
Ending Market Value	2,630.6	3,046.5	3,405.3	3,520.3	3,859.8
- Difference	97.2	264.2	143.6	119.2	263.7
- Percent	3.8%	9.5%	4.4%	3.5%	7.3%
<b>Total Distributed Income (Gross of Fees)</b>	<b>\$145.6</b>	<b>\$175.9</b>	<b>\$220.4</b>	<b>\$78.4</b>	<b>\$162.1</b>
- Interest	34.7	26.9	32.6	39.0	58.0
- Dividend	26.4	32.7	41.1	42.7	35.6
- Realized Net Capital Gain	84.5	116.4	146.7	(3.3)	68.4
<b>Change in Book Value</b>	<b>\$215.4</b>	<b>\$248.9</b>	<b>\$479.4</b>	<b>\$139.5</b>	<b>\$195.0</b>
<b>Change in Market Value</b>	<b>259.3</b>	<b>415.9</b>	<b>358.8</b>	<b>115.0</b>	<b>339.5</b>
<b>Cash Yield</b>	<b>5.96%</b>	<b>6.57%</b>	<b>7.14%</b>	<b>2.45%</b>	<b>4.59%</b>
<b>Total Return</b>	<b>8.47%</b>	<b>12.52%</b>	<b>2.95%</b>	<b>1.40%</b>	<b>8.87%</b>

**NOTES:**

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

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

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

Includes Common School Permanent Land Fund II.

**PERMANENT LAND FUNDS**  
**Revenue Receipts as of June 30, 2017**

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2016 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>
<u>L01 MINER'S HOSPITAL</u>			
Beginning Balance	\$60,227,569		
Bentonite Lease Royalties		\$103,756	
Oil & Gas Lease Royalties		104,764	
Sodium & Trona Lease Royalties		2,480,495	
Right-of-Way Easements		115	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		325,229	
Gain (Loss) Income Deferred		85,566	
		3,099,925	63,327,494
<u>L02 PUBLIC BUILDINGS AT CAPITOL</u>			
Beginning Balance	11,332,787		
Oil & Gas Lease Royalties		623,766	
Sand & Gravel Royalties		2,665	
Right-of-Way Easements		15,282	
Surface Damage		4,369	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		61,197	
Gain (Loss) Income Deferred		15,255	
		722,534	12,055,322
<u>L03 FISH HATCHERY</u>			
Beginning Balance	5,466,461		
Inflation Proofing Income Diversion W.S. 9-4-305(b)		29,519	
Gain (Loss) Income Deferred		7,832	
		37,351	5,503,811
<u>L04 COMMON SCHOOL (1)(2)</u>			
Beginning Balance	3,396,119,823		
Bentonite Lease Royalties		540,877	
Coal Lease Royalties		59,060,010	
Miscellaneous Mineral Lease Royalties		55,781	
Oil & Gas Lease Royalties		70,305,727	
Sand & Gravel Royalties		206,411	
Sodium & Trona Lease Royalties		13,099,845	
Right-of-Way Easements		620,036	
Uranium Lease Royalties		275,366	
Surface Damage		1,542,135	
Real Estate Sales		46,019,661	
Gain (Loss) Income Deferred		3,279,069	
		195,004,920	3,591,124,743

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2016 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>
<u>L14 COMMON SCHOOL II (1)(2)</u>			
Beginning Balance	4,995,321		
Gain (Loss) Income Deferred		4,679	
		<u>4,679</u>	5,000,000
<u>L05 DEAF, DUMB &amp; BLIND</u>			
Beginning Balance	4,241,490		
Oil & Gas Lease Royalties		2,202	
Right-of-Way Easements		328	
Surface Damage		6,000	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		22,904	
Real Estate- Sales		122	
Gain (Loss) Income Deferred		6,077	
		<u>37,633</u>	4,279,123
<u>L06 CAREY ACT</u>			
Beginning Balance	2,279,061		
Oil & Gas Lease Royalties		22,478	
Right-of-Way Easements		8,058	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		12,307	
Gain (Loss) Income Deferred		518	
		<u>43,361</u>	2,322,423
<u>L07 OMNIBUS</u>			
Beginning Balance	53,198,840		
Oil & Gas Lease Royalties		1,023,345	
Sand & Gravel Royalties		60,267	
Right-of-Way Easements		1,405	
Surface Damage		56	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		287,274	
Real Estate- Sales		918	
Gain (Loss) Income Deferred		75,545	
		<u>1,448,809</u>	54,647,649
<u>L08 WYOMING STATE HOSPITAL</u>			
Beginning Balance	3,013,637		
Oil & Gas Lease Royalties		87,060	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		16,274	
Per Session Laws 2016, Ch 31, Sec 048		(337,065)	
Gain (Loss) Income Deferred		4,461	
		<u>(229,270)</u>	2,784,367

<u>FUND/ACCOUNT NAME</u>	<u>JUNE 30, 2016 CORPUS BALANCE</u>	<u>REVENUE</u>	<u>JUNE 30, 2017 CORPUS BALANCE</u>
<u>L09 WYOMING LIFE RESOURCE CENTER</u>			
Beginning Balance	4,369,692		
Oil & Gas Lease Royalties		179,348	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		23,596	
Per Session Laws 2016, Ch 31, Sec 048		(94,318)	
Gain (Loss) Income Deferred		6,408	
		<u>115,035</u>	4,484,727
<u>L10 WYOMING STATE PENITENTIARY</u>			
Beginning Balance	22,194,665		
Oil & Gas Lease Royalties		741,385	
Right-of-Way Easements		14,977	
Surface Damage		71,708	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		119,851	
Per Session Laws 2016, Ch 97, Sec 3		(7,750,000)	
Per W.S. 28-5-101		(24,173)	
Gain (Loss) Income Deferred		33,457	
		<u>(6,792,794)</u>	15,401,870
<u>L11 WYOMING STATE AGRICULTURAL COLLEGE (1)</u>			
Beginning Balance	11,046,661		
Oil & Gas Lease Royalties		42,574	
Right-of-Way Easements		44,217	
Uranium Lease Royalties		1,345	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		59,652	
Real Estate- Sales		244	
Gain (Loss) Income Deferred		16,098	
		<u>164,130</u>	11,210,791
<u>L12 WYOMING STATE UNIVERSITY (1)</u>			
Beginning Balance	19,682,355		
Oil & Gas Lease Royalties		64,682	
Right-of-Way Easements		9,426	
Surface Damage		2,227	
Inflation Proofing Income Diversion W.S. 9-4-305(b)		106,285	
Gain (Loss) Income Deferred		10,926	
		<u>193,546</u>	19,875,901
	<b>TOTAL REVENUE</b>	<b>\$193,849,860</b>	<b>\$3,792,018,222</b>

NOTES:

1. These funds are not available for appropriation.

2. In Fiscal Year 2009 Common School Permanent Land Fund II was added to the Common School Pool along with Common School Permanent Land Fund and is being invested there. Income is diverted to the Education Trust Fund per Special Session Laws 1997 Chapter 3 Section 504.

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



# **FUND MANAGEMENT**



## RVK's ANNUAL REVIEW

In a year marked by strong performance for risk assets, all of the State's investment pools earned positive absolute returns ranging from 1.1% to 9.4%. All nine investment pools outperformed their respective benchmarks during the year by at least 0.7%. Relative returns were bolstered by the State's Fixed Income portfolio, which significantly outperformed the Bloomberg US Agg Bond Index amidst a negative return environment for the broad US bond market. The Federal Reserve raised target interest rates three times during the fiscal year, supported by strengthening economic data in the US. Public equities and alternatives contributed to strong absolute results for the permanent funds with strategic allocations to these asset classes. Despite persistent political divisiveness in the US, heightened geopolitical risks (most notably in North Korea), and a range of other international issues, most risk assets produced strong gains over the fiscal year. Although positive economic fundamentals have thus far supported the "risk-on" environment, it is possible that these risks along with unanticipated global central bank policy could have a larger influence on markets going forward.

- The Permanent Mineral Trust and Common School Permanent Land Fund ended the fiscal year with returns of 8.7% and 8.9%, respectively. The Permanent Land Fund and University Permanent Land Fund ended the fiscal year with returns of 8.4% and 9.4%, respectively. All of these four Permanent Funds outperformed their respective custom benchmarks by at least 0.8%. Hathaway Scholarship Endowment and Higher Education Endowment each returned 7.4%, both outperforming their custom benchmarks by 0.7%. The Workers Compensation Fund returned 5.1%, outperforming its custom benchmark by 0.8%.
- Absolute performance for the Non-Permanent Funds (Tobacco Settlement and State Agency Pool) was lower than that of the Permanent Funds, while the Non-Permanent Funds outperformed their custom benchmarks to a greater degree due to strong relative performance of the fixed income portfolio. The Tobacco Settlement Trust returned 1.4% versus 0.2% for its custom benchmark, and the State Agency Pool returned 1.1% versus 0.2% for its custom benchmark.

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

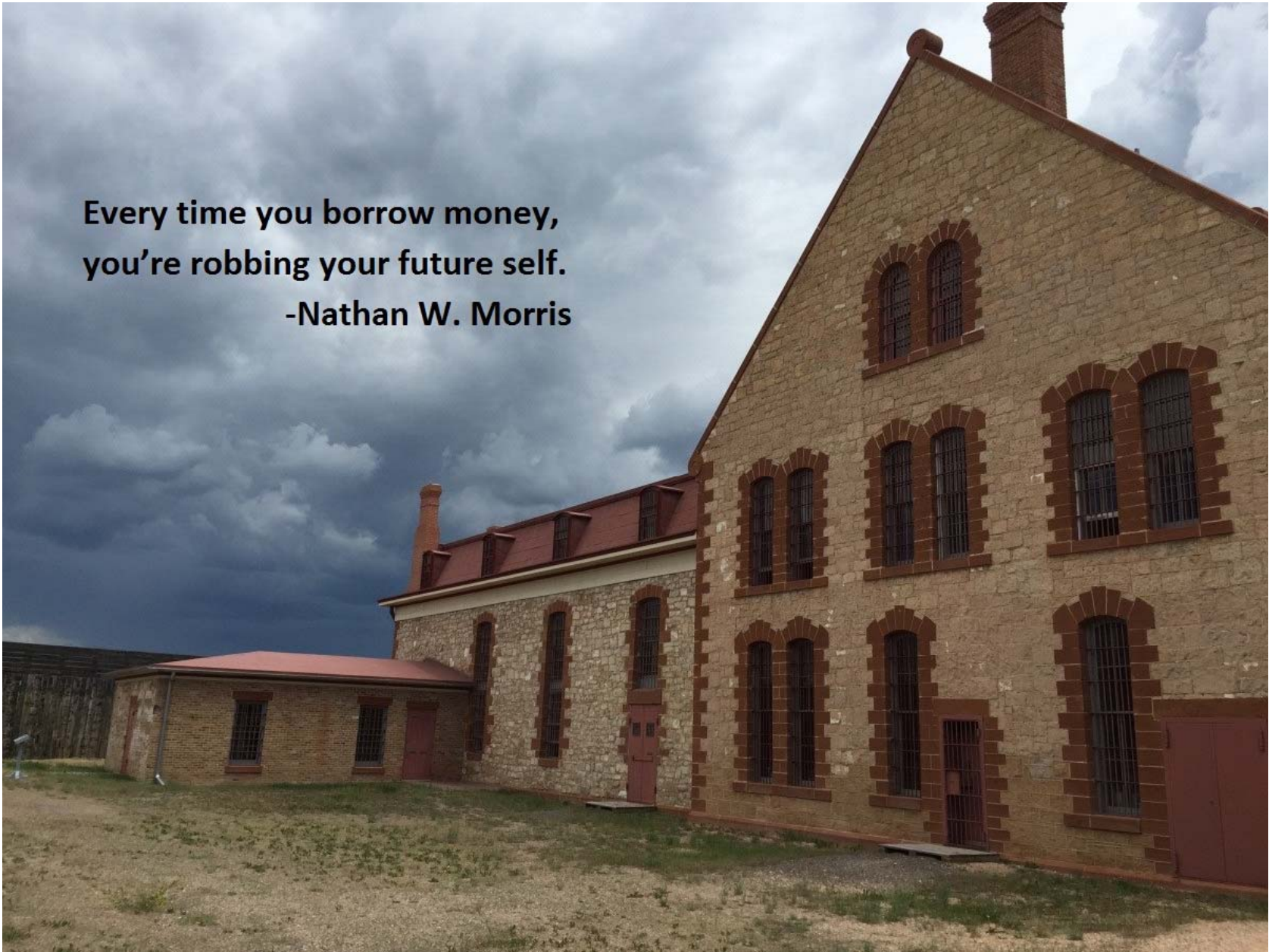
- The Total Fixed Income Portfolio (including Convertibles) produced a positive fiscal year return of 1.7% compared to the Bloomberg US Aggregate Bond Index return of -0.3%. Diversification away from core US bonds into convertibles, bank loans, high yield, and emerging markets debt contributed to outperformance, as duration sensitive strategies were negatively impacted by rising interest rates during the period. The Internally managed fixed income portfolio also contributed meaningfully to outperformance during the year, outperforming its benchmark by 1.9%.
- Non-US fixed income exposures contributed positively to relative and absolute returns within the fixed income portfolio. Opportunistic European credit earned 11.1% over the trailing one-year period and local currency emerging market debt returned 6.7%.

Consistent with global markets, the State's equity and alternative investment managers produced strong absolute results during the fiscal year. Relative results were mixed as evidenced by the fiscal year returns below:

- The US equity portfolio returned 17.5% compared to 18.5% for the Russell 3000 Index.
- The international equity portfolio returned 20.9% compared to 20.5% for the MSCI ACW Ex US Index.
- The fixed income portfolio returned 1.7%, compared to -0.3% for the Bloomberg US Aggregate Bond Index.
- The core real estate portfolio returned 7.1%, compared to 7.9% for the NCREIF ODCE Index.
- The absolute return portfolio returned 5.6%, compared to 6.5% for the HFRI FOF Comp Index.



**Every time you borrow money,  
you're robbing your future self.  
-Nathan W. Morris**



## POOL ALLOCATION

The June 30, 2017 allocation mix of the portfolio is shown below; charts later in this report provide a detailed allocation for each pool.

	<u>Equities</u>	<u>Fixed</u>	<u>PPIs*</u>	<u>Cash</u>
Permanent Wyoming Mineral Trust Fund	47.7%	41.1%	1.7%	9.5%
Common School Permanent Land Fund	45.1	34.5	10.2	10.2
Remaining Permanent Land Funds	47.5	44.2	0.0	8.3
University Permanent Land Fund	52.8	39.3	0.0	7.9
Hathaway Scholarship Endowment Fund	42.1	47.7	0.0	10.2
Higher Education Endowment Fund	42.2	48.7	0.0	9.1
Workers' Compensation Fund	26.0	59.6	0.0	14.4
Tobacco Settlement Fund	0.0	93.7	0.0	6.3
State Agency Pool	<u>0.0</u>	<u>76.4</u>	<u>3.7</u>	<u>19.9</u>
<b>TOTAL</b>	<b>30.4%</b>	<b>58.3%</b>	<b>3.9%</b>	<b>7.4%</b>

\* Public Purpose Investments

Below is the breakdown of how our pools are managed.

	<i>Internal</i>	<i>External</i>
<i>Passive</i>	<b>0.8%</b> International Equity	<b>14.6%</b> Domestic Equity International Equity TIPs
<i>Active</i>	<b>12.4%</b> Fixed Income	<b>72.2%</b> Domestic Equity Global Equity International Equity Private Equity Absolute Return Real Estate Convertible Bonds Core Fixed Income Credit Fixed Income Opportunistic Fixed Income Emerging Market Debt

Annual Asset Class Performance

As of June 30, 2017

Calendar Year Performance											Annualized Statistics (01/2006 - 06/2017)				
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	CYTD (As of 6/17)	Return	Standard Deviation	Sharpe Ratio	
Best	18.85	5.24	49.13	26.85	15.99	16.83	38.82	13.88	15.02	21.31	14.10	US Equity Custom Index - US All Cap	8.17	15.30	0.52
	18.11	3.06	45.12	21.74	14.26	16.76	32.39	13.69	13.33	13.00	11.48	S&P 500 Index - US Large Cap	8.21	15.27	0.52
	15.97	-5.22	34.63	16.77	11.16	16.35	32.39	12.50	5.59	12.74	10.36	Russell 2000 Index - US Small Cap	8.14	19.34	0.45
	15.85	-6.46	32.46	16.36	7.84	16.13	24.96	11.82	1.38	11.96	9.34	MSCI ACW Index - Global	5.80	17.04	0.35
	11.66	-10.01	27.17	15.68	3.49	16.00	22.80	11.18	0.55	10.69	8.93	International Equity Custom Index - International	3.39	18.90	0.21
	11.63	-21.37	26.46	15.06	2.11	16.00	21.26	9.42	0.48	10.44	7.89	Cambridge US PE Index - Private Equity	11.33	8.78	1.16
	10.25	-22.48	26.46	15.06	2.11	14.96	15.29	5.97	0.18	9.94	4.99	NCREIF ODCE Index - Core Real Estate	6.75	8.11	0.72
	6.97	-23.62	21.98	13.11	0.66	13.43	13.94	4.89	-0.27	8.77	3.89	NCREIF Property Index - Value-Added Real Estate	7.73	5.59	1.20
	5.49	-33.79	13.22	12.67	-1.75	10.94	10.98	4.16	-1.47	7.97	3.50	HFRI FOF Comp Index	2.29	6.62	0.21
	5.49	-35.73	11.47	10.82	-4.18	10.77	8.96	3.37	-2.36	7.86	3.32	BofA ML All Cnvrts Index (All Qual) - Convertibles	7.38	13.62	0.51
	5.36	-37.00	5.93	9.28	-5.18	10.54	4.22	2.95	-3.24	4.50	3.20	Bloomberg US Agg Bond Index - Fixed Income	4.36	3.33	0.95
	4.53	-37.00	1.17	6.54	-5.72	4.79	0.12	0.18	-4.41	2.65	2.86	Credit Custom Index - Fixed Income	5.57	9.14	0.51
	2.76	-42.19	-16.85	5.70	-7.35	4.21	-2.02	-3.87	-5.66	0.51	2.27	JPM GBI-EM Gbl Dvfd Index (USD) - EMD	5.49	11.19	0.44
Worst	-1.57	-43.06	-29.76	0.73	-13.71	0.26	-8.98	-5.72	-14.92	0.38	0.33	JP Morgan Cash Custom Index - Cash Equiv	1.49	0.94	1.29

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

**INVESTMENT PERFORMANCE - TOTAL PERFORMANCE**  
**As of June 30, 2017**

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
<b>Wyoming State Total Fund</b>	\$19,823,645,102	\$20,755,870,537	\$475,988,687	\$222,108,278	6.10%	3.53%	5.06%
<i>Wyoming State Actual Allocation Index</i>					5.16%	3.50%	4.79%
<b>US Equity</b>							
<b>State Street All Cap</b>	\$1,188,502,548	\$1,468,388,420	\$33,511,388	\$70,169,543	17.28%	N/A	N/A
State Street All Cap Custom Index					17.41%	9.03%	14.60%
Russell 3000					18.51%	9.10%	14.58%
<b>Epoch</b>	\$219,989,195	\$263,860,478	\$4,967,465	\$10,447,787	22.82%	N/A	N/A
<b>Lazard</b>	\$274,251,382	\$319,270,163	\$4,323,891	\$28,637,742	12.98%	N/A	N/A
Russell 3000					18.51%	9.10%	14.58%
<b>UW Portfolio Management Program</b>	\$1,000,000	\$1,410,522	\$25,334	\$0	17.51%	9.18%	12.01%
S&P 500					17.90%	9.61%	14.63%
<b>RBC</b>	\$167,071,858	\$201,620,672	\$2,843,452	\$17,945,280	20.82%	N/A	N/A
Russell 2000					24.60%	7.36%	13.70%
<b>Total US Equity</b>	<u>\$1,850,814,984</u>	<u>\$2,254,550,255</u>	<u>\$45,671,531</u>	<u>\$127,200,351</u>			
<b>Global Equity</b>							
<b>Arrowstreet</b>	\$379,181,793	\$426,401,778	\$10,384,280	\$44,991,468	21.47%	N/A	N/A
MSCI ACW					18.78%	4.82%	10.54%
<b>Total Global Equity</b>	<u>\$379,181,793</u>	<u>\$426,401,778</u>	<u>\$10,384,280</u>	<u>\$44,991,468</u>			
<b>International Equity</b>							
<b>Internal International Equity Portfolio</b>	\$135,000,000	\$160,143,255	\$4,229,459	\$0	20.18%	N/A	N/A
FTSE All World Ex US					20.31%	1.15%	N/A
<b>Northern Trust</b>	\$757,938,260	\$839,582,600	\$21,332,941	(\$8,402,764)	20.09%	0.83%	7.28%
MSCI ACW Ex US					20.45%	0.80%	7.22%
<b>Fisher Investments</b>	\$360,151,032	\$427,481,219	\$8,675,338	\$8,277,554	25.62%	3.75%	9.14%
MSCI ACW Ex US [4]					20.45%	0.80%	7.22%
<b>Manning &amp; Napier</b>	\$221,901,479	\$245,415,336	\$3,841,844	(\$1,023,237)	N/A	N/A	N/A
<b>Total International Equity</b>	<u>\$1,474,990,771</u>	<u>\$1,672,622,409</u>	<u>\$38,079,582</u>	<u>(\$1,148,447)</u>			
<b>Private Equity</b>							
<b>Access Venture Partners II</b>	\$7,423,423	\$14,559,968	\$0	\$0			See Notes next page
<b>Cheyenne Capital Fund, L.P.</b>	\$188,935,234	\$294,496,615	\$1,478,940	\$61,149,522			See Notes next page
<b>Hamilton Lane Nowood Fund, L.P.</b>	\$105,765,193	\$119,855,970	\$2,201,272	\$3,841,454			See Notes next page
<b>Neuberger Berman Sauger Fund, L.P.</b>	\$115,600,000	\$156,244,016	\$99	\$0			See Notes next page
S&P 500 + 5%					23.79%	15.09%	20.36%
<b>Total Private Equity</b>	<u>\$417,723,851</u>	<u>\$585,156,569</u>	<u>\$3,680,311</u>	<u>\$64,990,976</u>			
<b>Real Estate</b>							
<b>Clarion Lion</b>	\$266,303,630	\$324,319,700	\$10,408,772	\$0	8.33%	12.62%	12.11%
<b>UBS Trumbull</b>	\$241,303,630	\$272,122,890	\$8,567,298	\$0	5.63%	9.60%	9.81%
NCREIF ODCE					7.87%	11.34%	11.79%
<b>Core Real Estate</b>	<u>\$507,607,260</u>	<u>\$596,442,590</u>	<u>\$18,976,069</u>	<u>\$0</u>			
<b>Barings (formerly Cornerstone)</b>	\$7,051,845	\$7,305,816	\$731,181	(\$52,184)			
<b>Heitman</b>	\$1,764,838	\$75,996	\$85,124	\$1,561,219			See Notes next page
<b>M&amp;G</b>	\$81,386,488	\$64,640,734	\$6,357,681	\$0			See Notes next page
<b>Northwood</b>	\$107,975,443	\$125,693,992	(\$1,271,086)	\$19,043,091			See Notes next page
<b>SC Capital</b>	\$14,815,679	\$15,520,739	(\$64,739)	\$0			See Notes next page
<b>TA Realty</b>	\$9,236,508	\$7,257,306	\$54,253	\$0			See Notes next page
<b>WestRiver</b>	\$35,630,057	\$48,317,599	\$1,938,337	\$0			See Notes next page
NCREIF Property					6.97%	10.17%	10.49%
<b>Value-Added Real Estate</b>	<u>\$257,860,857</u>	<u>\$268,812,182</u>	<u>\$7,830,750</u>	<u>\$20,552,126</u>			
<b>Total Real Estate</b>	<u>\$765,468,117</u>	<u>\$865,254,772</u>	<u>\$26,806,820</u>	<u>\$20,552,126</u>			



## INVESTMENT PERFORMANCE - TOTAL PERFORMANCE

### As of June 30, 2017

	Total Investment Value	Current Market Value	Interest/ Dividends	Realized Gains/ Losses	FYTD Return	3 Year Return	5 Year Return
<b>Absolute Return</b>							
PAAMCO - Jackalope Fund	\$499,635,960	\$507,134,714	\$191	\$7,476,383	5.63%	-0.35%	4.46%
HFN FOF Multi-Strat					6.48%	1.55%	3.87%
Grosvenor Global Recovery Fund	\$0	\$0	\$22,843	\$0			
<b>Total Absolute Return</b>	<b>\$499,635,960</b>	<b>\$507,134,714</b>	<b>\$23,034</b>	<b>\$7,476,383</b>			
<b>Convertible Bonds</b>							
Allianz Global Investors	\$486,668,624	\$517,843,821	\$15,473,506	\$99,861	15.29%	3.68%	10.17%
BofA ML All Quality Convertible					16.80%	4.83%	11.20%
<b>Fixed Income</b>							
WAMCO Core Plus	\$0	\$0	\$0	\$0	N/A	N/A	N/A
C.S. McKee	\$1,260,222,361	\$1,265,292,081	\$25,074,078	\$5,296,102	-0.01%	2.67%	N/A
JP Morgan Core	\$2,135,451,811	\$2,158,626,120	\$56,910,529	(\$9,104,339)	-0.34%	2.83%	N/A
MacKay Shields	\$0	\$0	\$10,037,536	(\$671,421)	N/A	N/A	N/A
Neuberger Berman Core	\$0	\$0	\$25,814,073	(\$14,496,780)	N/A	N/A	N/A
PIMCO Core	\$2,182,226,781	\$2,220,137,910	\$61,779,391	(\$3,824,815)	0.32%	2.76%	N/A
Wells Capital	\$0	\$0	\$22,067,821	(\$14,331,025)	N/A	N/A	N/A
Barclays US Aggregate					-0.31%	2.48%	2.21%
Neuberger Berman Credit	\$934,275,615	\$939,349,147	\$26,184,634	(\$1,983,439)	5.79%	3.34%	N/A
Seix	\$943,160,037	\$965,016,793	\$29,613,333	\$0	7.42%	3.98%	N/A
Credit Custom Index					7.33%	3.62%	4.88%
Grosvenor Silvery Lupine Fund	\$273,296,102	\$323,784,574	\$3,896,354	\$0	11.18%	6.06%	N/A
CS Western European HY					12.21%	5.70%	8.83%
Investec	\$297,714,010	\$213,007,182	\$10,673,387	\$0	7.04%	-2.99%	N/A
Stone Harbor	\$297,712,381	\$204,548,478	\$9,874,767	\$0	6.31%	-3.36%	N/A
JPM GBI-EM Gbl Dvfd					6.41%	-2.80%	-0.67%
State Street TIPS	\$727,479,516	\$713,634,440	\$6,017,768	(\$1,080,295)	-0.84%	0.75%	N/A
Barclays US Trsy: US TIPS (Series B)					-0.67%	0.71%	0.29%
Internal Fixed Income Portfolio	\$2,547,984,119	\$2,573,039,000	\$9,528,763	\$620,861	0.62%	1.95%	1.58%
Barclays US Gov't: Int. Term Bond Index [6]					-1.25%	1.47%	1.07%
<b>Total Fixed Income</b>	<b>\$11,599,522,733</b>	<b>\$11,576,435,726</b>	<b>\$297,472,433</b>	<b>(\$39,575,150)</b>			
<b>Public Purpose Investments</b>	<b>\$811,819,612</b>	<b>\$811,819,612</b>	<b>\$21,550,688</b>	<b>\$0</b>	N/A	N/A	N/A
<b>Cash &amp; Cash Equivalents</b>							
JP Morgan Cash Composite	\$1,537,818,657	\$1,538,608,117	\$9,170,759	(\$2,479,380)	0.53%	0.45%	0.37%
JP Morgan Cash Custom Index					0.37%	0.33%	0.27%
<b>Other Income</b>							
JPM Securities Lending	\$0	\$0	\$7,645,285	\$0			
Gabelli	\$0	\$0	\$28,615	\$0	N/A	N/A	N/A
The Boston Company	\$0	\$42,764	\$1,843	\$91	N/A	N/A	N/A

NOTES:

- Returns are stated in traditional total return terms and do not specify realized income.
- State Street All Cap Custom Index consists of 69% R 3000, 24% FTSE RAFI US 1000, 7% MSCI USA Minimum Volatility.
- Market value shown for The Boston Company represents residual assets and subsequent transactions from the liquidation process.
- Fisher Index consists of MSCI EAFE (Gross) through July 2010 and the MSCI ACW Ex US (Net) thereafter.
- Market values for non-core real estate and private equity are as of the most recent valuation, adjusted for subsequent cash flows. Investment (Cost) Values are not lagged.
- Performance for Private Equity and Value-Added Real Estate investments is calculated on an IRR basis. For further analysis, please refer to the supplementary alternatives report.
- Market values for M&G are converted from British Pounds using the noon New York City Federal exchange rate. Cost values are converted using the 5 p.m. London WM Benchmark rate.
- Performance shown is gross of fees with the exception of absolute return and convertible bonds, which are shown net of fees.
- Returns are stated in traditional total return terms and do not specify realized income.
- Market value shown for WAMCO Core Plus represents residual assets and subsequent transactions from the liquidation process.
- The Credit Custom Index consists of 20% Barclays US Credit, 20% BofA ML US HY Master II Constrained, 60% S&P/LSTA Leveraged Loan.
- Internal Fixed Income Portfolio performance excludes distressed securities taken in from dismissed managers (market value includes distressed securities).
- Market values shown for Public Purpose Investments reflect cost value of the investments.
- At the end of FY 17 deferred losses were held over in the Tobacco Settlement Pool as well as the State Agency Pool (SAP). Since all funds participate in the SAP, all funds participate in the losses. Realized gains and losses will differ depending on if they are reported at the manager level or fund level until the SAP is made whole.



**TOTAL FUND - DIRECT (MGMT) & INDIRECT (INCENTIVE) INVESTMENT FEES**  
As of June 30, 2017

	FY 2017			Difference vs. FY 2016		
	Total Fees	Mgmt Fee	Incentive Fee	Total Fees	Mgmt Fee	Incentive Fee
<b>Wyoming State Total Fund</b>	<b>\$90,652,655</b>	<b>\$64,489,516</b>	<b>\$26,163,139</b>	<b>\$14,764,105</b>	<b>-\$2,192,342</b>	<b>\$16,956,447</b>
<i>% of Beginning WSTO FY Value</i>	<i>0.46%</i>	<i>0.33%</i>	<i>0.13%</i>	<i>0.08%</i>	<i>-0.01%</i>	<i>0.09%</i>
<i>Percentage of Total Fee</i>	<i>100%</i>	<i>71%</i>	<i>29%</i>	<i>0%</i>	<i>-17%</i>	<i>17%</i>
<b>US Equity</b>	<b>\$4,769,275</b>	<b>\$4,769,275</b>	<b>\$0</b>	<b>-\$404,686</b>	<b>-\$404,686</b>	<b>\$0</b>
State Street All Cap	\$553,344	\$553,344	\$0	\$230,512	\$230,512	\$0
Epoch	\$1,277,737	\$1,277,737	\$0	-\$180,652	-\$180,652	\$0
Lazard	\$1,690,992	\$1,690,992	\$0	\$66,280	\$66,280	\$0
RBC	\$1,247,203	\$1,247,203	\$0	-\$520,826	-\$520,826	\$0
<b>Global Equity</b>	<b>\$2,028,598</b>	<b>\$2,028,598</b>	<b>\$0</b>	<b>-\$4,749</b>	<b>-\$4,749</b>	<b>\$0</b>
Arrowstreet	\$2,028,598	\$2,028,598	\$0	-\$4,749	-\$4,749	\$0
<b>International Equity</b>	<b>\$3,447,608</b>	<b>\$3,447,608</b>	<b>\$0</b>	<b>-\$523,453</b>	<b>-\$523,453</b>	<b>\$0</b>
Internal International Equity Portfolio	\$108,886	\$108,886	\$0	\$57,890	\$57,890	\$0
Northern Trust	\$257,364	\$257,364	\$0	-\$10,283	-\$10,283	\$0
Manning & Napier	\$1,254,063	\$1,254,063	\$0	-\$21,205	-\$21,205	\$0
Fisher Investments	\$1,827,295	\$1,827,295	\$0	-\$188,321	-\$188,321	\$0
The Boston Company	\$0	\$0	\$0	-\$361,534	-\$361,534	\$0
<b>Private Equity</b>	<b>\$24,668,314</b>	<b>\$11,755,391</b>	<b>\$12,912,922</b>	<b>\$11,415,597</b>	<b>\$1,151,960</b>	<b>\$10,263,637</b>
Access Venture Partners II	\$56,900	\$110,876	-\$53,977	-\$210,777	-\$77,360	-\$133,417
Cheyenne Capital Fund	\$17,140,141	\$6,133,524	\$11,006,617	\$8,686,754	-\$250,252	\$8,937,006
Hamilton Lane Nowood Fund	\$3,744,130	\$2,730,991	\$1,013,139	\$1,615,593	\$569,572	\$1,046,021
Neuberger Berman Sauger Fund	\$3,727,143	\$2,780,000	\$947,143	\$1,324,027	\$910,000	\$414,027
<b>Real Estate</b>	<b>\$13,055,360</b>	<b>\$8,516,071</b>	<b>\$4,539,289</b>	<b>\$1,309,436</b>	<b>\$501,026</b>	<b>\$808,410</b>
Clarion Lion Properties Fund	\$2,183,095	\$2,183,095	\$0	-\$3,975	-\$3,975	\$0
UBS Trumbull Property Fund	\$2,429,731	\$1,940,918	\$488,813	\$367,248	\$399,580	-\$32,332
Cornerstone Core Mortgage Fund I	\$44,228	\$44,228	\$0	-\$24,766	-\$24,766	\$0
Heitman Value Partners II	\$20,037	\$20,037	\$0	-\$2,313	-\$2,313	\$0
M&G Real Estate Debt Fund II	\$947,311	\$726,821	\$220,490	\$227,326	\$95,034	\$132,292
Northwood Real Estate Partners IV	\$6,863,972	\$3,033,987	\$3,829,985	\$901,012	\$192,563	\$708,449
SC Capital Core Fund	\$50,409	\$50,409	\$0	\$50,409	\$50,409	\$0
TA Realty VIII	\$81,078	\$81,078	\$0	-\$33,301	-\$33,301	\$0
WestRiver Real Estate Finance Fund	\$435,498	\$435,498	\$0	-\$172,205	-\$172,205	\$0
<b>Absolute Return</b>	<b>\$12,352,484</b>	<b>\$9,705,137</b>	<b>\$2,647,347</b>	<b>\$2,129,842</b>	<b>\$1,224,793</b>	<b>\$905,049</b>
PAAMCO	\$12,352,484	\$9,705,137	\$2,647,347	\$2,129,842	\$1,224,793	\$905,049
<b>Convertible Bonds</b>	<b>\$2,607,961</b>	<b>\$2,607,961</b>	<b>\$0</b>	<b>-\$215,856</b>	<b>-\$215,856</b>	<b>\$0</b>
Allianz Global Investors	\$2,607,961	\$2,607,961	\$0	-\$215,856	-\$215,856	\$0
<b>Fixed Income</b>	<b>\$27,107,328</b>	<b>\$21,043,747</b>	<b>\$6,063,581</b>	<b>\$1,458,732</b>	<b>-\$3,520,618</b>	<b>\$4,979,351</b>
C.S. McKee	\$1,604,834	\$1,604,834	\$0	\$535,836	\$535,836	\$0
JP Morgan Core	\$2,240,437	\$2,240,437	\$0	-\$60,458	-\$60,458	\$0
MacKay Shields	\$68,905	\$68,905	\$0	-\$2,243,376	-\$2,243,376	\$0
Neuberger Berman Core	\$811,351	\$811,351	\$0	-\$883,740	-\$883,740	\$0
PIMCO Core	\$2,378,403	\$2,378,403	\$0	-\$1,741,783	-\$1,741,783	\$0
Wells Capital	\$1,145,350	\$1,145,350	\$0	-\$110,944	-\$110,944	\$0
Neuberger Berman Credit	\$1,872,888	\$1,872,888	\$0	\$279,168	\$279,168	\$0
Seix	\$2,709,585	\$2,709,585	\$0	\$577,279	\$577,279	\$0
Grosvenor Silvery Lupine	\$11,670,368	\$5,606,787	\$6,063,581	\$5,352,808	\$373,457	\$4,979,351
Investec	\$1,258,469	\$1,258,469	\$0	\$13,792	\$13,792	\$0
Stone Harbor	\$1,182,744	\$1,182,744	\$0	-\$262,668	-\$262,668	\$0
State Street TIPS	\$163,994	\$163,994	\$0	\$2,819	\$2,819	\$0
Internal Fixed Income Portfolio	\$0	\$0	\$0	\$0	\$0	\$0
<b>Cash &amp; Cash Equivalents</b>	<b>\$615,728</b>	<b>\$615,728</b>	<b>\$0</b>	<b>-\$400,758</b>	<b>-\$400,758</b>	<b>\$0</b>
JP Morgan Cash Composite	\$615,728	\$615,728	\$0	-\$400,758	-\$400,758	\$0

NOTES:

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

State Street All Cap FY17 fees are estimated based on the investment manager's fee schedule.

PAAMCO incentive fee shown for FY 17 consists of CY 2016. Data as of 6/30/17 is unavailable at this time.

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

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

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

## INVESTMENT INCOME

### As of June 30, 2017

	Total Investment Value	Current Market Value	Gross Dividends	Gross Interest	Funds Diverted for		Net Income Distributed	Realized Losses Held Over	Fiscal Year		
					Fees & Other Expenses	Distributed Capital Gains			To Date Return	3 Year	5 Year
<b>Permanent Wyoming Mineral Trust Fund</b>	\$7,127,236,101	\$7,665,940,594	\$75,041,044	\$98,780,518	(\$15,137,905)	\$140,106,356	\$298,790,012	(\$2,547,398)	8.69%	4.17%	6.62%
<b>Common School Permanent Land Fund</b>	\$3,596,124,743	\$3,859,838,175	\$35,638,723	\$58,004,649	(\$6,893,725)	\$68,409,791	\$155,159,439	\$0	8.87%	4.36%	6.76%
- Common School	3,591,124,743	3,854,471,512	35,587,841	57,921,834	(6,883,864)	68,311,831	154,937,642	0	N/A	N/A	N/A
- Common School II	5,000,000	5,366,663	50,882	82,815	(9,861)	97,960	221,796	0	N/A	N/A	N/A
<b>University Permanent Land Fund</b>	\$19,875,901	\$21,764,049	210,198	271,989	(43,090)	\$391,914	\$831,011	(5,107)	9.38%	4.44%	6.74%
<b>Remaining Permanent Land Funds:</b>	\$176,017,577	\$189,247,457	\$1,843,530	\$2,486,058	(\$354,687)	\$3,799,286	\$7,774,186	\$0	8.38%	4.14%	6.47%
- Miner's Hospital Permanent Land Fund	63,327,494	68,087,332	641,285	864,793	(123,330)	1,318,695	2,701,444	0	N/A	N/A	N/A
- Public Buildings @ Cap Permanent Land Fund	12,055,322	12,961,427	120,632	162,676	(23,194)	248,971	509,086	0	N/A	N/A	N/A
- Fish Hatchery Permanent Land Fund	5,503,811	5,917,490	56,705	76,469	(10,911)	116,919	239,182	0	N/A	N/A	N/A
- D.D. & B. Permanent Land Fund	4,279,123	4,600,751	44,046	59,398	(8,475)	90,803	185,772	0	N/A	N/A	N/A
- Carey Act Permanent Land Fund	2,322,423	2,496,981	23,754	32,033	(4,570)	48,941	100,158	0	N/A	N/A	N/A
- Omnibus Permanent Land Fund	54,647,649	58,755,091	556,925	751,030	(107,132)	1,147,836	2,348,659	0	N/A	N/A	N/A
- State Hospital Permanent Land Fund	2,784,367	2,993,646	29,746	40,114	(5,727)	61,526	125,659	0	N/A	N/A	N/A
- State Training School Permanent Land Fund	4,484,727	4,821,809	45,780	61,736	(8,807)	94,123	192,832	0	N/A	N/A	N/A
- Penitentiary Permanent Land Fund	15,401,870	16,559,510	209,642	282,708	(40,412)	434,688	886,626	0	N/A	N/A	N/A
- Agriculture College Permanent Land Fund	11,210,791	12,053,420	115,014	155,100	(22,129)	236,784	484,768	0	N/A	N/A	N/A
<b>Hathaway Scholarship Endowment Fund</b>	\$552,564,524	\$588,863,703	\$5,788,760	\$8,428,123	(\$1,158,421)	\$4,733,203	\$17,791,665	(\$202,188)	7.36%	3.85%	5.83%
<b>Higher Education Endowment Fund</b>	\$114,147,274	\$121,412,872	\$1,196,946	\$1,727,786	(\$238,150)	\$1,023,318	\$3,709,900	(\$35,216)	7.39%	3.82%	5.82%
<b>Workers' Compensation Fund</b>	\$1,909,367,169	\$1,984,625,770	\$15,695,806	\$33,463,590	(\$3,958,565)	\$6,309,237	\$51,510,068	(\$1,021,211)	5.07%	3.19%	4.68%
<b>Tobacco Settlement Fund</b>	\$84,120,446	\$84,071,542	\$410,847	\$1,901,654	(\$165,654)	\$0	\$2,146,847	(\$449,199)	1.40%	2.38%	2.57%
<b>State Agency Pool</b>	\$6,244,191,368	\$6,240,106,375	\$25,930,112	\$109,168,354	(\$9,317,782)	\$0	\$125,780,683	(\$22,692,714)	1.10%	2.04%	2.18%
<b>TOTAL</b>	<b>\$19,823,645,102</b>	<b>\$20,755,870,538</b>	<b>\$161,755,965</b>	<b>\$314,232,720</b>	<b>(\$37,267,980)</b>	<b>\$224,773,105</b>	<b>\$663,493,810</b>	<b>(\$26,953,033)</b>	<b>6.10%</b>	<b>3.53%</b>	<b>5.06%</b>

NOTES:

The State Treasurer adopted an interpretative policy for accounting purposes whereby earnings consisting of interest and dividends would be treated as ordinary income and disbursed accordingly. Capital gains and losses are reconciled for each fund at the end of the fiscal year. If capital 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.

At the end of FY 17 deferred losses were held over in the Tobacco Settlement Pool as well as the State Agency Pool (SAP). Since all funds participate in the SAP, all funds participate in the losses. Realized gains and losses will differ depending on if they are reported at the manager level or fund level until the SAP is made whole.

## PUBLIC PURPOSE INVESTMENTS

As of June 30, 2017

	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
<b><u>Permanent Mineral Trust Fund</u></b>					
Aeronautics Commission - Airport Loans (OSLI)	A	5.00%	\$10,000,000	\$2,907,190	\$155,762
Farm Loans (OSLI)	B	7.00% *	275,000,000	21,742,001	933,705
Hot Springs State Park (OSLI)	C	6.00%	2,000,000	244,125	10,659
Hydro-Power Development Loans (OSLI)	D	4% -6%	10,000,000	-	-
Industrial Development Bonds (repealed July 1, 2016)	E	5.75%	-	-	-
IDB - Lost Creek				23,382,642	1,504,826
IDB - Uranerz				12,444,327	786,507
Irrigation Loans (OSLI)	F	4% -6%	20,000,000	446,818	24,304
Joint Powers Loans (OSLI)	G	5.83% *	60,000,000	4,956,088	284,435
Natural Resource Board (OSLI)	H	0.00%	300,000	-	-
Reimbursement to Counties for Deferred Taxes	I	0.00%	2,000,000	-	-
Small Business Assistance & FmHA Ag Loans (statute repealed 2008)	J	5.00%	-	29,189	1,908
Water Development - Gillette Madison Pipeline Project	K	4.00%	44,328,358	44,328,358	-
Water Development - Shoshone Municipal Pipeline Treatment Plant	L	4.00%	12,073,148	-	688,549
			<b>\$435,701,506</b>	<b>\$110,480,738</b>	<b>\$4,390,656</b>
<b><u>Common School Permanent Land Fund</u></b>					
Drainage District Bonds	M	4.00%	24,000	24,000	-
Wyoming Real Estate-State Land Purchases	N	0.00%	86,683,553	18,335,738	-
			<b>\$86,707,553</b>	<b>\$18,359,738</b>	<b>\$0</b>
<b><u>State Agency Pool (Pooled Investments)</u></b>					
Time Deposit Open Account Banking Program	O	0.62%	* UNLIMITED	\$138,499,000	\$896,499
<b>Sub-Total</b>				<b>\$522,409,059</b>	<b>\$267,339,476</b>
<b><u>Other Wyoming Investments from Permanent Mineral Trust Fund</u></b>					
Basin Electric Power Bond	P		-	\$22,498,000	\$1,129,141
Large Project Fund (ending June 2019)	Q	Set by SLIB	\$25,000,000	-	-
<b>Total Public Purpose Investments</b>				<b>\$547,409,059</b>	<b>\$289,837,476</b>

\* Average Interest Rates

## **PUBLIC PURPOSE INVESTMENTS**

### **Notes & Statutory References**

- (A) Aeronautics Commission, Airport construction, development and improvement loans under W.S. 9-12-703;
- (B) Farm loans under W.S. 11-34-129; \$275 million authorized of which \$27.5 million is for beginning agriculture producer loans and \$55 million is for a livestock enhancement program;
- (C) Hot Springs State Park loans under W.S. 36-8-318;
- (D) Hydro-Power Development loans under W.S. 11-34-306(a);
- (E) Industrial Development Bonds, no investment in excess of \$100 million is to be made for any one project without specific legislative authority; expires June 30, 2017 unless extended under W.S. 9-4-715(m)(vii); repealed July 1, 2016;
- (F) Irrigation district loans under W.S. 11-34-302;
- (G) Joint Powers loans under W.S. 16-1-109;
- (H) Natural Resource Board under W.S. 11-34-303;
- (I) Deferred Property Taxes under W.S. 9-4-715(j);
- (J) 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;
- (K) Water Development - Gillette Madison Pipeline Project under Wyoming Session Laws, 2009, Chapter 103 (\$5,527,500), and Wyoming Session Laws, 2010, Chapter 115 (\$8,085,000), and Wyoming Session Laws, 2011, Chapter 61 (\$15,939,739) and (\$14,776,119). Interest on monies loaned does not begin to accrue until the Water Development Commission determines the project beneficial to the sponsor. Information provided by the Water Development Agency indicates that the benefits accrual date is estimated to occur before July 1, 2018;
- (L) Water Development - Shoshone municipal water treatment project, under Wyoming Session Laws, 1987, Chapter 117, as amended;
- (M) Drainage District Bond Program under W.S. 41-6-201 through 202;
- (N) Wyoming Real Estate-State Land Purchases authorizes the investment of funds received from sale of state trust lands plus up to \$2 million one-time seed money contained in the Common School Permanent Land Fund (CSPLF) by purchasing land and improvements within Wyoming as assets of the trust. There was \$4 million appropriated to the State Loan and Investment Board from the CSPLF in 2005 for this purpose as well under W.S. 9-4-715(k);
- (O) Time Deposit Open Account authorizes the State Treasurer to deposit state funds in approved Wyoming banks and Wyoming savings and loans. Currently, the amount the State Treasurer has made available to banks each year is five percent (5%) of the State Agency Pool assets as of December 31 under W.S. 9-4-803;

### **Appropriations**

- (P) Basin Electric Power Bond under W.S. 37-5-406;
- (Q) Large Project Fund under Wyoming Session Laws, 2014, Chapter 46, and Wyoming Session Laws, 2016, Chapter 41.

## INTERFUND LOANS

As of June 30, 2017

<u>Interfund Loans</u>	See Notes Next Page	Interest Rate	Statutory Allotment	Outstanding Investments	Interest Paid
<b><u>Permanent Mineral Trust Fund</u></b>					
Capitol Building Rehabilitation and Restoration Account (project completion)	A	0.00%	UNLIMITED **	-	-
Unemployment Compensation Fund	B	0.00%	20,000,000	-	-
<b><u>Common School Permanent Land Fund</u></b>					
School Foundation Interfund Loan (FY17 interest rate changes to 0%)	C	6.00%	UNLIMITED **	375,000,000	15,133,334
<b><u>State Agency Pool (Pooled Investments)</u></b>					
General Fund Interfund Loan (ending June 2018)	D	0.00%	UNLIMITED **	100,000,000	-
Govenor Fire Fighting Interfund Loan (ending June 2018)	E	2.07%	20,000,000	-	-
Group Health Insurance Loan (ending June 2018)	F	2.07%	24,599,000	-	-
Hathaway Scholarship Loan (ending June 2018)	G	2.07%	UNLIMITED **	-	-
WYDOT Interfund Loan (ending June 2018)	H	2.07%	100,000,000	-	-
WYDOT Interfund Loan (ending June 2018)	I	0.00%	82,000,000	46,982,136	-
		2% or			
WYDOT Interfund Loan (effective 7-1-2018)	J	SAP Rate of Rtn	200,000,000	-	-
<b><u>General Fund or Budget Reserve Account (Pooled Investments)</u></b>					
Any other fund or account to meet obligations	K	0.00%	60,000,000	-	-
Group Insurance Plan Coverage & Cost of Discontinuing Coverage	L	0.00%	60,000,000	-	-
<b><u>Legislative Stabilization Reserve Account (Pooled Investments)</u></b>					
Facilities Construction	M	0.00%	4,300,000	-	-
Strategic Investment and Projects Account (SIPA) Construction	N	0.00%	150,000,000	-	-
<b><u>Severence Tax Account (Pooled Investments)</u></b>					
Budget Reserve Account (on June 30, 2018)	O	0.00%	104,550,000	-	-
<b><u>Risk Management Pool</u></b>					
Veterinary Biosafety Levell III Laboratory	P	0.00%	UNLIMITED **	-	-
<b>Total Interfund Loans</b>			<b>825,449,000</b>	<b>521,982,136</b>	<b>15,133,334</b>

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

# **INTERFUND LOANS**

## **Notes & Statutory References**

### **Permanent Mineral Trust Fund**

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

### **Common School Permanent Land Fund**

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

### **State Agency Pool (SAP)**

#### **Pooled Investments**

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

### **General Fund or Budget Reserve Account**

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

### **Legislative Stabilization Reserve Account (LSRA)**

- (M) Facilities Construction under 2017 Wyoming Session Laws, Chapter 78, Section 1(e);
- (N) Strategic Investment and Projects Account (SIPA) under Wyoming Session Laws, 2016, Chapter 97, Section 8&9 ;

### **Severance Tax Account in SAP**

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

### **Risk Management Pool Appropriation**

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

## INTERFUND LOAN School Foundation Program

For several years the state issued Tax and Revenue Anticipation Notes (TRANs), as authorized by 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 FY 07, the State of Wyoming has not issued any TRANs. Instead, School Foundation Program payments are made by a temporary interfund loan from the corpus of the Common School Permanent Land Fund (CSPLF) at 6% interest as allowed by W.S. 21-13-316.

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

A cash flow analysis spreadsheet, on the following page, shows the schedule of actual revenue receipts during FY 17, the schedule of statutory School Foundation Fund payments and the incorporation of the interfund loan from and repayment to the CSPLF for FY 17.

Interest payments from the School Foundation Program for this interfund loan totaled \$15,133,334 for FY 17. The amount of interest paid to the CSPLF account was reported as income to the account to be distributed among all school districts during FY 17 as provided by W.S. 21-13-316.

Liquidity needs were built into the State's Investment Asset Allocation Plan for the CSPLF for FY 17. To ensure liquidity needs are met, an interfund loan will again be used to fund the cash flow for the School Foundation Program during FY 18. FY 17 was the first year since inception of the loan that the balance was not paid back prior to the end of the fiscal year.

<b>Historical School Foundation</b>			
<b>FY</b>	<b>Date of Borrowed</b>	<b>Amount Borrowed</b>	<b>Interest Paid</b>
2016-17	7/29/2016	\$375,000,000	\$15,133,334
2015-16	9/1/2015	\$220,000,000	\$10,693,333
2014-15	11/1/2014	\$225,000,000	\$7,100,000
2013-14	10/1/2013	\$50,000,000	\$1,547,500
2012-13	11/1/2012	\$160,000,000	\$5,147,500
2011-12	11/1/2011	\$155,000,000	\$3,947,500
2010-11	11/1/2010	\$365,000,000	\$10,402,500
2009-10	10/1/2009	\$378,000,000	\$4,460,000
2008-09	11/1/2008	\$25,000,000	\$125,000
2007-08	10/1/2007	\$369,500,000	\$4,565,834

Source: WDE payment and cash flow records.

**WYOMING DEPARTMENT OF EDUCATION**  
**School Foundation Account - with CSPLF Borrowing Cash Flow**  
**As of June 30, 2017**

LSO & CREG  
Estimates  
Jan 2017 CREG  
LSO Fiscal Profile

	1st QTR	2nd QTR	3rd QTR	4th QTR	FY 2017 Totals	LSO Fiscal Profile
<b>Beginning Balance</b>	63,364,505	(8,932,214)	63,471,328	39,418,248	63,364,505	63,364,505
<b>Revenues and Transfers</b>						
Education Program Revenue	14,119,666	132,391,969	71,484,016	157,229,162	375,224,812	344,119,735
Federal Mineral Royalties - under \$200M	22,176,000	22,176,000	22,176,000	22,176,000	88,704,000	0
Federal Mineral Royalties - over \$200M	0	22,080,669	7,960,017	92,715,891	122,756,578	189,499,336
6404-State Treasurer <sup>1</sup>	0	0	73,935,704	42,496,742	116,432,446	93,100,400
6404-State Treasurer <sup>5</sup>	0	44,765,565	0	0	44,765,565	44,765,565
2299-Net Undist Capital Gain/(Loss)	54,953	53,545	(167,233)	(59,809)	(118,544)	0
CSPLF Borrowing	185,000,000	80,000,000	60,000,000	50,000,000	375,000,000	0
<b>Total Revenues and Transfers</b>	<b>221,350,619</b>	<b>301,467,749</b>	<b>235,388,504</b>	<b>364,557,987</b>	<b>1,122,764,858</b>	<b>671,485,036</b>
<b>Expenditures by Agency</b>						
School Foundation Program (205)	(282,940,618)	(223,747,423)	(252,223,460)	(130,936,016)	(889,847,517)	(900,115,769)
Borrowing Cost payable to CSPLF	(1,911,667)	(3,855,000)	(3,975,000)	(5,391,667)	(15,133,333)	(10,000,000)
Department of Education (005   206)	(886,829)	(963,760)	(528,875)	(766,707)	(3,146,169)	(5,511,431)
State Treasurer (004)						
Capital Facilities Bond Debt Service (FMR) <sup>2</sup>	(3,456,550)	2,896,500	1,105,500	0	545,450	0
Auto. Appropriation to CSPLF Reserve <sup>3</sup>	0	0	0	0	0	0
Transfer to School Capital Construction <sup>4</sup>	0	0	0	0	0	0
Military Department (007)	(785,382)	(831,108)	(1,005,428)	(933,718)	(3,555,636)	(2,486,713)
Attorney General (015)	(107,010)	(109,430)	(111,386)	(119,444)	(447,270)	(852,269)
State Parks & Cultural Resources (024)	0	(80,000)	0	0	(80,000)	(50,000)
School Facilities Department (027)	(2,790)	(8,884)	0	0	(11,674)	(697,345)
Department of Workforce Services (053)	(6,399)	0	0	0	(6,399)	(536,087)
Community College (057)	(92,791)	(75,205)	(84,023)	(83,861)	(335,880)	(1,146,160)
State Lands and Investments (060)	(19,329)	(62,478)	(10,135)	(14,280)	(106,222)	(1,502,206)
Enterprise Technology Services (077)	(3,340,158)	(2,159,981)	(2,454,024)	(2,163,430)	(10,117,593)	(7,608,246)
Legislative Service Office (201)	(74,209)	(163,843)	(59,178)	(17,334)	(314,564)	(350,000)
Vouchers	(23,608)	96,406	(95,575)	(812)	(23,589)	0
<b>Total Expenditures</b>	<b>(293,647,338)</b>	<b>(229,064,207)</b>	<b>(259,441,583)</b>	<b>(140,427,268)</b>	<b>(922,580,397)</b>	<b>(930,856,225)</b>
<b>Ending Balance</b>	<b>(8,932,214)</b>	<b>63,471,328</b>	<b>39,418,248</b>	<b>263,548,967</b>	<b>263,548,967</b>	<b>(196,006,683)</b>
<b>CSPLF Loan Balance</b>	<b>185,000,000</b>	<b>265,000,000</b>	<b>325,000,000</b>	<b>375,000,000</b>	<b>375,000,000</b>	<b>0</b>

NOTES:

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

## APPROVED DEPOSITORIES

On June 2, 2016, the Board of Deposits (Board) approved those Wyoming banks and savings institutions that had applied at that time and were qualified as eligible state depositories for the purpose of placing public funds. On February 2, 2017, the Board added an additional institution as an approved depository. Below is an inclusive listing of all 42 approved depositories as of June 30, 2017. Each institution will remain on the list until its authority is revoked by the Board.

### FY 2017 Approved Depository List

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

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

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

## **TIME DEPOSIT OPEN ACCOUNT (TDOA)**

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

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

The TDOA rates for the four quarters of FY 17 were set at 0.58%, 0.57%, 0.56% and 0.76%. Therefore, the annualized TDOA rate for FY 17 was actually 0.62%.

TDOA income received in FY 17 was \$896,499.

Only 23 of the 42 approved depositories had TDOA funds as of June 30, 2017.

<b>TDOA Deposits in Wyoming Banks as of June 30, 2017 Totaled \$138,499,000</b>			
ANB	14,900,000	Glacier Bank	2,000,000
Bank of Bridger	3,800,000	Jonah Bank of Wyoming	1,000,000
Bank of Jackson Hole	25,600,000	Oregon Trail Bank	800,000
Buffalo Federal Bank	3,500,000	Pinnacle Bank	9,200,000
Central Bank and Trust	2,650,000	Platte Valley Bank	13,300,000
Cheyenne State Bank	1,300,000	Points West Community Bank	4,900,000
Commerce Bank of Wyoming	7,500,000	Rocky Mountain Bank	5,000,000
Farmers State Bank	249,000	Summit National Bank	500,000
First Federal Bank & Trust	11,000,000	Uinta Bank	2,900,000
First National Bank of Gillette	5,400,000	Western States Bank	6,800,000
First Northern Bank of Wyoming	8,000,000	Wyoming Community Bank	3,700,000
FirsTier Bank	4,500,000		

## **WYO-STAR**

### **Wyoming State Treasurer's Asset Reserve**

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

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

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

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

As of June 30, 2017, there were 179 active WYO-STAR participants, some with multiple accounts.

The WYO-STAR pool balance on June 30, 2017, was \$659,517,942.48.

Participants earned \$4,041,093.33 in FY 17.

WYO-STAR yields realized in FY 17 are as follows:

07/16	0.528%	01/17	0.582%
08/16	0.480%	02/17	0.666%
09/16	0.452%	03/17	0.761%
10/16	0.444%	04/17	0.811%
11/16	0.418%	05/17	0.789%
12/16	0.546%	06/17	0.841%

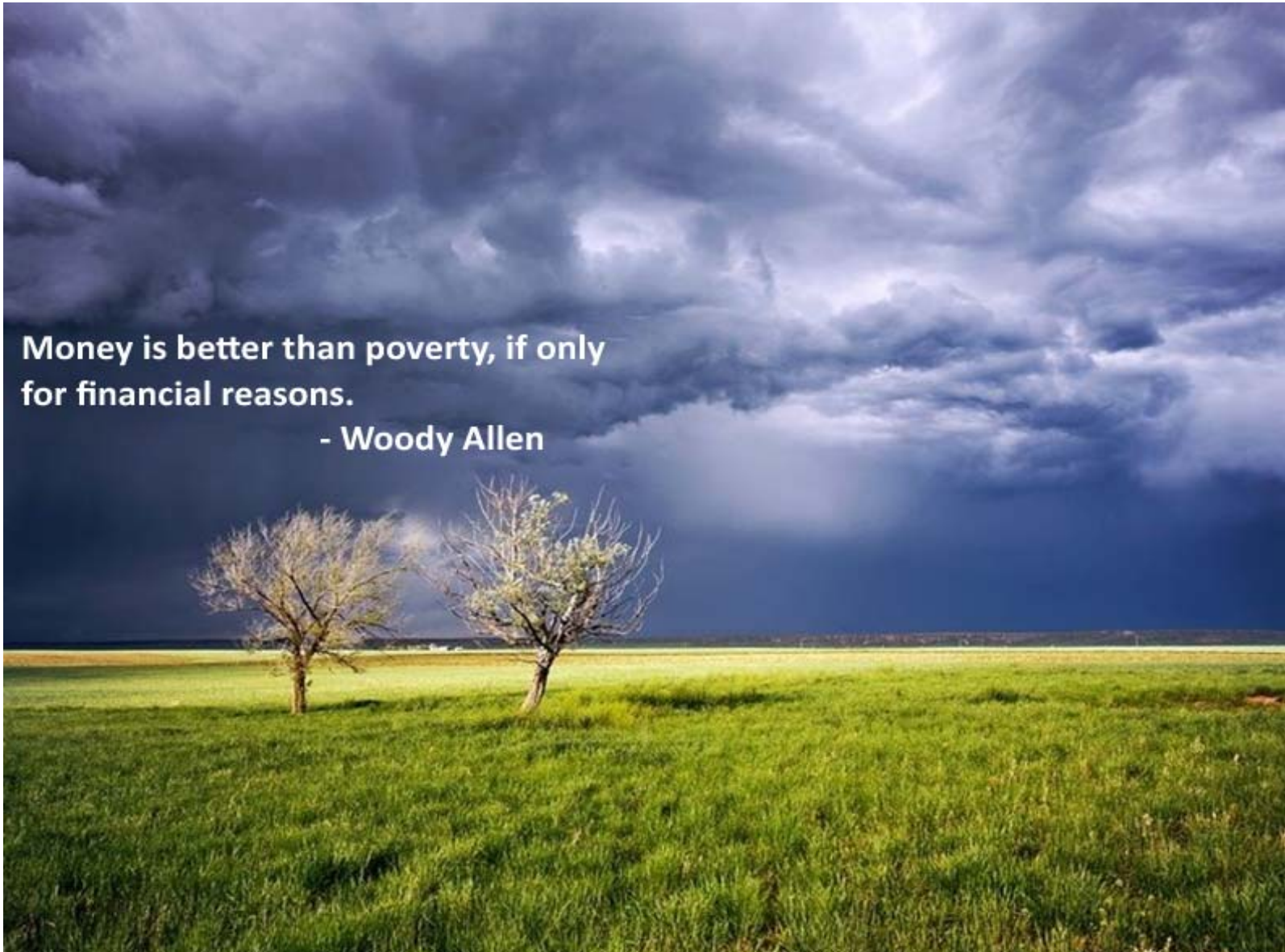
The annualized yield for FY 17 was 0.610%.

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

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

**SPENDING POLICIES  
&  
RESERVE ACCOUNTS**



A landscape photograph featuring a vibrant green field in the foreground. Two trees with sparse, light-colored foliage stand in the middle ground. The background is dominated by a dark, heavy sky filled with large, textured clouds, suggesting an approaching storm. The overall mood is dramatic and somewhat somber.

**Money is better than poverty, if only  
for financial reasons.**

**- Woody Allen**

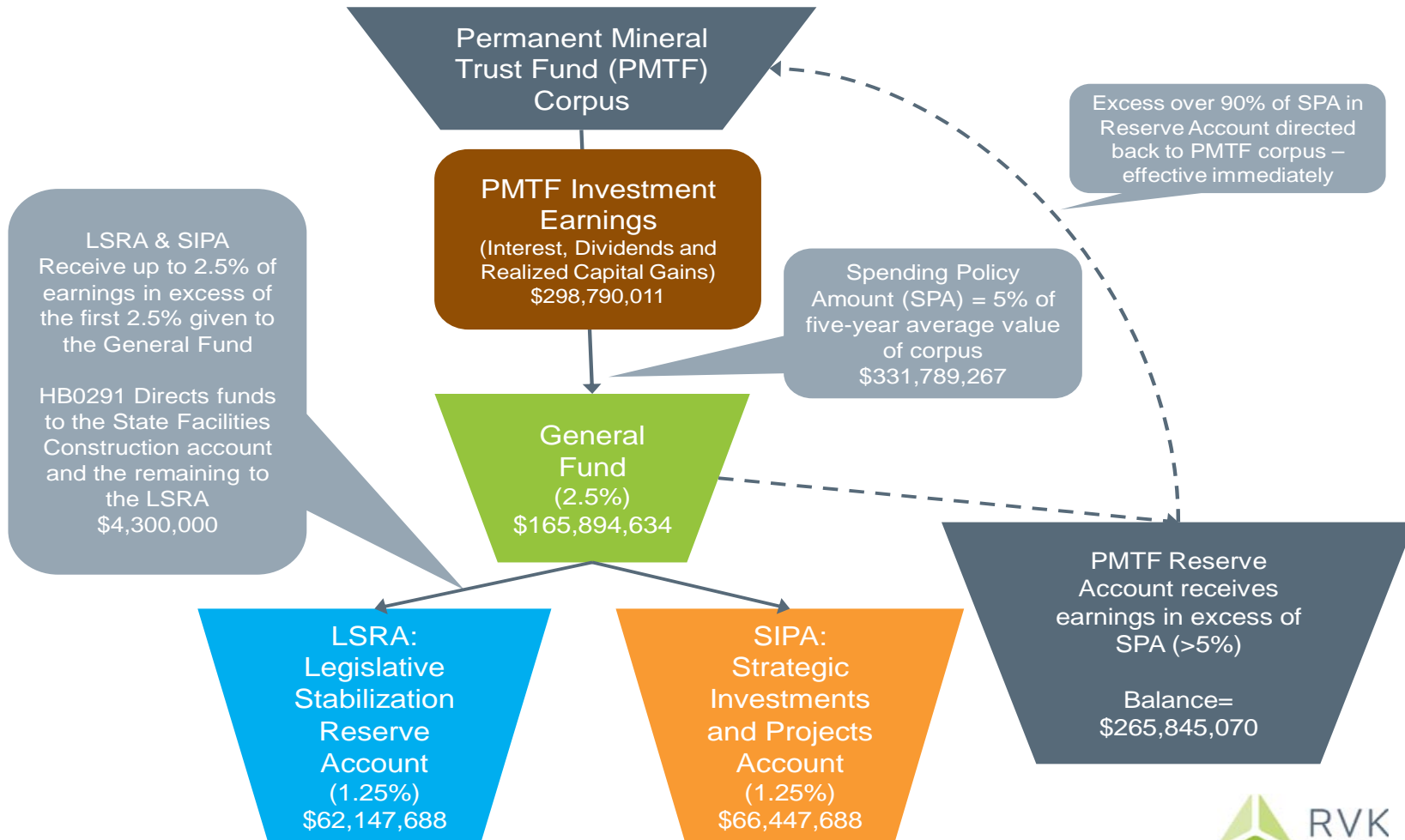
## PERMANENT MINERAL TRUST FUND Spending Policy Reserve Account

W.S. 9-4-719 establishes the annual spending policy for earnings from the Permanent Mineral Trust Fund (PMTF). To the extent earnings exceed an amount set in statute for the PMTF, the excess flows to the PMTF reserve account. For those years in which PMTF earnings fail to reach the spending policy amount, monies in the reserve account are available to supplement. If the reserve account reaches more than 90% of the spending policy amount, the excess reserves are placed in the PMTF corpus. The purpose of the spending policy is to even out the ups and downs of investment income.

The bottom of this page shows a summary of the cash flows from FY 13 through FY 17 for the PMTF reserve account. The illustration on the following page shows the flow of the spending policy for the PMTF.

<b>PERMANENT WYOMING MINERAL TRUST FUND RESERVE ACCOUNT SUMMARY FROM FY 13 TO FY 17 AS OF JUNE 30TH</b>									
<b>Current Fiscal Year</b>	<b>Prior Fiscal Year Cost</b>	<b>Prior Fiscal Year Investments at Market</b>	<b>Current Spending Policy Amount</b>	<b>Current Investment Income</b>	<b>Investment Income Over Spending Policy-Reserve</b>	<b>Reserve Cash Balance Before Spillover</b>	<b>90% of Spending Policy</b>	<b>Spillover from Reserve to Corpus</b>	<b>Reserve Ending Cash Balance</b>
2013	5,440,883,650	5,595,493,940	233,646,816	366,635,722	132,988,906	277,304,391	175,235,112	(102,069,279)	175,235,112
2014	5,888,454,802	6,112,755,251	253,420,015	395,337,466	141,917,451	317,152,564	190,065,011	(127,087,552)	190,065,011
2015	6,368,298,515	6,979,071,775	284,272,300	494,234,268	199,961,968	390,026,980	255,845,070	(134,181,910)	255,845,070
2016	6,848,939,024	7,172,217,627	311,853,676	149,823,404	10,000,000	255,845,070	280,668,308	0	265,845,070
2017	7,066,416,652	7,319,388,150	331,789,267	298,790,011	0	265,845,070	298,610,341	0	265,845,070

# PMTF Spending Policy



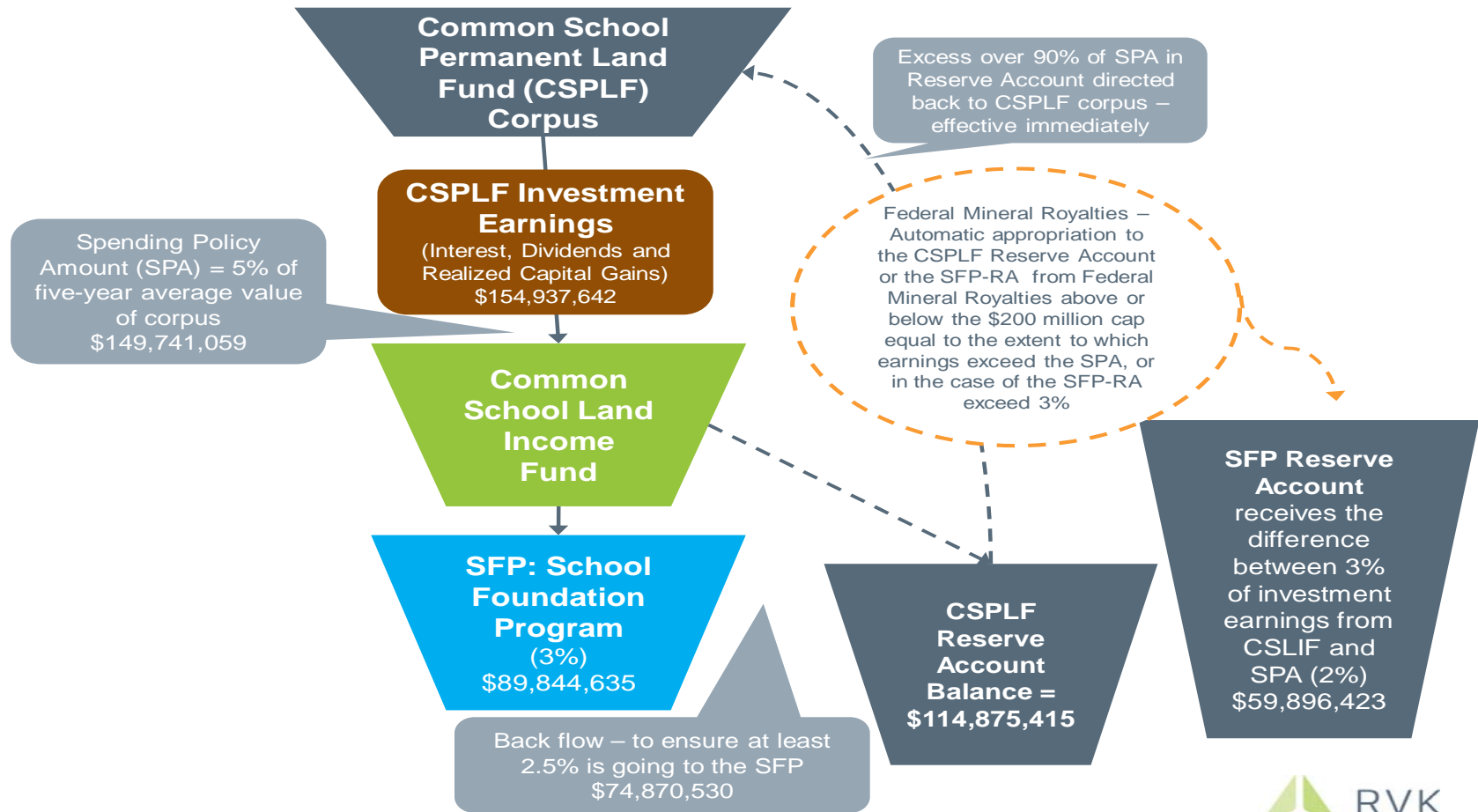
**COMMON SCHOOL PERMANENT LAND FUND**  
**Spending Policy Reserve Account**

W.S. 9-4-719 establishes the annual spending policy for earnings from the Common School Permanent Land Fund (CSPLF). Earnings in excess of the spending policy amount flow to the Common School Land Income account and School Foundation Program account. For those years in which CSPLF earnings fail to reach the spending policy amount, monies in the reserve account are available to supplement. If the reserve account reaches more than 90% of the spending policy amount, the excess reserves are placed in the CSPLF corpus. The purpose of the spending policy is to even out the ups and downs of investment income.

The bottom of this page shows a summary of the cash flows from FY 13 through FY 17 for the CSPLF reserve account. The illustration on the following page shows the flow of the spending policy for the CSPLF.

<b>COMMON SCHOOL PERMANENT LAND FUND RESERVE ACCOUNT SUMMARY FROM FY 13 TO FY 17 AS OF JUNE 30TH</b>									
<b>Current Fiscal Year</b>	<b>Prior Fiscal Year Cost</b>	<b>Prior Fiscal Year Investments at Market</b>	<b>Current Spending Policy Amount</b>	<b>Current Investment Income</b>	<b>Investment Income Over Spending Policy-Reserve</b>	<b>Reserve Cash Balance Before Spillover</b>	<b>90% of Spending Policy</b>	<b>Spillover from Reserve to Corpus</b>	<b>Reserve Ending Cash Balance</b>
2013	2,318,017,076	2,371,333,538	98,978,909	142,833,282	43,854,373	112,890,821	74,234,182	(38,656,639)	74,234,182
2014	2,533,432,505	2,630,640,734	107,624,856	172,478,233	64,853,377	139,087,559	80,718,642	(58,368,916)	80,718,642
2015	2,782,303,206	3,046,528,217	121,865,368	215,739,848	93,874,480	174,593,123	109,678,831	(64,914,291)	109,678,831
2016	3,261,661,104	3,405,296,800	136,903,302	76,888,127	0	109,678,831	123,212,972	0	109,678,831
2017	3,401,115,144	3,520,306,569	149,741,059	154,937,642	5,196,584	109,678,831	134,766,953	0	114,875,415

# CSPLF Spending Policy



## EXCELLENCE IN HIGHER EDUCATION FUND Spending Policy Reserve Account

W.S. 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 (corpus) until a maximum of \$105 million had been deposited. It was fully funded in April of FY 08.

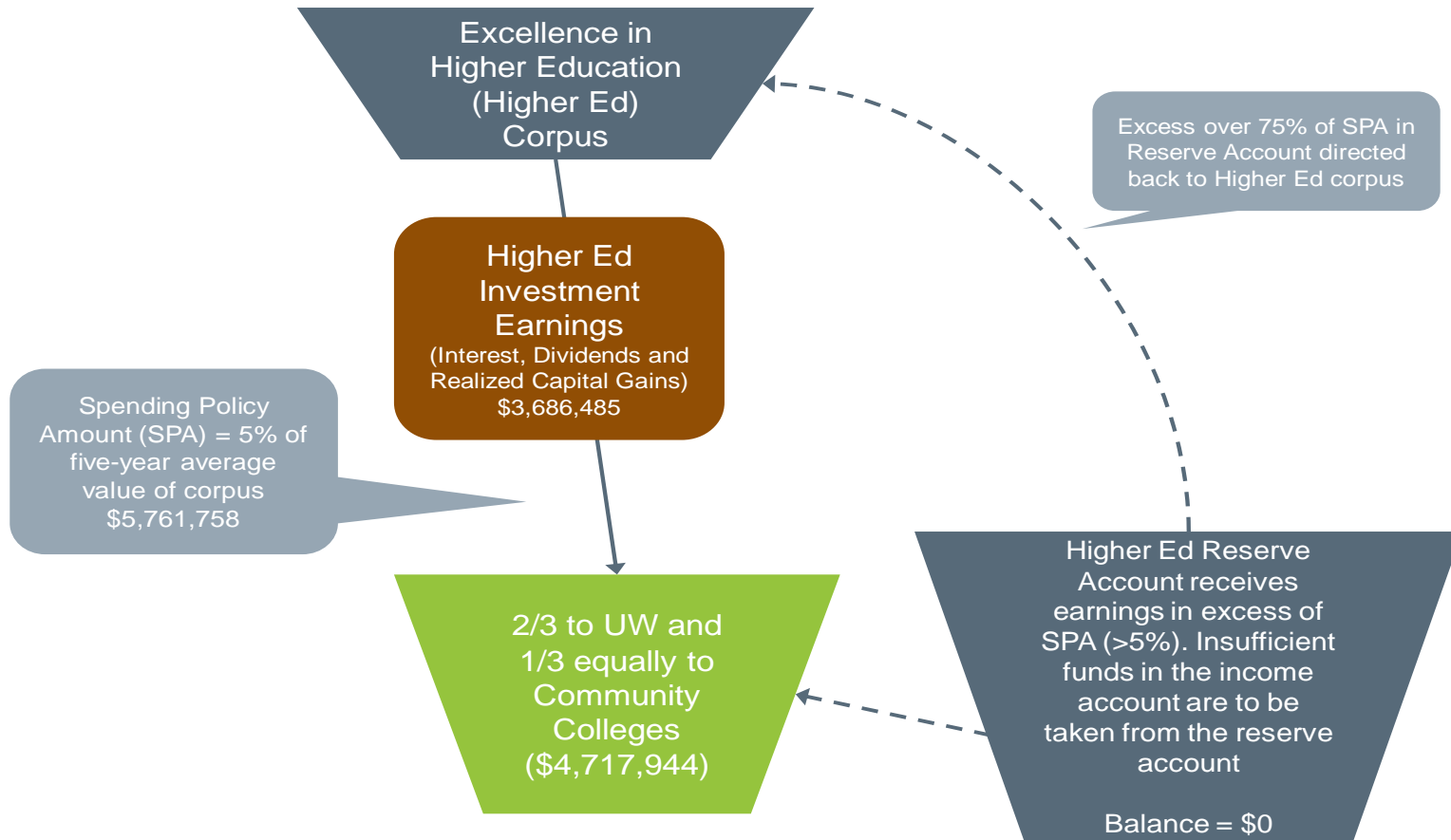
Investment earnings from the Higher Ed fund (corpus) are transferred to the Higher Ed income account and distributed quarterly to the University of Wyoming (University) and community colleges. The earnings distributed are used by the University and community colleges for the recruitment and retention 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.

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 5% of the average five-year rolling average market value). Earnings from the Higher Ed (corpus) 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 5% of the spending policy amount, an amount equal to the difference is taken from the Higher Ed reserve account and distributed to the University and 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 bottom of this page shows a summary of the cash flows from FY 13 through FY 17 for the reserve account. The illustration on the following page shows the flow of the spending policy for the Higher Education fund.

<b>EXCELLENCE IN HIGHER EDUCATION ENDOWMENT FUND SUMMARY FROM FY 13 TO FY 17 AS OF JUNE 30TH</b>												
<b>Prior Fiscal Year</b>	<b>Prior Fiscal Year Cost</b>	<b>Prior Fiscal Year Investments at Market</b>	<b>Spending Policy Amount</b>	<b>Investment Income Off Expenditure Account</b>	<b>75% of Spending Policy</b>	<b>Transferred to Cover Distributions to UW and Community Colleges</b>	<b>Net Transfers In/Out</b>	<b>Investment Income Off Reserve Account</b>	<b>Total Of Net Transfers and Reserve Account Income</b>	<b>Reserve Cash Balance Before Spillover</b>	<b>Spillover to Corpus</b>	<b>Reserve Ending Cash Balance</b>
2013	108,407,594	111,829,141	4,939,140	7,791,230	3,951,564	(5,268,752)	2,549,657	159,810	2,709,467	6,413,822	(2,462,258)	3,951,564
2014	110,870,385	113,851,145	5,268,752	6,727,157	4,019,290	(5,359,054)	1,381,257	36,211	1,417,468	5,369,032	(1,349,742)	4,019,290
2015	112,220,128	121,068,507	5,359,054	7,652,452	4,206,593	(5,608,790)	2,043,662	70,787	2,114,449	6,133,739	(1,927,147)	4,206,593
2016	114,147,273	117,971,275	5,608,790	2,528,330	4,321,318	(5,761,758)	(3,238,920)	55,357	(3,183,563)	1,023,030	0	1,023,030
2017	113,895,458	116,902,439	5,761,758	3,686,485	4,362,169	(4,717,944)	(1,031,459)	8,428.84	(1,023,030)	0	0	0

# Higher Education Spending Policy



## HATHAWAY STUDENT SCHOLARSHIP PROGRAM

### Spending Policy Reserve Account

Wyoming 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 Student Scholarship expenditure account (expenditure account) and the Hathaway Student Scholarship reserve account (reserve account). To fund the Hathaway Scholarship Program (corpus), 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 FY 07.

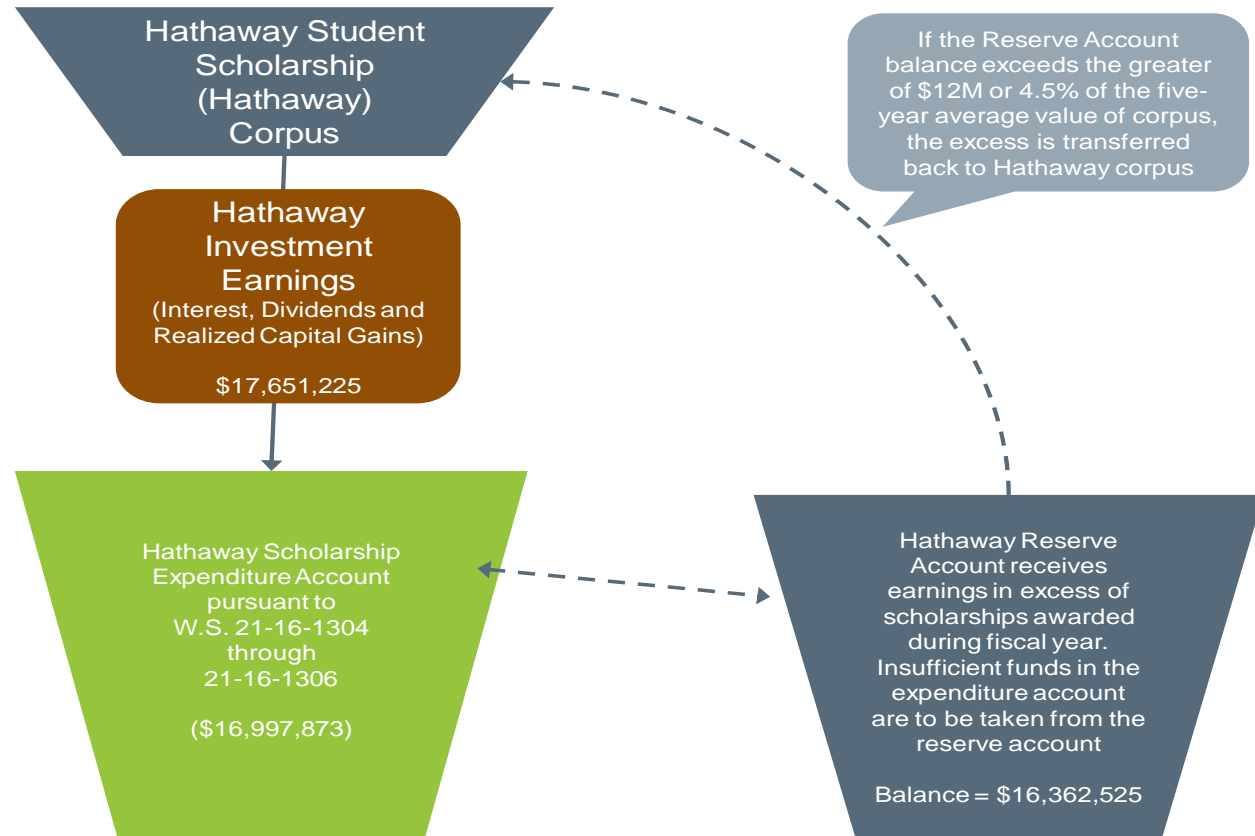
Investment earnings from the Hathaway fund (corpus) are transferred to the Hathaway expenditure account to fund scholarships for Wyoming students to attend the University and community colleges, if students meet certain criteria set by the legislature.

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 4.5% 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.

The bottom of this page shows a summary of the cash flows from FY 13 through FY 17 for the Hathaway reserve account. The illustration on the following page shows the flow of the spending policy for the Hathaway Scholarship Program.

<b>HATHAWAY STUDENT SCHOLARSHIP RESERVE ACCOUNT</b>											
<b>SUMMARY FROM FY 13 TO FY 17</b>											
<b>AS OF JUNE 30TH</b>											
<b>Prior Fiscal Year</b>	<b>Prior Fiscal Year Cost</b>	<b>Prior Fiscal Year Investments at Market</b>	<b>Greater of 4.5% or \$12 million (FY13 – FY16 3.75%)</b>	<b>Current Investment Income</b>	<b>Funds Transferred to cover Scholarships</b>	<b>Net Transfers In/Out</b>	<b>Current Investment Income Off Reserve Account</b>	<b>Total Of Net Transfers and Reserve Account Income</b>	<b>Reserve Cash Balance Before Spillover</b>	<b>Spillover to Corpus</b>	<b>Reserve Ending Cash Balance</b>
2013	501,340,390	518,418,148	17,530,270	33,627,614	(15,333,728)	18,293,886	607,100	18,900,986	34,780,467	(17,250,197)	17,530,270
2014	518,590,588	533,108,982	18,393,608	31,000,894	(15,531,595)	15,469,299	193,560	15,662,859	33,193,129	(14,799,521)	18,393,608
2015	533,390,109	575,666,227	19,478,027	35,903,622	(15,956,535)	19,947,087	311,747	20,258,834	38,652,442	(19,174,414)	19,478,027
2016	552,564,524	571,323,309	20,260,202	12,189,112	(16,405,512)	(4,216,400)	251,376	(3,965,024)	15,513,003	0	15,513,003
2017	551,215,264	566,842,582	24,888,233	17,651,225	(16,997,873)	653,352	196,170	849,522	16,362,525	0	16,362,525

# Hathaway Scholarship Spending Policy





# **DISTRIBUTIONS**



**DISTRIBUTIONS TO COUNTIES**  
**Quarterly Distributions**  
**As of June 30, 2017**

Counties	Railroad Car Tax W.S. 39-13-104	Veterans Exemption W.S. 39-13-105	US Forest Reserve W.S. 39-4-501	Taylor Grazing Act W.S. 9-4-401	Severance Tax Distribution W.S. 39-14-711	Livestock Predatory Animal Control Fees W.S. 11-6-210	Fines & Penalties W.S. 8-1-109	Native American Exemption W.S. 31-3-101	Lottery Funds W.S. 9-17-111	Total
Albany	149,654.00	245,690.62	181,759.53	49,386.51	369,612.16	53,199.03	125,369.13	0.00	19,000.87	1,193,671.85
Big Horn	61,794.00	112,492.71	56,039.75	25,362.61	151,416.80	48,958.73	67,138.05	0.00	12,855.30	536,057.95
Campbell	234,224.00	161,401.16	0.00	45,057.30	444,264.20	82,898.90	241,427.17	0.00	138,112.09	1,347,384.82
Carbon	126,376.00	116,452.87	303,175.77	40,979.11	166,772.76	102,620.90	124,322.06	0.00	13,555.74	994,255.21
Converse	250,699.00	110,230.51	36,359.40	29,402.26	138,309.88	62,891.90	91,808.69	0.00	43,619.48	763,321.12
Crook	27,646.00	83,519.79	125,648.27	19,505.33	113,167.44	67,165.01	29,504.07	0.00	19,479.91	485,635.82
Fremont	40,782.00	378,376.95	76,145.87	31,586.59	397,609.08	71,081.85	140,588.62	305,682.13	65,453.95	1,507,307.04
Goshen	125,680.00	159,628.66	0.00	4,867.34	170,496.92	58,736.60	57,289.86	0.00	14,908.42	591,607.80
Hot Springs	24,744.00	70,461.48	3,262.48	20,038.81	107,078.44	17,431.55	18,066.45	8,896.56	5,935.72	275,915.49
Johnson	0.00	117,137.06	52,255.34	60,390.89	98,713.04	68,287.66	46,650.10	0.00	22,207.02	465,641.11
Laramie	234,710.00	1,513,754.51	0.00	38,408.21	887,723.52	19,329.26	344,450.00	0.00	166,778.75	3,205,154.25
Lincoln	67,059.00	114,746.85	78,312.88	13,779.75	185,964.80	57,251.76	89,034.12	0.00	39,596.15	645,745.31
Natrona	69,154.00	593,298.35	2,676.89	142,419.05	731,117.20	44,694.65	273,367.21	0.00	57,148.86	1,913,876.21
Niobrara	75,576.00	27,967.56	0.00	24,096.81	103,647.40	57,475.00	18,907.48	0.00	4,134.49	311,804.74
Park	38,856.00	333,491.91	131,265.68	23,972.86	283,897.60	34,881.15	100,988.40	0.00	52,053.68	999,407.28
Platte	96,282.00	141,454.23	547.31	14,964.73	125,098.24	16,645.82	29,974.37	0.00	20,019.99	444,986.69
Sheridan	86,097.00	391,742.68	62,357.86	5,172.06	300,508.16	58,726.15	100,812.48	0.00	46,104.81	1,051,521.20
Sublette	0.00	67,471.84	125,638.58	16,590.47	102,067.12	13,202.15	52,077.58	0.00	66,353.66	443,401.40
Sweetwater	244,168.00	305,870.01	5,089.44	54,997.43	424,024.96	17,537.00	375,093.62	0.00	59,341.24	1,486,121.70
Teton	0.00	49,686.26	266,882.54	307.05	210,603.84	0.00	73,965.75	0.00	200,603.59	802,049.03
Uinta	110,128.00	149,288.60	11,418.05	14,233.24	223,910.24	40,637.68	76,017.19	0.00	16,904.09	642,537.09
Washakie	22,701.00	87,019.28	5,751.04	24,014.90	146,894.48	42,290.44	31,238.68	0.00	9,287.21	369,197.03
Weston	95,502.00	81,430.10	4,537.98	207,753.94	131,101.72	47,856.25	33,710.80	0.00	10,729.00	612,621.79
<b>Grand Total</b>	<b>2,181,832.00</b>	<b>5,412,613.99</b>	<b>1,529,124.66</b>	<b>907,287.25</b>	<b>6,014,000.00</b>	<b>1,083,799.44</b>	<b>2,541,801.88</b>	<b>314,578.69</b>	<b>1,104,184.02</b>	<b>21,089,221.93</b>

**DISTRIBUTIONS TO CITIES & TOWNS**  
**Quarterly Distributions**  
**As of June 30, 2017**

<u>City/Town</u>	<u>Severance Tax W.S. 39-14-801</u>	<u>Federal Mineral Royalty W.S. 9-4-601</u>	<u>Lottery Funds W.S. 9-17-111</u>	<u>Total</u>
Afton	71,144.28	144,101.88	8,507.09	223,753.25
Albin	6,720.84	20,060.33	985.41	27,766.58
Alpine	30,745.00	70,791.42	3,676.35	105,212.77
Baggs	16,337.92	29,778.39	2,776.79	48,893.10
Bairoil	3,935.96	16,461.73	870.68	21,268.37
Bar Nunn	82,172.36	97,252.42	11,175.26	190,600.04
Basin	47,714.20	94,932.44	3,923.77	146,570.41
Bear River	19,271.32	40,682.83	1,820.92	61,775.07
Big Piney	20,868.00	61,440.98	5,669.87	87,978.85
Buffalo	170,248.68	238,098.54	27,363.39	435,710.61
Burlington	10,693.92	29,914.81	879.42	41,488.15
Burns	11,176.64	25,404.21	1,638.73	38,219.58
Byron	22,019.08	51,887.11	1,810.73	75,716.92
Casper	2,054,234.92	2,071,236.05	279,371.45	4,404,842.42
Cheyenne	2,214,458.04	2,670,738.61	324,676.37	5,209,873.02
Chugwater	7,871.92	21,266.38	1,243.18	30,381.48
Clearmont	5,235.56	18,059.60	655.63	23,950.79
Cody	353,493.40	445,896.84	41,210.07	840,600.31
Cokeville	19,865.44	51,048.80	2,375.41	73,289.65
Cowley	24,321.24	55,743.78	2,000.05	82,065.07
Dayton	28,182.92	47,561.36	3,529.29	79,273.57
Deaver	6,609.44	23,072.35	543.53	30,225.32
Diamondville	27,366.04	64,659.75	3,272.29	95,298.08
Dixon	3,601.76	15,257.96	612.15	19,471.87
Douglas	227,022.96	312,926.05	56,718.31	596,667.32
Dubois	36,463.28	73,876.32	3,289.71	113,629.31
East Thermopolis	9,431.44	20,951.52	1,034.77	31,417.73
Edgerton	7,240.68	19,247.67	984.71	27,473.06
Elk Mountain	7,092.16	18,415.15	1,205.37	26,712.68
Encampment	16,709.24	30,114.25	2,839.89	49,663.38
Evanston	459,949.88	627,973.54	43,460.12	1,131,383.54
Evansville	94,128.76	109,220.45	12,801.31	216,150.52
Fort Laramie	8,540.28	21,441.96	629.28	30,611.52
Frannie	5,829.68	21,444.18	503.63	27,777.49
Gillette	1,107,006.24	1,585,220.82	283,696.12	2,975,923.18
Glendo	7,612.00	20,960.41	1,202.14	29,774.55
Glenrock	95,614.04	140,475.88	23,887.74	259,977.66
Granger	5,161.32	17,850.74	1,141.74	24,153.80
Green River	464,702.76	541,776.58	102,798.28	1,109,277.62
Greybull	68,582.16	129,891.24	5,639.85	204,113.25
Guernsey	42,590.00	65,134.55	6,726.10	114,450.65
Hanna	31,227.72	43,246.88	5,307.43	79,782.03
Hartville	2,302.16	14,709.98	363.58	17,375.72
Hudson	17,117.68	42,639.49	1,544.35	61,301.52
Hulett	14,184.28	41,284.12	1,851.19	57,319.59
Jackson	357,243.72	517,079.42	165,339.43	1,039,662.57
Kaycee	9,765.64	24,797.13	1,569.60	36,132.37
Kemmerer	98,621.68	193,963.76	11,792.71	304,378.15
Kirby	3,416.12	15,242.28	374.79	19,033.19
La Barge	20,459.56	52,126.89	2,446.45	75,032.90
La Grange	16,635.00	33,391.31	1,225.72	51,252.03

(Continued on Next Page)

**DISTRIBUTIONS TO CITIES & TOWNS**  
**Quarterly Distributions**  
**As of June 30, 2017**

City/Town	Severance Tax W.S. 39-14-801	Federal Mineral Royalty W.S. 9-4-601	Lottery Funds W.S. 9-17-111	Total
Lander	282,089.24	468,693.31	25,450.02	776,232.57
Laramie	1,144,212.24	720,916.34	111,749.92	1,976,878.50
Lingle	17,377.60	34,212.35	1,280.45	52,870.40
Lost Springs	148.52	12,194.91	37.11	12,380.54
Lovell	87,630.72	161,802.00	7,206.30	256,639.02
Lusk	58,185.32	168,672.71	8,028.18	234,886.21
Lyman	78,125.00	119,116.94	7,381.94	204,623.88
Manderson	4,233.00	19,091.29	348.11	23,672.40
Manville	3,527.52	21,316.48	486.71	25,330.71
Marbleton	40,176.44	104,411.27	10,916.02	155,503.73
Medicine Bow	10,545.40	21,538.78	1,792.30	33,876.48
Meeteetse	12,142.04	29,800.77	1,415.51	43,358.32
Midwest	15,001.20	30,015.80	2,040.14	47,057.14
Mills	128,586.96	143,712.20	17,487.55	289,786.71
Moorcroft	37,465.84	84,380.74	4,889.66	126,736.24
Mountain View	47,899.84	78,835.94	4,526.00	131,261.78
Newcastle	131,186.16	164,332.45	14,720.62	310,239.23
Opal	3,564.64	18,468.60	426.24	22,459.48
Pavillion	8,651.68	25,969.64	780.55	35,401.87
Pine Bluffs	41,921.64	65,276.94	6,146.57	113,345.15
Pine Haven	18,194.52	48,693.33	2,374.56	69,262.41
Pinedale	75,228.76	182,418.88	20,439.80	278,087.44
Powell	234,449.32	300,785.98	27,331.97	562,567.27
Ranchester	31,821.84	51,765.59	3,984.97	87,572.40
Rawlins	343,802.04	325,984.28	58,432.34	728,218.66
Riverside	1,930.84	13,746.54	328.17	16,005.55
Riverton	397,123.12	656,224.26	35,828.35	1,089,175.73
Rock River	9,097.24	17,612.51	888.57	27,598.32
Rock Springs	855,364.96	984,622.49	189,217.82	2,029,205.27
Rolling Hills	16,263.68	36,343.09	4,063.24	56,670.01
Saratoga	62,752.52	71,762.44	10,665.37	145,180.33
Sheridan	647,947.48	763,610.94	81,141.09	1,492,699.51
Shoshoni	24,098.44	53,911.13	2,174.16	80,183.73
Sinclair	16,078.00	29,543.26	2,732.61	48,353.87
Superior	12,401.96	29,079.71	2,743.49	44,225.16
Star Valley Ranch	55,808.88	116,273.56	6,673.35	178,755.79
Sundance	43,889.64	96,276.52	5,728.02	145,894.18
Ten Sleep	9,654.24	24,210.33	866.71	34,731.28
Thayne	13,590.20	39,661.43	1,625.05	54,876.68
Thermopolis	111,729.16	121,043.70	12,258.44	245,031.30
Torrington	241,392.92	281,879.23	17,786.68	541,058.83
Upton	40,844.84	61,494.67	4,583.26	106,922.77
Van Tassell	556.96	13,471.02	76.84	14,104.82
Wamsutter	16,746.36	33,983.32	3,704.52	54,434.20
Wheatland	134,676.52	173,533.61	21,269.05	329,479.18
Worland	203,741.44	272,685.02	18,291.08	494,717.54
Wright	67,096.92	110,173.65	17,195.87	194,466.44
Yoder	5,606.88	18,198.85	413.13	24,218.86
<b>GRAND TOTAL</b>	<b>14,337,500.00</b>	<b>18,562,499.94</b>	<b>2,250,890.56</b>	<b>35,150,890.50</b>

## FEDERAL MINERAL ROYALTY DISTRIBUTIONS

	<u>UNDER \$200 MILLION %</u>	<u>DISTRIBUTIONS MADE IN FY 17</u>	<u>OVER \$200 MILLION DIST FY 17</u>	<u>TOTAL FY 17 ROYALTY MONEY DISTRIBUTED</u>
<b>Mineral Royalty:</b>				
Cities & Towns	9.375%	\$18,562,500.00	\$0.00	\$18,562,500.00
University Of Wyoming	6.750%	13,365,000.00	0.00	\$13,365,000.00
School Foundation Fund	44.800%	88,704,000.00	126,770,656.35	\$215,474,656.35
Highway Fund-redirect to the General Fund	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			253,465,265.45	\$253,465,265.45
<b>TOTAL</b>	<b><u>100.00%</u></b>	<b><u>\$200,000,000.00</u></b>	<b><u>\$380,235,921.80</u></b>	<b><u>\$580,235,921.80</u></b>
<b>Coal Lease Bonus:</b>				
Cities, Counties & Special Districts Capital Const.*	37.50%	\$5,625,000.00	0.00	\$5,625,000.00
School Capital Construction	40.00%	115,287,115.06	0.00	\$115,287,115.06
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
<b>TOTAL</b>	<b><u>100.00%</u></b>	<b><u>\$124,387,115.06</u></b>	<b><u>\$0.00</u></b>	<b><u>\$124,387,115.06</u></b>
<b>FY 17 GRAND TOTAL DISTRIBUTIONS</b>		<b><u>\$324,387,115.06</u></b>	<b><u>\$380,235,921.80</u></b>	<b><u>\$704,623,036.86</u></b>
<b>FY 17 GRAND TOTAL COLLECTIONS</b>				<b><u>\$704,623,036.86</u></b>

NOTES:

Distribution FY 17 plus FY 17 "over \$200 million" = Total FY 17 royalty money distributed.

The "over \$200 million FY 17" distribution was completed 4/17.

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 Lease 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.

## CAPITAL FACILITIES REVENUE BONDS

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.

<u>SERIES</u>	<u>AMOUNT ISSUED</u>	<u>INTEREST RANGE %</u>	<u>BONDS OUTSTANDING JULY 1, 2016</u>	<u>PRINCIPAL PAYMENTS FY17</u>	<u>YEAR OF MATURITY</u>	<u>BALANCE JUNE 30, 2017</u>
1992	28,750,000	3.0-6.25	8,040,000	1,650,000	(2020)	6,390,000
2012	16,905,000	0.5-2.0	15,970,000	885,000	(2024)	15,085,000
Total Outstanding Revenue Bonds						<u><u>\$21,475,000</u></u>

Future minimum payments for revenue bonds are as follows:

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2018	2,645,000	834,981
2019	2,745,000	723,444
2020	2,860,000	591,594
2021	2,685,000	456,194
2022	2,810,000	338,900
2023-2025	7,730,000	342,500

## **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 program for the University of Wyoming bonds during the 2011 legislative session as described 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, 2017, 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 \$1,265,000 is still outstanding.

## **University of Wyoming Revenue Bond Supplemental Coverage Program**

Wyoming Statute 9-4-1003 authorizes the State Loan and Investment Board to provide supplemental coverage for repayment of revenue bonds issued by the University of Wyoming 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, 2011, 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. As of October 26, 2016, the 2011A Bond was defeased through an advance refunding. The 2011B Bond remains with an outstanding amount of \$5,635,000 as of June 30, 2017.

As of June 30, 2012, the State Loan and Investment Board approved another supplemental coverage for one bond issued by the University for facility improvements and refunding revenue bonds in the amount of \$39,655,000. Of this amount \$33,030,000 remains outstanding as of June 30, 2017.

## ENDOWMENT CHALLENGE FUND MATCHING PROGRAMS

There were five endowment challenge fund matching programs administered by the State Treasurer's Office as of June 30, 2017, involving 33 eligible institutions.

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

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

The initial appropriation to an endowment challenge fund matching program occurred in fiscal year 2001. The Wyoming State Legislature has appropriated matching funds totaling \$278.4 million as of June 30, 2017.

The following is a list of the endowment challenge fund matching programs authorized by the state statutes as of June 30, 2017 that are to be administered by the State Treasurer:

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

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

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

<b>Institution</b>	<b>Total Appropriation</b>	<b>Unfunded Commitments</b>	<b>Payments</b>	<b>Remaining Appropriation</b>
UW	\$105,197,598	\$5,123,034	\$94,424,564	\$5,650,000
UW Athletics	\$49,000,000	\$591,129	\$48,408,871	\$0
UW Academic Facilities	\$42,329,880	\$0	\$42,329,880	\$0
Casper	\$12,047,619	\$0	\$11,328,483	\$719,136
CWCC	\$6,964,286	\$0	\$6,964,286	\$0
EWCC	\$4,314,839	\$0	\$4,086,095	\$228,744
LCCC	\$10,031,536	\$0	\$9,836,518	\$195,018
NWCC	\$11,297,619	\$74,785	\$11,222,834	\$0
Sheridan	\$11,879,816	\$321,099	\$11,558,717	\$0
WWCC	\$6,964,286	\$0	\$6,523,086	\$441,200
<b>TOTAL</b>	<b>\$260,027,478</b>	<b>\$6,110,047</b>	<b>\$246,683,334</b>	<b>\$7,234,097</b>

**PUBLIC LIBRARY ENDOWMENT CHALLENGE PROGRAMS**  
Inception through June 30, 2017

<b>County Library</b>	<b>Total Appropriation</b>	<b>Unfunded Commitments</b>	<b>Payments</b>	<b>Remaining Appropriation</b>
Natrona	\$1,030,032	\$0	\$1,030,032	\$0
Laramie	\$1,042,406	\$0	\$1,042,406	\$0
Sheridan	\$976,082	\$0	\$976,082	\$0
Sweetwater	\$657,795	\$0	\$555,480	\$102,315
Albany	\$797,826	\$0	\$797,826	\$0
Carbon	\$797,826	\$0	\$797,826	\$0
Goshen	\$797,826	\$0	\$797,826	\$0
Platte	\$797,826	\$0	\$632,066	\$165,760
Big Horn	\$694,528	\$0	\$694,528	\$0
Fremont	\$797,826	\$0	\$465,189	\$332,637
Park	\$797,826	\$0	\$797,826	\$0
Lincoln	\$712,570	\$0	\$712,570	\$0
Converse	\$528,209	\$0	\$528,209	\$0
Niobrara	\$862,854	\$0	\$851,489	\$11,365
Hot Springs	\$797,826	\$0	\$784,928	\$12,898
Johnson	\$762,826	\$0	\$727,790	\$35,036
Campbell	\$901,124	\$0	\$901,124	\$0
Crook	\$797,826	\$0	\$797,826	\$0
Uinta	\$797,826	\$0	\$797,826	\$0
Washakie	\$797,826	\$0	\$734,564	\$63,262
Weston	\$665,659	\$0	\$665,659	\$0
Teton	\$797,826	\$0	\$797,826	\$0
Sublette	\$739,826	\$0	\$658,000	\$81,826
<b>TOTAL</b>	<b>\$18,349,996</b>	<b>\$0</b>	<b>\$17,544,898</b>	<b>\$805,098</b>



**UNCLAIMED PROPERTY**



## **UNCLAIMED PROPERTY: THE STATE'S LOST & FOUND PROGRAM**

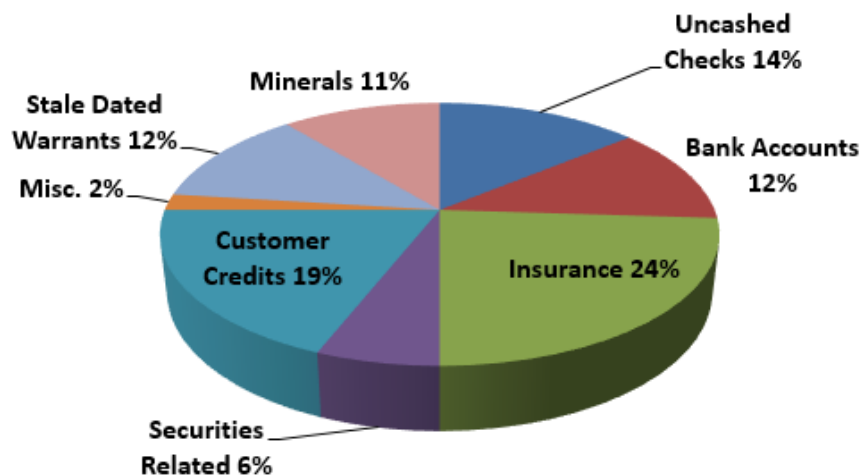
Wyoming law requires banks, insurance companies, and many other types of entities (known as holders) to transfer to the Wyoming State Treasurer's Office personal property considered abandoned by owners. These "unclaimed" properties include utility security deposits, customer overpayments, savings accounts, checking accounts, stocks, uncashed dividends or payroll checks, refunds, traveler's checks, trust distributions, unredeemed money orders, insurance payments or refunds, life insurance policies, annuities, certificates of deposit, and mineral royalty payments. Insurance payments are currently the most reported property type, followed closely by customer credits. Real property, such as houses, land and certain types of personal property, such as automobiles, are not covered by the State's Unclaimed Property Law.

The State takes custody of unclaimed property and maintains an indefinite obligation to reunite the property with owners or heirs, should they come forth and make a claim. In essence, the state acts as the custodian and/or fiduciary of the unclaimed funds and stands in the shoes of the owner. The state makes a concerted effort to locate and refund all property at no cost. The Unclaimed Property fund currently stands at \$60 million. Interest is earned on the fund and pays the operating costs of the Unclaimed Property Division and the residual goes to the general fund on June 30<sup>th</sup> of each year.

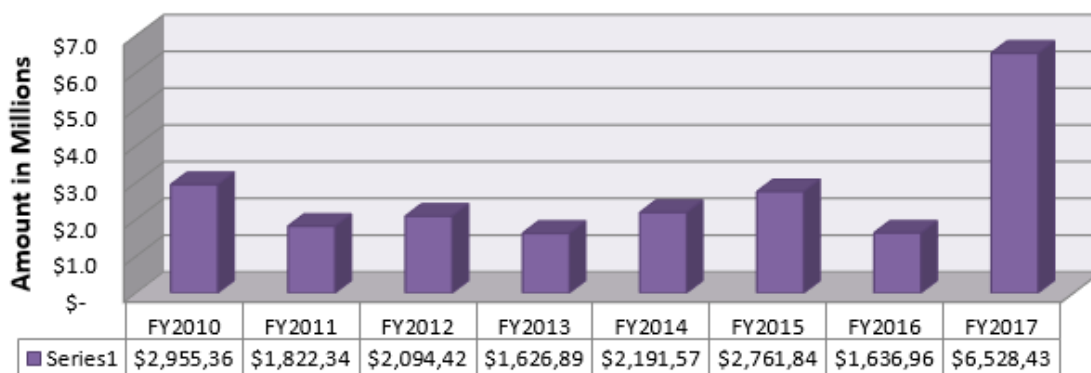
Over the past 24 years, the state has routinely taken in more unclaimed property than it has reunited with owners and the amount of unclaimed property that could theoretically be claimed by owners has grown each year. More than \$100 million has been received and approximately \$40 million has been disbursed thus, leaving a current balance of \$60 million. However, in Fiscal Year 2017, the Unclaimed Property Division had a banner year for disbursements. Implementation of new technology and enhanced methodologies resulted in the highest annual return in Wyoming's Unclaimed Property program history. The Unclaimed Property Division paid over 4,000 claimants totaling \$6.5 million. In addition, the Division received \$8 million remitted by holders.

With \$60 million remaining in the Unclaimed Property fund, the division will continue to work towards becoming increasingly electronic as well as seek more effective ways to reunite owners and heirs with their lost money. We believe with the positive changes taking place, Wyoming citizens will continue to greatly benefit from Wyoming's Unclaimed Property program.

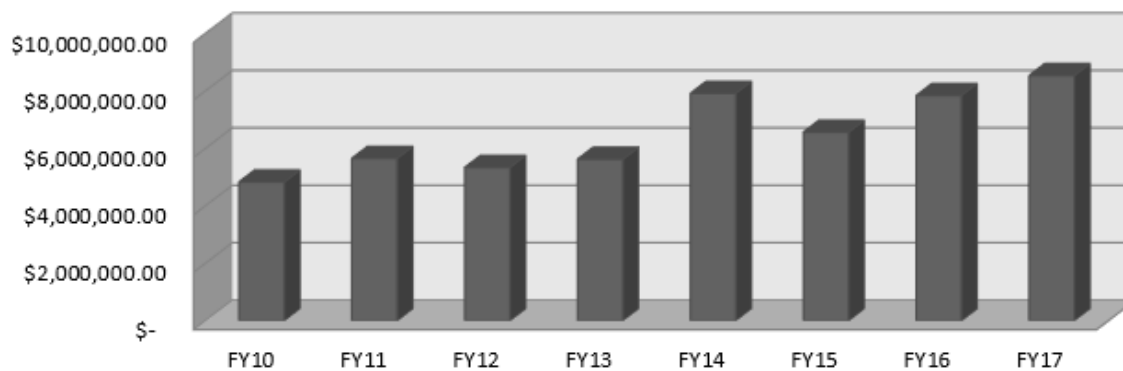
### Types of Property Reported



### Unclaimed Cash Returned to Wyoming



### Unclaimed Property Reported to Wyoming



**LEGISLATIVE REPORTS  
&  
STATUTORY AUTHORITY**



**Wyoming State Treasurer**  
*Mark Gordon*

**SPENDING POLICY RECOMMENDATIONS**  
**Report to the Legislature**

MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon

Due: November 1, 2017

Re: Spending Policy Modification Recommendations

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

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

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

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

**Wyoming State Treasurer**  
*Mark Gordon*

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

MEMORANDUM

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

From: The Honorable Mark Gordon

Due: November 1, 2017

Re: Excellence in Higher Education Endowment Fund Reserve Account

In accordance with Wyoming State Statute 9-4-719(n), the State Treasurer, in consultation with the University of Wyoming and the Community College Commission, is to report to the Governor, the Joint Appropriations Committee, Joint Education Committee and Select Committee on Capital Financing and Investments no later than November 1st of any year in which funds have been or are anticipated to be distributed from the Excellence in Higher Education Endowment Fund (Higher Ed Fund) reserve account.

Total investment income earned on the Higher Ed Fund during the fiscal year amounted to \$3,686,484.54 which was below the spending policy amount of \$5,816,225.07. The spending policy for the Higher Ed Fund requires that funds in the amount that the investment income falls below the spending policy amount be transferred from the Higher Ed Fund reserve account to the Higher Ed Fund expenditure account but the reserve account had no remaining funds as of January 2017 so no funds were transferred. In addition, the balance of the reserve account did not exceed 75% of the spending policy amount and thus no funds were transferred back to the Higher Ed Fund corpus. The balance in the reserve account at the end of fiscal year 2017 was zero.

2017 Wyoming Session Laws, Chapter 120, Section 309 provides for an appropriation from the legislative stabilization reserve account to the Higher Ed Fund reserve account in the amount of \$1,250,000 no later than September 30, 2017. It is anticipated that this appropriated amount will be distributed from the reserve account almost immediately and that, based on current CREG income projections (which do not include any projections for capital gain/loss distributions), the reserve account will again have no remaining funds by the end of March 2018, if not earlier, unless investment income along with any realized capital gains are greater than current CREG projections would indicate.

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

**Wyoming State Treasurer**  
*Mark Gordon*

**HATHAWAY STUDENT SCHOLARSHIP  
RESERVE ACCOUNT  
Report to the Legislature**

MEMORANDUM

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

From: The Honorable Mark Gordon

Due: November 1, 2017

Re: Hathaway Student Scholarship Reserve Account

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

The balance in the reserve account on June 30, 2017 and on July 1 of the current fiscal year was \$16,362,525.38. Since this amount was lower than the statutory cap (4.5% of the previous five year average market value of the corpus which was \$24,888,233.23), no funds were transferred to the corpus of the Hathaway endowment fund.

For detailed information showing the previous five years cash flow for the Hathaway student scholarship fund and the ending cash balance in the Hathaway student scholarship reserve account, please refer to the “Spending Policy” tab in this Annual Report.

**Wyoming State Treasurer**  
*Mark Gordon*

**COLLEGE SAVINGS PROGRAM**  
**Report to the Legislature**

MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon

Due: December 31, 2017

Re: Wyoming Family College Savings Program

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

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

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

# Wyoming State Treasurer

## *Mark Gordon*

### **PUBLIC PURPOSE INVESTMENTS AND LOANS**

#### **Report to the Legislature**

#### MEMORANDUM

To: Select Committee on Capital Financing & Investments

From: The Honorable Mark Gordon

Due: November 1, 2017

Re: Public Purpose Investments and Loans

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

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

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

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

Attachments

**Office of State Lands & Investments**  
**Public Purpose Investment Loan Information**  
**Fiscal Year 2017**  
**July 1, 2016 - June 30, 2017**  
**W.S. 9-4-715(n)**

**W.S. 9-4-715(n)(i)**  
**FY17 Loan Requests during FY17**

<b>Loan Program</b>	<b>SLIB Board Date</b>	<b>Requested Loan Amount</b>	<b>Approved Loan Amount</b>	<b>Interest Rate</b>
Beginning Agricultural Producer	August 2016	\$ 609,468	\$ 609,468	2.87% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	January 2017	\$ 444,500	\$ 444,500	1.87% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	February 2017	\$ 260,000	\$ 26,000	1.92% 1st Ten Years then 8% for the following Twenty Years
Beginning Agricultural Producer	June 2017	\$ 656,500	\$ 656,500	2.07% 1st Ten Years then 8% for the following Twenty Years
Joint Powers Act	January 2017	\$ 257,050	\$ 257,050	5.38%
Joint Powers Act	January 2017	\$ 1,000,000	\$ -	N/A

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

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

**W.S. 9-4-715(n)(iii)(B)**  
**OSLI's Administrative & Other Costs for FY17**

\$39,496

**Office of State Lands & Investments**

**Status of Individual Loans**

**Fiscal Year 2017**

**July 1, 2016 - June 30, 2017**

Program	Loan ID	Interest Rate	6/30/2017		Comment
			Principal Balance	Status	
Aeronautics	AER1403	5.00%	312,177.59	Current	
Aeronautics	AER1405	5.00%	289,284.23	Current	
Aeronautics	AER1406	5.00%	329,616.07	Current	
Aeronautics	AER1407	5.00%	1,372,958.35	Current	
Aeronautics	AER1408	5.00%	297,944.25	Current	
Aeronautics	AER1409	5.00%	305,209.68	Current	
Beginning Agriculture Producer	B00001	8.00%	299,199.38	Current	
Beginning Agriculture Producer	B00002	8.00%	58,442.70	Current	
Beginning Agriculture Producer	B00004	8.00%	50,831.02	Current	
Beginning Agriculture Producer	B00007	8.00%	32,808.57	Current	
Beginning Agriculture Producer	B00029	8.00%	140,755.46	Current	
Beginning Agriculture Producer	B00033	8.00%	496,746.71	Current	
Beginning Agriculture Producer	B00045	4.05%	195,540.78	Current	
Beginning Agriculture Producer	B00049	3.79%	257,650.35	Current	
Beginning Agriculture Producer	B00052	3.41%	148,056.06	Current	
Beginning Agriculture Producer	B00054	3.34%	593,661.51	Current	
Beginning Agriculture Producer	B00055	3.34%	122,124.92	Current	
Beginning Agriculture Producer	B00057	3.35%	676,868.75	Current	
Beginning Agriculture Producer	B00061	3.20%	671,570.32	Current	
Beginning Agriculture Producer	B00064	3.58%	646,686.35	Current	
Beginning Agriculture Producer	B00069	3.52%	347,932.48	Current	
Beginning Agriculture Producer	B00071	3.37%	696,639.37	Current	
Beginning Agriculture Producer	B00072	3.22%	249,647.06	Current	
Beginning Agriculture Producer	B00073	3.45%	44,459.18	Current	
Beginning Agriculture Producer	B00077	3.06%	266,723.73	Delinquent	Repayment Plan approved 6/1/17
Beginning Agriculture Producer	B00080	2.63%	48,427.68	Current	
Beginning Agriculture Producer	B00084	1.93%	385,475.51	Current	
Beginning Agriculture Producer	B00087	1.85%	448,066.81	Current	
Beginning Agriculture Producer	B00088	1.81%	470,914.89	Current	
Beginning Agriculture Producer	B00095	1.74%	186,795.10	Current	
Beginning Agriculture Producer	B00097	1.95%	161,646.90	Current	
Beginning Agriculture Producer	B00099	1.90%	320,162.33	Current	
Beginning Agriculture Producer	B00100	2.46%	617,957.74	Current	
Beginning Agriculture Producer	B00101	2.14%	689,017.50	Current	
Beginning Agriculture Producer	B00102	2.14%	269,436.36	Current	
Beginning Agriculture Producer	B00103	2.24%	278,154.77	Current	
Beginning Agriculture Producer	B00104	1.95%	655,053.55	Current	
Beginning Agriculture Producer	B00105	2.19%	739,411.75	Current	
Beginning Agriculture Producer	B00106	2.39%	156,036.02	Current	
Beginning Agriculture Producer	B00107	2.49%	157,648.73	Current	
Beginning Agriculture Producer	B00110	2.60%	445,413.51	Current	
Beginning Agriculture Producer	B00111	2.48%	495,479.64	Current	
Beginning Agriculture Producer	B00112	2.63%	272,930.29	Current	
Beginning Agriculture Producer	B00113	2.68%	127,052.23	Current	
Beginning Agriculture Producer	B00114	2.65%	249,688.17	Current	
Beginning Agriculture Producer	B00116	2.57%	283,495.62	Current	
Beginning Agriculture Producer	B00117	2.57%	667,048.49	Current	
Beginning Agriculture Producer	B00118	2.57%	666,952.14	Current	
Beginning Agriculture Producer	B00120	2.30%	466,692.57	Current	
Beginning Agriculture Producer	B00122	2.14%	624,925.17	Current	
Beginning Agriculture Producer	B00123	2.14%	469,166.94	Current	
Beginning Agriculture Producer	B00124	2.14%	345,856.74	Current	
Beginning Agriculture Producer	B00127	2.14%	521,346.19	Current	
Beginning Agriculture Producer	B00129	2.10%	286,459.78	Current	
Beginning Agriculture Producer	B00130	2.87%	609,468.00	Current	
Beginning Agriculture Producer	B00131	2.04%	603,021.77	Current	
Beginning Agriculture Producer	B00132	1.87%	444,500.00	Current	
Beginning Agriculture Producer	B00133	1.92%	260,000.00	Current	
Farm Loan	F07657	8.00%	7,059.05	Current	
Farm Loan	F07996	8.00%	30,002.42	Current	
Farm Loan	F08022	8.00%	110,972.59	Current	
Farm Loan	F08037	9.00%	18,717.20	Current	
Farm Loan	F08081	8.00%	17,857.25	Current	
Farm Loan	F08113	8.00%	137,823.79	Current	
Farm Loan	F08129	8.00%	23,235.35	Current	
Farm Loan	F08201	8.00%	59,785.78	Current	
Farm Loan	F08303	8.00%	17,881.16	Delinquent	Repayment Plan approved 6/1/17
Farm Loan	F08359	8.00%	94,854.88	Current	
Farm Loan	F08398	8.00%	8,444.60	Current	
Farm Loan	F08411	8.00%	34,061.15	Current	
Farm Loan	F08439	9.00%	65,556.38	Current	

6/30/2017					
Program	Loan ID	Interest Rate	Principal Balance	Status	Comment
Farm Loan	F08486	8.00%	80,103.56	Current	
Farm Loan	F08535	8.00%	35,444.92	Current	
Farm Loan	F08619	8.00%	22,701.74	Current	
Farm Loan	F08663	8.00%	71,169.03	Delinquent	Repayment Plan approved 6/2/16 (5 year plan)
Farm Loan	F08710	8.00%	491,800.29	Current	
Farm Loan	F08713	8.00%	453,052.91	Current	
Farm Loan	F08722	8.00%	541,429.63	Current	
Hot Springs	S00006	6.00%	244,124.80	Current	
Joint Powers Act	JPA09289	8.50%	18,171.63	Current	
Joint Powers Act	JPA09303	8.50%	3,354.18	Current	
Joint Powers Act	JPA09320	8.50%	7,372.37	Current	
Joint Powers Act	JPA09392	8.50%	42,881.36	Current	
Joint Powers Act	JPA09404	7.25%	5,498.87	Delinquent	Per District, loan will be paid in full by 12/31/17
Joint Powers Act	JPA09453	7.25%	134,338.88	Current	
Joint Powers Act	JPA09489	7.25%	33,414.24	Current	
Joint Powers Act	JPA09504	7.25%	55,608.86	Current	
Joint Powers Act	JPA09538	6.00%	93,197.12	Current	
Joint Powers Act	JPA09549	6.00%	229,322.38	Current	
Joint Powers Act	JPA09550	6.00%	286,463.83	Current	
Joint Powers Act	JPA09552	6.00%	278,154.25	Current	
Joint Powers Act	JPA09556	6.00%	26,192.02	Current	
Joint Powers Act	JPA09563	5.31%	79,391.07	Current	
Joint Powers Act	JPA11565	5.06%	102,797.28	Current	
Joint Powers Act	JPA11567	5.17%	242,451.95	Current	
Joint Powers Act	JPA11570	4.94%	93,918.64	Current	
Joint Powers Act	JPA11572	4.94%	145,249.05	Current	
Joint Powers Act	JPA11573	4.94%	233,451.02	Current	
Joint Powers Act	JPA11574	4.94%	342,740.61	Current	
Joint Powers Act	JPA11575	4.94%	91,551.76	Current	
Joint Powers Act	JPA13576	4.89%	102,491.85	Current	
Joint Powers Act	JPA13577	4.89%	93,174.39	Current	
Joint Powers Act	JPA13579	4.89%	35,375.61	Current	
Joint Powers Act	JPA13580	4.13%	174,784.91	Current	
Joint Powers Act	JPA13581	4.62%	72,566.13	Current	
Joint Powers Act	JPA15582	4.62%	435,226.59	Current	
Joint Powers Act	JPA15583	4.62%	358,012.95	Current	
Joint Powers Act	JPA15584	4.62%	839,271.93	Current	
Joint Powers Act	JPA15585	4.96%	42,612.07	Current	
Joint Powers Act	JPA17587	5.38%	257,050.00	Current	
Small Water/Irrigation	I00546	4.00%	42,264.11	Current	
Small Water/Irrigation	I00746	4.00%	45,406.89	Current	
Small Water/Irrigation	I00818	5.00%	350,890.48	Current	
Small Water/Irrigation	I00835	6.00%	8,256.66	Current	



214 W. 15<sup>th</sup> Street  
Cheyenne, WY 82002  
T: 307.777.2800  
F: 307.777.2837

[www.wyomingbusiness.org](http://www.wyomingbusiness.org)

TO: Erica Legerski, State Treasurer's Office  
FROM: Josh Keefe, Economic Development Finance Manager, Wyoming  
Business Council (WBC)  
DATE: October 4, 2017  
SUBJECT: Current Public Purpose Investments of the WBC

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In regard to the report referenced in W.S. 9-4-715(n), the Wyoming Business Council assists the State Treasurer's Office with the Large Project Economic Development Fund. This fund was originated in 2014 with an initial allocation of \$25,000,000. There was little to no interest until FY 17, when three applications were received in July and August of 2016 by the WBC from Standard Alcohol Company of America, Inc. (SACA), Atlas Carbon, LLC (Atlas Carbon), and Cody Laboratories, Inc (Cody Labs). All three projects were approved by the WBC at the September 2016 Board of Directors meeting in Worland, WY. All three projects were then presented and approved by the State Lands and Investment Board (SLIB) at the October 2016 meeting. A status update, as of June 30, 2017, for each project is below:

- Standard Alcohol Company of America (Cheyenne, WY) – The SLIB approved a loan to SACA for \$15M on October 6, 2016. The company then began working with the Treasurer's office to finalize rate and term(s) of the loan. SACA then formed a new entity (Big Horn Technologies, Inc.), however, the approved loan funds were intended for SACA. A new application was requested from Big Horn Technologies, but has not been received. The original application for SACA was formally denied by the Treasurer's office on March 6, 2017.
- Atlas Carbon, LLC (Gillette, WY) – The SLIB approved a loan to Atlas Carbon for \$15M on October 6, 2016. The company began working with the Treasurer's office to finalize rate and term(s) of the loan. As of June 30, 2017, those terms and conditions are still being negotiated. The project is set to close, but the timeframe for closing is unknown.
- Cody Laboratories, Inc. (Cody, WY) – The SLIB approved a loan to Cody Labs for \$11M on October 6, 2016. The company began working with the Treasurer's office to finalize rate and term(s) of the loan. As of June 30, 2017, the project was underway at the site. Cody Labs has requested an amendment to their original application, as construction costs for the project have increased, and are requesting an increased loan amount. This additional request is currently under review at the WBC.

The WBC has received inquiries from two other projects, but these requests are still in the design phase of the project. Once more details are known about the project(s), the WBC will review and advise on next steps for those projects. Please contact me with any questions/concerns.



WYOMING WATER DEVELOPMENT OFFICE

6920 Yellowtail Road
Cheyenne, WY 82002

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

Matthew H. Mead
Governor

Commissioners

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

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

TO: Erica Legerski, State Treasurer's Office
FROM: Andi Odell, Wyoming Water Development Office (WWDO)
DATE: September 26, 2017
SUBJECT: Current Public Purpose Investment Projects of the WWDO

In regards to the report referenced in W.S. 9-4-715(n), the Wyoming Water Development Office administers one active public purpose investment (PPI) project and one PPI project loan was paid in full in fiscal year 2017. The active PPI project is the Gillette Madison Pipeline Project. The state of Wyoming legislature appropriated loan dollars to the City of Gillette from the permanent mineral trust fund (PMTF) through the Wyoming Water Development Commission. The total PMTF loan is for \$44,328,358.00 and has been fully transferred to the Gillette Madison pipeline account. The last transfer occurred in June of 2015. Thus, no loan requests were made from the State Treasurer's Office (STO) in the previous fiscal year (FY 2017). These PMTF loan dollars are for thirty-three percent (33%) of the actual development costs of the project. The remaining sixty-seven percent (67%) of the actual development costs were appropriated from several sources as grant dollars.

As of June 30, 2017, the WWDO disbursed all \$44,328,358.00 in PMTF loan dollars to the City of Gillette. The City of Gillette is now responsible for the remaining thirty-three percent (33%) of the actual project development costs. Interest on the PMTF loan dollars will not be charged until the benefits accrual date is set by the WWDO. The benefits accrual date is estimated to occur within the next year. The term of the loan is five (5) years at an annual interest rate of four percent (4%).

The PPI project loan now paid in full was for the Shoshone Municipal Water Treatment Project. In February of 2017, a principal payment of \$11,800,688.32 and interest payment of \$205,622.95 were received from the Shoshone Municipal Water Joint Powers Board; thus retiring the PMTF loan.

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

# Wyoming State Treasurer

## *Mark Gordon*

**State of Wyoming Treasurer's Office**  
**Public Purpose Investments (PPI) Loan Information**  
**For Fiscal Year 2017**  
**W.S. 9-4-715 (n)**

**i) Loan Requests:**

Please see attached spreadsheet.

**ii) Recommendations:**

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

**iii) Costs:**

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

Earnings in FY 17:

Permanent Mineral Trust Fund	8.69%
Common School Permanent Land Fund	8.87%
State Agency Pool	1.10%

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

For loans for Wyoming projects, such as the Large Project Loan Program, the Industrial Development Bond Program or the Farm Loan Program, an approximation would be the high yield index. On June 30, 2017, it yielded 5.62%. This is a generic yield and each entity would borrow at different rates. Many high yield credits are currently borrowing at yields well above 8%.

(b) Administrative costs associated with PPIs in FY 17 are difficult to estimate. Costs can seriously fluctuate over time depending on the work needed by the PPI program with costs of initiating a PPI significantly greater than on-going maintenance of the loan. Because three large project program loans were approved in FY 17, the Treasurer's Office and the Attorney General's Office have spent a significant amount of time on PPIs this fiscal year. As a measure of reference, the amount of the three approved large project loans equals approximately 0.20% of the State's overall \$20 billion portfolio but the time spent on these loans during FY 17, between the Treasurer's Office and the Attorney General's Office combined, has exceeded a full time employee position (estimated hours).

**STATE OF WYOMING TREASURER'S OFFICE**  
**Public Purpose Investments Loan Information**  
**As of June 30, 2017**  
**W.S. 9-4-715 (n)**

PPI - LDI	Balance Forward as of June 30, 2016	Amount Loaned In FY 17	Principal Payments	Interest Payments	Loan Balance as of June 30, 2017	Current Loan Status
<b>Permanant Mineral Trust Fund (PMTF)_</b>						
Airport Loans	\$3,084,452.24	\$0.00	\$177,262.07	\$155,762.23	\$2,907,190.17	Administered by OS LI
Basin Electric	\$24,593,000.00	\$0.00	\$2,095,000.00	\$1,129,140.95	\$22,498,000.00	Current
Farm Loans	\$24,634,215.75	\$1,937,346.29	\$4,829,560.77	\$933,705.37	\$21,742,001.27	Administered by OS LI
Special Loans - Hot Springs State Park	\$247,500.00	\$0.00	\$3,375.20	\$10,659.45	\$244,124.80	Administered by OS LI
GIC (Guaranteed Investment Contract) left over escrow	\$0.00	\$0.00	\$0.00	\$1,058.85	\$0.00	Leftover escrow
Hydro-Power Development Loans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Industrial Development Bonds (repealed July 1, 2016)	\$43,435,038.96	\$0.00	\$7,608,069.56	\$2,291,333.20	\$35,826,969.40	Current
Irrigation Loans	\$512,103.67	\$0.00	\$65,285.53	\$24,304.21	\$446,818.14	Administered by OS LI
JPA Loans	\$5,460,108.75	\$257,050.00	\$761,070.95	\$284,434.78	\$4,956,087.80	Administered by OS LI
Reimbursement to Counties for Deferred Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Small Business Assistance & FnHA Ag Loans (statute repealed 2008)	\$45,194.64	\$0.00	\$16,005.76	\$1,907.69	\$29,188.88	Current
Water Development - Gillette Madison Pipeline	\$44,328,358.00	\$0.00	\$0.00	\$0.00	\$44,328,358.00	Payments will not start until Water Commission deems project beneficial
Water Development Loans	\$12,073,147.63	\$0.00	\$12,073,147.63	\$688,548.86	\$0.00	Administered by Water Development
<b>Total PMTF</b>	<b>\$158,413,119.64</b>	<b>\$2,194,396.29</b>	<b>\$27,628,777.47</b>	<b>\$5,520,855.59</b>	<b>\$132,978,738.46</b>	
<b>Common School Permanent Land Fund (CS)</b>						
Drainage District	\$24,000.00	\$0.00	\$0.00	\$0.00	\$24,000.00	Delinquent 1974 - Last Payment 2009
School Foundation Interfund Borrowing	\$0.00	\$375,000,000.00	\$0.00	\$15,133,334.00	\$375,000,000.00	Paid Off 7-11-17
Wyoming Real Estate - Land	\$18,335,737.79	\$0.00	\$0.00	\$0.00	\$18,335,737.79	N/A
<b>Total CS</b>	<b>\$18,359,737.79</b>	<b>\$375,000,000.00</b>	<b>\$0.00</b>	<b>\$15,133,334.00</b>	<b>\$393,359,737.79</b>	
<b>State Agency Pool (SAP)</b>						
Large Project Funding	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
TDOA	\$191,449,000.00	\$48,800,000.00	\$101,750,000.00	\$896,498.68	\$138,499,000.00	Current
General Fund Borrowing	\$0.00	\$100,000,000.00	\$0.00	\$0.00	\$100,000,000.00	Paid Off 7-31-17
Governor Fire Fighting Interfund Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Group Health Insurance Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Hathaway Scholarship Borrowing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
WYDOT Borrowing (\$100M)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	N/A
WYDOT Borrowing (\$82M)	\$0.00	\$82,000,000.00	\$35,017,864.00	\$0.00	\$46,982,136.00	N/A
<b>Total SAP</b>	<b>\$191,449,000.00</b>	<b>\$230,800,000.00</b>	<b>\$136,767,864.00</b>	<b>\$896,498.68</b>	<b>\$285,481,136.00</b>	
<b>Total PPIs</b>	<b>368,221,857.43</b>	<b>607,994,396.29</b>	<b>164,396,641.47</b>	<b>21,550,688.27</b>	<b>811,819,612.25</b>	

## STATUTORY AND LEGISLATIVE AUTHORITY

W.S. 8-1-109	Distribution of Fines and Penalties
W.S. 9-1-401; 9-1-409 through 9-1-418	State Treasurer - Duties Generally
W.S. 9-1-507	Distributions Held for Cities, Towns and Counties Not Complying with Required Reporting
W.S. 9-3-303	Agreements with Federal Security Administrator to Extend Benefits to Employees
W.S. 9-3-306	Promulgation of Rules and Regulation for Administration of the State Treasurer's Duties
W.S. 9-4-206	Disposition of Revenue-Petty Cash Accounts
W.S. 9-4-217	Assist State Auditor with Internal Control Procedures for Assets and Accounting Entries
W.S. 9-4-219	Legislative Stabilization Reserve Account
W.S. 9-4-220.1	Wyoming State Penitentiary Capital Construction Account
W.S. 9-4-305	Distribution-Inflation Proofing-Permanent Land Fund Accounts
W.S. 9-4-401	Distribution of Taylor Grazing Funds
W.S. 9-4-501 through 9-4-503	Distribution of U.S. Forest Reserve Funds
W.S. 9-4-601 through 9-4-607	Distribution of Federal Mineral Royalties
W.S. 9-4-605	Bond Issues - Capital Facilities
W.S. 9-4-714 through 9-4-719 & 9-4-831	Investment of State Funds
W.S. 9-4-720 through 9-4-721	Investment Funds Committee
W.S. 9-4-801 through 9-4-829	Deposits in Wyoming Banks & S&L
W.S. 9-4-831	Second Local Government Investment Pool; Education for Political Subdivision Treasurers
W.S. 9-4-901 through 9-4-904	Refunding Bonds
W.S. 9-4-1001	Guarantee Program for School District Bonds
W.S. 9-4-1003	Supplemental Coverage Program for University of Wyoming Revenue Bonds
W.S. 9-4-1101 through 9-4-1105	Tax & Revenue Anticipation Notes
W.S. 9-4-1203	Investment of Tobacco Settlement Fund
W.S. 9-5-111 through 9-5-112	State Capitol Building Rehabilitation and Restoration Project Oversight Group
W.S. 9-15-103	Investment of Wildlife/ Natural Resource Trust Account
W.S. 9-17-111	Disposition of Lottery Proceeds
W.S. 10-3-403	Wyoming Investment in Airport Loans-Aeronautics Commission
W.S. 11-6-210	Distribution of Livestock Predatory Animal Control Fees
W.S. 11-34-129	Wyoming Investment in Farm Loans
W.S. 11-34-201	Authority to Issue Nonnegotiable Debentures; Acceptance by Treasurer
W.S. 11-34-301	Wyoming Investment in Small Water Development Project Loans
W.S. 13-4-703	Unclaimed Dividends and Deposits
W.S. 16-1-109	Wyoming Investment in Joint Powers Board Loans
W.S. 18-7-201 through 18-7-205	County Libraries Endowment Challenge Account/Invest & Distribute Match
W.S. 21-13-303	Levy of State Tax; Disposition of Funds; Reduction of Mill Levy
W.S. 21-13-304	State Treasurer to Keep Separate Account for School Purposes
W.S. 21-13-316	Interfund Borrowing for Common School Account
W.S. 21-15-122	Transfer from School Capital Construction Fund to Common School Permanent Land Fund
W.S. 21-16-113	Invest in Insured, Guaranteed or Higher Education Loans
W.S. 21-16-714	Student Loan Standby Commitment
W.S. 21-16-809 through 21-16-818	Family College Savings Program

## STATUTORY AND LEGISLATIVE AUTHORITY (cont.)

W.S. 21-16-901 through 21-16-904	UW Endowment Challenge Account/Invest & Distribute Matching Funds
W.S. 21-16-1001 through 21-16-1003	UW Athletic/Academic Challenge Account/Invest & Distribute Matching Funds
W.S. 21-16-1101 through 21-16-1104	Community College Endowment Challenge Account/Invest & Distribute Match
W.S. 21-16-1201 through 21-16-1204	Investment & Distribution of Higher Education Endowment Fund
W.S. 21-16-1301 through 1311	Investment & Distribution of Hathaway Student Scholarship Fund
W.S. 21-16-1401 through 21-16-1403	UW Academic Facilities Challenge Account/Invest & Distribute Match
W.S. 21-22-101 and 102	Investment of Wyoming Education Trust Fund
W.S. 21-23-201 and 202	Wyoming Public Television Endowment/Distribute Match
W.S. 24-8-103	Notice of Intention to Issue Bonds; Acceptance/Rejection of Bids
W.S. 27-3-201 through 211	Unemployment Compensation Fund Administration
W.S. 27-14-701	Investment of Worker's Compensation Funds
W.S. 31-3-101	Distribution of Reimbursement for Indian Motor Vehicle Tax Exemptions
W.S. 34-24-101 through 140	Unclaimed Property
W.S. 36-8-319	Wyoming Investment in Hot Springs State Park Loans
W.S. 37-5-206	Investment in Natural Gas Pipeline Authority Bonds
W.S. 37-5-406	Investment in Wyoming Infrastructure Authority Bonds
W.S. 39-13-104	Distribution of Railroad Car Tax
W.S. 39-13-102 and 105	Distribution of Reimbursements for Veteran Tax Exemptions
W.S. 39-13-107	Deferred Tax Loans to Counties
W.S. 39-14-109, 111, 211, 311, 411, 511, 611, 711 and 801	Distribution of Severance Tax
W.S. 39-17-111	Distribution of Gas Tax Refund
W.S. 41-2-124	Distribution of Water Development Funds
1987, ch 117	Wyoming Investment-Shoshone Municipal Water Treatment Project Loan
1989, ch 230	Wyoming Investment-Sheridan Area Water Treatment Facility Loan
1989, ch 131 and 285	Wyoming Investment-Laramie Territorial Park Loan
2009, ch 103; 2010, ch 115	Investment in Gillette Madison Pipeline
2014, ch 46; 2016, ch 41	Large Project Loan Program
2017, ch 78	Spending Policy-LSRA redirection
2017, ch 150	Economic and Fiscal Analysis for Economic Development Projects

# APPENDIX



**BALANCE SHEET**  
**As of June 30, 2017**

**ASSETS**

Treasurer's Cash	\$48,809,643		
WYO-STAR Cash	\$0		
Cash with Fiscal Agent	\$71,039,806		\$119,849,449
Income Receivable	\$53,664,946		
WYO-STAR Income Receivable			\$53,664,946
State Investments @ Cost	\$19,823,645,102		
WYO-STAR Investments @ Cost	\$662,010,202		
Total Investments @ Cost		\$20,485,655,304	
TREASURER'S TOTAL ASSETS			\$20,659,169,699

**LIABILITIES**

Due to Local Government Entities (WYO-STAR income) \$0

**EQUITY**

State Investment Equity	\$19,872,454,745		
Bond Funds with Fiscal Agent	\$71,039,806		
Unapportioned Income	\$53,664,946		
Total State Equity		\$19,997,159,497	
WYO-STAR Participation		\$662,010,202	
TREASURER'S TOTAL LIABILITY & FUND EQUITY			\$20,659,169,699

**STATEMENT OF CASH FLOWS**  
**As of June 30, 2017**

Cash flows from operating activities:

Receipts	1	6,175,683,022
Less return items		<u>(3,914,368)</u>
Net Cash receipts		6,171,768,653
Increase (Decrease) in Petty Cash		2,480
Expenses		
Warrants redeemed	2	<u>(6,348,362,904)</u>

Net Cash provided (used) by operating activities (176,591,771)

Cash flow from investment operations:

Cash Investment income received	3	475,988,685
Deferred Income (Gain/Loss)		222,108,278
Net increase in investments & loans receivable		<u>(718,819,106)</u>

Net Cash provided (used) by investment activities (20,722,143)

Net increase (decrease) in Cash (197,313,914)

Beginning Cash: July 1, 2016 246,123,556

Ending Cash: June 30, 2017 48,809,643

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