



# Annual Report

Office of State Treasurer Zach Conine

Fiscal Year  
2020

July 1, 2019 – June 30, 2020

**Zach Conine**

*State Treasurer*



STATE OF NEVADA

OFFICE OF THE STATE TREASURER

December 11, 2020

Dear Governor Sisolak and Members of the Nevada Legislature:

Enclosed please find a copy of the Nevada State Treasurer's Office Fiscal Year 2020 Annual Report as required pursuant to NRS 226.120(2).

It has been a pleasure to serve as Nevada's State Treasurer since January 7, 2019. This year has brought many challenges to Nevada and the Treasurer's Office, but also many incredible opportunities and accomplishments. The five divisions of the State Treasurer's Office have worked tirelessly to serve Nevadans, both in response to COVID-19 and in the regular course of business.

Of note, through a special pilot program the Office administered in partnership with the Department of Employment, Training, and Rehabilitation (DETR), the Unclaimed Property Division returned over \$300,000 (as of June 30, 2020) to Nevada unemployment insurance claimants negatively affected by the pandemic. The Investment Division had another impressive year and distributed just under \$58 million in interest returns to State agencies during a time it was so desperately needed. The Cash Management Division has been working with agencies to encourage more safe and efficient means of handling financial transactions. The Debt Management Division has continued to ensure the State is on solid financial ground by borrowing at the lowest interest rate in recent history. The College Savings Division has been working to increase educational opportunities for all Nevadans by refining marketing and messaging and encouraging families to attend virtual events and webinars.

None of these successes would have been possible without the hard work and dedication of the State Treasurer's Office staff. Through their efforts, we have consistently provided a high level of customer service in assisting members of the public and other state agencies, while simultaneously addressing the financial effects of the pandemic head on.

Thank you for the opportunity to share more about the Treasurer's Office. Please do not hesitate to contact me should you need additional information or further clarification on any of the information provided in this report.

Sincerely,

Zach Conine  
Nevada State Treasurer

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## OVERVIEW

Pursuant to the Nevada Constitution and Nevada Revised Statutes, the State Treasurer's Office ("Office") is responsible for a number of state functions. Broadly, these responsibilities fall under one of five working groups, or Divisions, within the Office. The five Divisions of the Office are:

### Cash Management

The Cash Management Division is responsible for managing the State's banking relationships, reconciling bank transactions with State accounting records, managing the State's electronic payments, and administering the State's check distribution program.

### Investment

The Investment Division is responsible for the investment of all public money, and the accounting of the General Portfolio, Local Government Investment Pool, and the Permanent School Fund.

### Debt Management

The Debt Management Division is responsible for the issuance of debt obligations authorized on behalf of and in the name of the State (with limited exceptions), as well as the organization and facilitation of statewide pooled financing programs.

### Unclaimed Property

The Unclaimed Property Division is responsible for receiving and safeguarding abandoned property due to Nevadans. The Division also processes and approves claims made by Nevadans for the return of their property.

### College Savings

The College Savings Division is responsible for administering various college savings programs throughout the State, including: the five nationwide 529 College Savings Plans, Nevada Prepaid Tuition Program, Nevada College Kick Start Program, and Governor Guinn Millennium Scholarship Program. The Division is also responsible for the Student Loan Ombudsman Program, in addition to maintaining a comprehensive scholarship database, and administering 529 matching grant programs.

## CASH MANAGEMENT DIVISION

### Division Overview

The Cash Management Division oversees the State's banking relationships, reconciles bank transactions with state accounting records, manages the State's electronic payment acceptance program, and administers the State's check distribution program.

The Division assists with accounting and administrative duties within the Treasurer's Office, including day-to-day budget processes; biennial budget requests; purchasing and contract management; revenue forecasts; and reports and financial statements due to the Controller's Office, Department of Administration, and the Legislative Counsel Bureau. Most general inquiries from the public are also handled by the Cash Management Division.

### Duties

#### *Banking and Accounting*

Pursuant to NRS 226.110, the State Treasurer is responsible for the receipt and disbursement of public money. In addition to its main depository and controlled disbursement accounts, the Treasurer's Office has 31 bank accounts under analysis, with most of these accounts being zero balance accounts. The funds deposited into these accounts by other State agencies are transferred into the State's consolidation account on a daily basis, thus providing an efficient method for combining cash balances within one financial institution and minimizing non-invested cash balances. The Treasurer's Office also maintains three depository accounts with other financial institutions in order to offer State agencies in geographically remote areas the ability to more timely deposit funds.

Cash Management personnel are responsible for the accounting and distribution of funds relating to the Tobacco Master Settlement Agreement (MSA). State law requires 40% of the funds be allocated to the Governor Guinn Millennium Scholarship Fund and 60% to the Fund for a Healthy Nevada. Nevada received approximately \$39 million in MSA funds in FY20 enabling Cash Management to distribute approximately \$15 million to Millennium recipients and \$23 million to the Healthy Nevada program.

The Cash Management Division also allocates revenues from the lease of federal lands in Nevada. Under NRS 328, these revenues are shared between the Department of Education's Distributive School Account, county treasurers, and school districts based on the percentage of revenues collected in those various jurisdictions.

#### *Merchant Services*

As manager of the State's electronic payment acceptance program, Cash Management maintains 287 merchant accounts for 55 State agencies and, with the transition to Wells Fargo Merchant Services, State agencies receive next day funding on all electronic transactions. In addition, Cash Management

maintains a website for electronic payment acceptance featuring information and forms for assisting agencies through the merchant services process. In FY20, Cash Management continued the Merchant Services Education and Outreach Program assisting State agencies with Payment Card Industry Data Security Standards (PCI DSS), credit card reconciliation, and overall merchant services processes related to accepting electronic payments, such as credit and debit cards. The Program also created the first best practice and operating manual for electronic payment acceptance that is being used by other government entities and states.

## Major Accomplishments

In FY20, the Cash Management Division created a new Electronic Treasury site to assist Nevada agencies with a variety of banking and Merchant Services needs, including online bank supply ordering, desktop deposit scanner information and access forms, education and outreach presentations, quarterly newsletters and links to helpful accounting policies and procedures. In addition, the Division created the first ever combined Cash Management and Merchant Services Education and Outreach Program that was attended by over a hundred State employees.

The Treasurer's Office continues to seek more efficient and safe means by encouraging the use of items such as cash vaults, remote deposit, positive pay, and ACH blocks and filters, which State agencies can use to carry out their financial transactions.

## INVESTMENT DIVISION

### Division Overview

The State Treasurer is responsible for the investment of public money. The Investment Division (“Investment”) is responsible for all investment and accounting activities relating to the General Portfolio, Local Government Investment Pool (LGIP), and the Permanent School Fund (PSF), as well as oversight of the NVEST investment advisers.

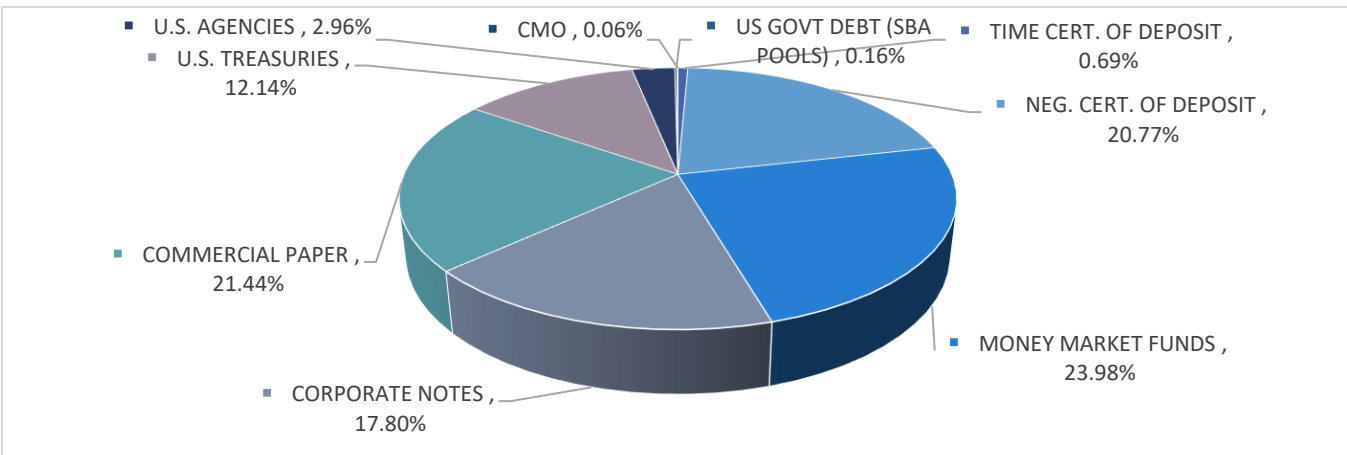
### Duties

The investment of the State of Nevada’s General Portfolio is a function performed by Investment in accordance with state statutes. An Investment Policy for prudent investment of State funds has been adopted to guide this process. The General Portfolio includes all State funds, excluding funds invested for the Local Government Investment Pool (LGIP), Local Government Pooled Long-Term Investment Account (NVEST), Permanent School Fund (PSF), and the Higher Education Tuition Trust Fund.

### *General Portfolio*

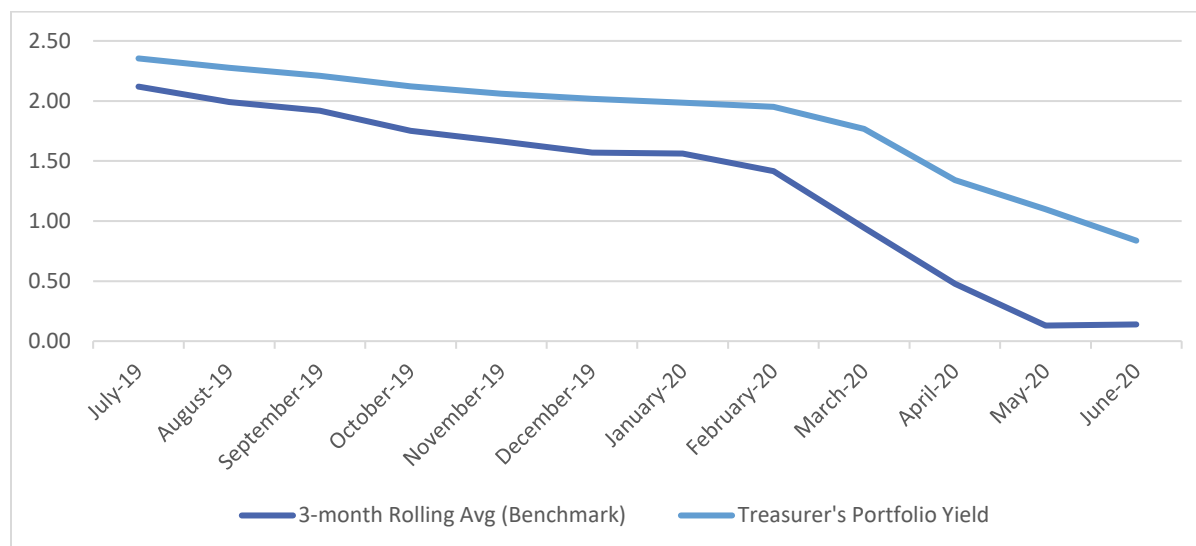
The State’s General Portfolio is invested in U.S. Treasury and Agency securities, high quality corporate notes, commercial paper, negotiable and time certificates of deposit, municipal bonds, money-market funds, and securities guaranteed 100% by the US government such as Small Business Administration (SBA) pools. Securities holdings are diversified to prevent over-concentration by maturity, issuer, or security class. Investment maintains a conservative, moderately-active investment strategy. This provides the ability to take advantage of market opportunities as they occur by analyzing projected cash flow needs. Portfolio maturities are structured to reduce the likelihood of a forced sale of securities in any but the most severe circumstances.

The FY20 General Portfolio’s book value as of June 30, 2020 was \$3.601 billion. The following chart provides a breakdown of total investments held as of the end of FY20. Total realized earnings for FY20 were \$57,897,785, representing a yield of 1.88%.



### **Performance of General Portfolio vs. Benchmark**

As of June 30, 2020, the yield on the General Portfolio was 0.837%. A customized benchmark has been created using a combination of the three-month T-bill and two-year treasury notes. A three-month rolling average of this benchmark for this period was 0.14% with an average maturity of 218 days. The average maturity of the State's operating portfolio was 0.83 years, or 303 days.



### ***Local Government Investment Pool***

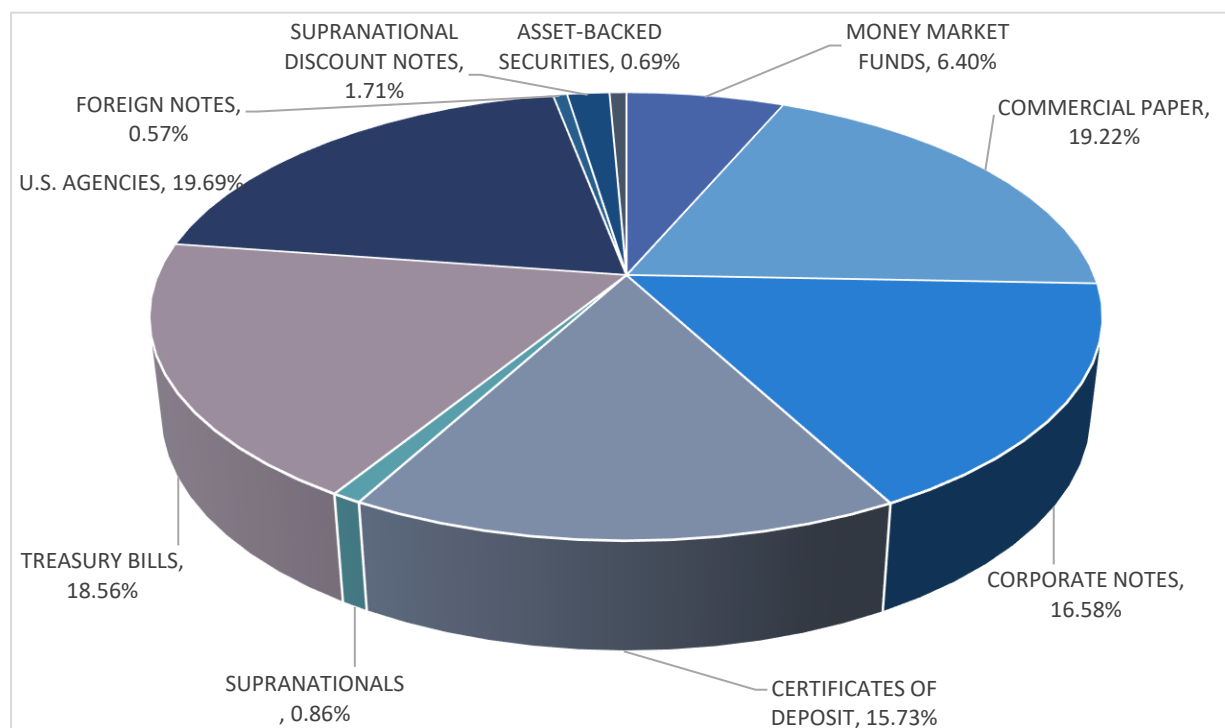
Pursuant to NRS 355.165, the LGIP serves as an alternative program for local governments to invest cash on a voluntary basis, thus allowing for the leverage of economies of scale. Investment administers the LGIP in a conservative manner, consistent with the prudent guidelines outlined in a LGIP-specific Investment Policy. Any local government may deposit its public monies in the pool. The LGIP reduces investment risk and increases convenience for local governments, as well as allowing for:

- Multiple accounts to be maintained for accounting purposes;
- No minimum or maximum account size;
- No limit on transaction size for deposits or withdrawals of funds; and
- No restriction on length of time proceeds can be invested.

The LGIP investment strategy incorporates the matching of maturing securities to the anticipated cash needs of the participants. Approximately 10% of the fund matures daily to ensure sufficient liquidity is available to meet both anticipated and unanticipated withdrawals. The LGIP imposes a Minimum Liquidity Requirement, which projects the cash flow needed to meet identified obligations within a rolling four-week period and which aligns maturing securities accordingly.



The following chart provides a breakdown of total investments held as of the end of June 30, 2020.



### **Performance vs. Benchmark**

As of July 1, 2015, registered investment advisor, FHN Financial Services Mainstreet Capital Advisors (FHN), manages the LGIP Portfolio. FHN created a custom blended benchmark to assess performance in the LGIP\*. As of the end of FY20, the LGIP was outperforming this benchmark by 69 basis points. There were 88 LGIP members at the close of FY20 comprised of cities, counties, school districts, and various special districts across the State. The LGIP's book value on June 30, 2020 was \$1,750,610,514. The LGIP's investment objectives include safety of principal, portfolio liquidity, and market return, consistent with a conservative, short duration portfolio. The Weighted Average Maturity (WAM) of the portfolio at fiscal year-end is 130 days.

Additionally, local governments have the option to participate in a longer-term investment program within the LGIP. NVEST is an alternative investment program for local governments, the objective of which is to provide higher returns than the LGIP. The minimum account size is \$5 million. NVEST participants, working with one of three registered investment advisors, can customize their portfolios based on their risk tolerances and other factors. During late FY15, a request for proposal was issued to select managers for the NVEST program. The firms chosen were Atlanta Capital, Government Portfolio Advisors and Chicago Equity Partners. As of June 30, 2020, the NVEST portfolios had a total book value of \$40,423,827.38 and consisted of 2 participants.

\*Benchmark is a 3-month rolling weighted average of 20% Dealer Commercial Paper 90-Day Index, 60% Agency Discount Note 6-Month Index, and 20% Morgan Stanley Institutional Liquidity Government Portfolio Fund.

### *Collateral Pool Program*

Pursuant to NRS 356.350, the State Treasurer is required to establish a program for “the monitoring of collateral of public funds”. The Nevada Pooled Collateral Program offers state and local government agencies an efficient, cost effective, and safe alternative method for securing public funds. The primary objectives are to reduce risk while, at the same time, decreasing the overall collateral requirement for depositories. By centralizing the administration and reporting functions through Investment, government agencies and depositories recognize cost savings in terms of operational support and collateral efficiency.

Each financial institution is required to maintain (at a third-party repository) acceptable securities having a fair market value that is at least 102% of the amount of the aggregate uninsured ledger balances of the public money held by the depository as collateral. Participating financial institutions must report each day the amount of deposits held and the value of the corresponding pledged collateral. Any under collateralization must be rectified by the financial institution by the close of business on the day the under collateralized deposits are reported.

At the conclusion of FY20, there were 307 public entities throughout the State participating in the Collateral Pool Program, with deposits in 14 financial institutions and a daily balance on June 30, 2020 of \$1.550 billion with pledged collateral of \$1.891 billion, which calculates to \$310 million in excess collateral.

### *Permanent School Fund*

The Permanent School Fund was created to account for monies received from estates that escheat to the State, proceeds from the sale of federal lands given to the State, and fines collected under the penal laws of the State that are pledged only for education purposes under Article 11, Section 3 of the Constitution of the State of Nevada. Per NRS 355.050, the State Treasurer shall have charge of all the investments of money and the sale of all securities of the State Permanent School Fund. All earnings on the Fund’s assets are apportioned among several Nevada school districts.

As of June 30, 2020, the book value of the fixed-income investments of the Permanent School Fund totaled \$190,977,320, the public equity investments totaled \$139,269,000 and the private equity book value totaled \$23,686,965 (excludes capital returned to NCIC since SSOF inception). The total portfolio as of June 30, 2020 totaled \$353,933,285.

### *Nevada Capital Investment Corporation*

In 2011, the Nevada State Legislature passed Senate Bill 75, authorizing up to \$50 million non-tax dollars in the Permanent School Fund to be invested in private equity investments through the Nevada Capital Investment Corporation (NCIC). Known as the Silver State Opportunities Fund (SSOF), this private equity fund focuses investments on expanding businesses located in Nevada or those which are seeking to relocate. In FY20, SSOF was fully committed as of May 13, 2016. Approximately

88%, or \$44.6 million, of committed capital has been drawn from the Permanent School Fund as of June 30, 2020.

The SSOF is generating a 6.5% net annual return to the State's Permanent School Fund. On a gross basis, SSOF is generating an 9.7% Internal Rate of Return (IRR). As of June 30, 2020, the NCIC has contributed \$44.6 million and received \$32.3 million in distributions, resulting in \$12.3 million in net contributed capital. The performance is driven by yield-producing fund investments and the Fund's co-investments are expected to contribute future positive value to the Fund.

As of June 30, 2020, 32 companies have received investments from SSOF. This includes investments throughout the entire State as noted in the SSOF report. This is a total of \$717 million (16x multiplier) invested in Nevada and its partners which stretches far beyond the \$50 million capital invested via the Permanent School Fund. The Fund investments have supported 2,470 Nevada employees with an average annual wage of \$83,878, which is higher than the national average wage.

## Major Accomplishments

### *Interest Distributions*

In FY20, Investment worked to return \$57,897,785 in interest distributions to State agencies. Investment returned an average of \$14,474,446 to agencies each quarter in FY20, for an average calculated rate of return of 1.88%.

This return was slightly lower than the previous year. Total interest distributions for the four previous fiscal years are illustrated below:

- FY17 = \$19,288,094
- FY18 = \$34,861,867
- FY19 = \$60,157,006
- FY20 = \$57,897,785

Investments is excited to continue to distribute significant interest earnings to state agencies going forward.

## DEBT MANAGEMENT DIVISION

### Division Overview

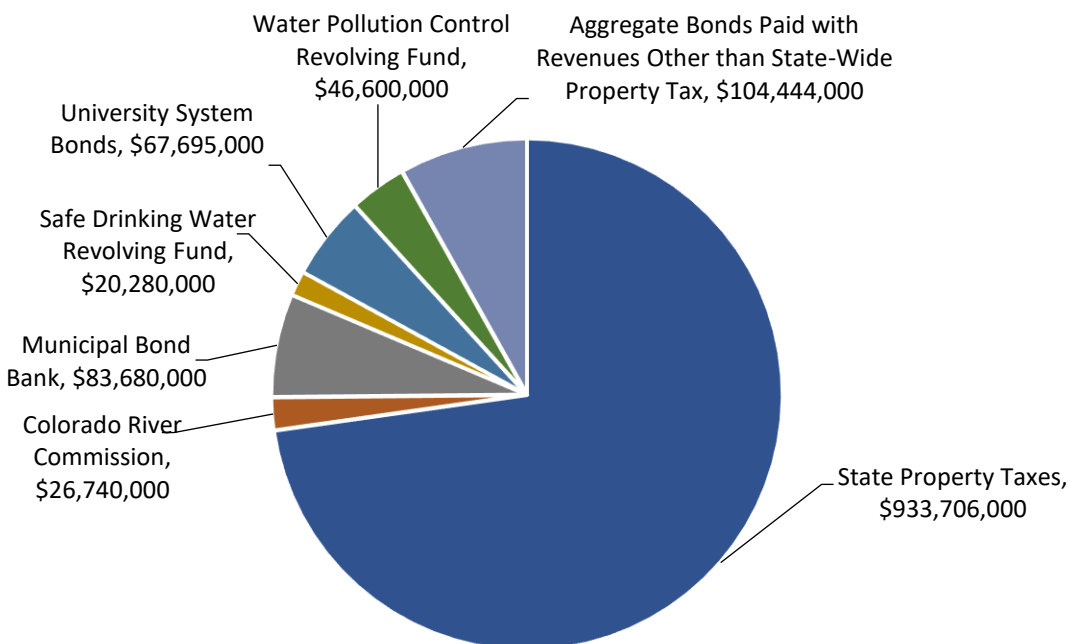
Pursuant to NRS 226, the State Treasurer is directly responsible for the issuance of any debt obligation authorized on behalf of and in the name of the State, except for issuances by the Colorado River Commission, the University of Nevada System of Higher Education, and the Department of Business and Industry which issue various types of debt under differing levels of autonomy. The State Treasurer is also authorized to organize and facilitate statewide pooled financing programs, including lease purchases, for the benefit of the state and any political subdivisions.

### Duties

#### *General Obligation Debt*

The State Treasurer is responsible for the issuance and maintenance of the following types of general obligation (GO) debt: Capital Improvement Bonds, Municipal Bond Bank Bonds, State Revolving Fund Bonds, Historic Preservation Bonds, Natural Resources Bonds, University System Bonds, and other miscellaneous GO bonds and securities. The State requires GO bonds to be legislatively authorized and secured by that portion of the ad valorem tax revenue dedicated to the payment of GO debt to the extent other monies are not available. The State's gross GO debt as of June 30, 2020 was \$1,283,145,000.

The following chart illustrates the breakout of the State's \$1.28 billion Gross General Obligation Debt as of June 30, 2020.



During FY20, the Debt Management Division (“Debt Management”) processed debt service payments for existing GO debt totaling approximately \$205.33 million.

<b>Gross General Obligation Debt FY20 Debt Service Payments</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
State Property Taxes	\$121,231,000	\$48,049,007	\$169,280,007
Aggregate Bonds Paid with Revenues Other Than Property Tax	3,869,000	2,628,065	6,497,065
Clean Water Revolving Fund	8,065,000	1,071,264	9,136,264
Safe Drinking Water Revolving Fund	2,655,000	571,617	3,226,617
Municipal Bond Bank	4,405,000	3,256,787	7,661,787
Nevada System of Higher Education	3,725,000	2,795,075	6,520,075
Colorado River Commission	1,915,000	1,093,256	3,008,256
<b>Total FY20 Debt Service</b>	<b>\$145,865,000</b>	<b>\$59,465,072</b>	<b>\$205,330,072</b>

### *Debt Service Reserves*

Nevada’s Consolidated Bond Interest and Redemption Fund (the “Bond Fund”) is used to receipt the collection of the 17-cent ad-valorem property tax revenue dedicated to the payment of the principal and interest on the State’s GO bonds, and to reserve monies for future GO bond debt service payments. The reserve within the Bond Fund is funded from the excess of applicable property tax revenues over the required debt service payments plus interest earnings on the Bond Fund. The Bond Fund is available to provide ready reserves to meet current debt service obligations to the extent monies are insufficient from current property tax revenues.

The State’s current debt management policy has as an objective to maintain a reserve within the Bond Fund balance at the end of each fiscal year equal to at least 50% of next fiscal year’s debt service payments on GO bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues). As of June 30, 2020, the unaudited reserve amount within the Bond Fund was approximately \$155 million, which is equal to approximately 91% of the FY21 debt service on those general obligation bonds expected to be paid from property tax and prior to the issuance of additional 2020 bonds.

### *Debt Affordability Analysis*

A committee comprised of representatives from the Governor’s Finance Office, the Department of Taxation, the State Treasurer’s Office, and the Legislative Counsel Bureau meets at least biennially to forecast the estimated revenue to be received from its assessed property tax. Debt Management utilizes the committee’s projections in the preparation of the General Obligation Debt Capacity and Affordability Report which is published each biennium. In the interim, Debt Management updates the affordability analysis after each securities issuance and as needed.

The General Obligation Debt Capacity and Affordability Report is utilized by the Governor in preparing his recommended budget. The report is then presented to the State Legislature, which relies upon the report when considering the issuance of securities during the following biennium, determining

the ad valorem tax rate for the payment of securities for the next biennium, and reviewing future debt capacity and affordability over the next ten years.

### *State Debt Capacity*

In addition to the General Obligation Debt Capacity and Affordability Report prepared by Debt Management, the issuance of GO bonds is also limited by the State Constitution. Article 9, Section 3 limits the aggregate principal amount of the State's outstanding GO debt to 2% of the total reported assessed valuation of the State. The limitation does not extend to debt incurred for the protection and preservation of any property or natural resources of the State, or for the purpose of obtaining the benefits thereof.

Subject to the constitutional debt limitation, the Legislature may authorize the issuance of debt for any public purpose. As of June 30, 2020, the constitutional debt limit stood at \$2.89 billion. The outstanding debt subject to this limit was \$981.76 million and the remaining constitutional debt capacity was \$1.91 billion.

<b>Constitutional Debt Limitation and Capacity<sup>(1)</sup></b>				
<b>Effective June 30</b>	<b>Assessed Valuation</b>	<b>Debt Limitation</b>	<b>Outstanding Debt Subject to Limitation</b>	<b>Remaining Constitutional Debt Capacity</b>
2016	\$108,331,564,829	\$2,166,631,297	\$1,082,845,000	\$1,083,786,297
2017	\$114,727,736,818	\$2,294,554,736	\$1,034,015,000	\$1,260,539,736
2018	\$123,398,562,960	\$2,467,971,259	\$1,025,895,000	\$1,442,076,259
2019	\$134,128,343,902	\$2,682,566,878	\$988,260,000	\$1,694,306,878
2020	\$144,323,763,007	\$2,886,475,260	\$981,760,000	\$1,904,715,260
<sup>(1)</sup> Estimated by State of Nevada Controller's Office				

### *Municipal Bond Bank*

NRS 350A.140 designates the State Treasurer as administrator of the Nevada Municipal Bond Bank. In accordance with NRS 350A.150, the amount of State securities issued to acquire municipal securities may not exceed \$1.8 billion outstanding at any time.

The State's Municipal Bond Bank program was established in 1981 to assist municipalities in undertaking local projects which foster and promote the protection and preservation of the property and natural resources of the State. Without this fund, municipalities might otherwise face the prospect of prohibitive interest rates.

The Board of Finance must approve the issuance of State GO and revenue securities under the Bond Bank Act. As of June 30, 2020, the outstanding par amount of securities issued pursuant to the Act was \$83,680,000.

## Permanent School Fund Guarantee Program

Established under NRS 387.519, the Permanent School Fund Guarantee Program (PSFG), provides a mechanism for Nevada school districts to enter into agreements with the State whereby the money in the Permanent School Fund (PSF) is used to guarantee the debt service payments on certain bonds issued by Nevada school districts.

PSFG secured bonds carry the highest possible rating of “AAA” by Moody’s Investor Service and S & P Global Ratings—thus providing Nevada school districts with greater access to public credit markets and reduced borrowing costs. The State Treasurer is tasked with administering the PSFG.

Fundamental to the PSFG is the legal authorization of the PSF to guarantee school district debt, which includes ensuring timely debt service payment, coupled with strong oversight and enforcement provisions. If a district fails to make a timely payment, the State Treasurer is required to withdraw a sufficient amount of money from the PSF in order to make a timely debt service payment. The withdrawal from the PSF and payment of debt service on the bonds is considered a loan to the school district. The loan must be repaid to the State from either school district money available to pay debt service on the bonds which are PSF guaranteed or from withholdings of state aid due to the district.

The maximum amount of principal that can be guaranteed by the State for any Nevada school district is limited to \$40,000,000. Further, the total amount of bonds that can be guaranteed by the State is limited to 250% of the lower of the cost or fair market value of the assets in the PSF. Based on the current balance of the PSF, the maximum principal that can be guaranteed is more than \$800 million. As of June 30, 2020, \$156,403,400 in bonds had been guaranteed, or authorized by the State Board of Finance to be guaranteed, by the PSF.

## Major Accomplishments

### Bond Sales

In FY20, the Office successfully conducted one bond sale comprised of five series of bonds:

BONDS ISSUED IN FY2020						
	Series	Original Amount	New Money	PV Savings	TIC	Term
Capital Improvement and Refunding Bonds	2019A	\$ 154,995,000	\$ 111,070,000	\$ 6,690,674	2.07%	20yrs
Natural Resources Bonds	2019B	\$ 5,175,000	\$ 5,175,000	\$ -	1.20%	2yrs
Safe Drinking Water Revolving Fund Matching Bonds	2019C	\$ 5,360,000	\$ 5,360,000	\$ -	1.24%	5yrs
Clean Water Revolving Fund Matching Bonds	2019D	\$ 5,375,000	\$ 5,375,000	\$ -	1.35%	8yrs
Clean Water Revolving Fund Leveraged Bonds	2019E	\$ 25,445,000	\$ 25,445,000	\$ -	2.00%	15yrs
		\$ 196,350,000	\$ 152,425,000	\$ 6,690,674		

The combined principal (or par value) amount of the bonds was \$196,350,000. The terms of the bonds ranged from 2 years to 20 years and the true interest costs (TIC) ranged from 1.20% to 2.07%, which represents rates below historical averages.

## *Nevada's Credit Ratings*

Credit rating agencies provide an independent assessment of the relative creditworthiness of municipal securities. The rating system consists of letter grades that convey each company's assessment of the ability and willingness of a borrower to repay its debt in full and on time. Many investors rely upon these letter grades as a means of assessing the likelihood of repayment.

Credit ratings issued by the rating agencies are a major factor in obtaining the lowest cost of borrowed funds in the municipal bond market. Credit rating agencies base ratings on the assessment of the credit worthiness of an issuer with respect to a specific obligation.

There are several factors that rating agencies consider in assigning credit ratings: financial, economic, debt, and administration/management. Rating agencies believe debt management is an important factor in evaluating issuers and assigning credit ratings, which ultimately determine the borrowing cost of funds.

At the end of FY20, the State's GO debt was rated AA+, Aa1, and AA+ respectively by the three major rating agencies: Fitch Ratings, Moody's Investors Service, and S & P Global. The State's strong "AA" rating is just below the highest rating category of "AAA".

<b>Ratings</b>			
	<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
General Obligation	AA+	Aa1	AA+
Safe Drinking Water Revolving Fund	AA+	Aa1	AAA
Water Pollution Control Revolving Fund	AA+	Aa1	AAA
Lease Revenue Certificates of Participation	AA	Aa2	AA
Highway Improvement Revenue Bonds (MVFT)	AA+	Aa2	AAA
Permanent School Fund Guarantee	N/A	Aaa	AAA



## UNCLAIMED PROPERTY DIVISION

### Division Overview

The Unclaimed Property Division (“Unclaimed Property”) currently safeguards more the \$894.3 million in unclaimed property belonging to individuals, heirs, and businesses who have, at some point in time, resided or did business in the Silver State.

Each year, businesses and government agencies turn over tens of millions of dollars of abandoned property in the form of cash, securities, and tangible property from safe deposit boxes to Unclaimed Property. The property is held in Unclaimed Property’s custody in perpetuity until it can be returned to the rightful owner or heir. Typical types of property received include stock accounts, uncashed payroll checks, utility deposits, life insurance proceeds, and refunds.

Unclaimed Property operates three primary workgroups: Claims, Holder, and Audit.

- The Claims team is responsible for receiving, reviewing, and approving or denying submitted claims. They also process, hold, and auction physical property which is received in safe deposit boxes, the proceeds of which are credited to the box owner’s account.
- The Holder team is responsible for receiving and processing reports and payments that are submitted as unclaimed property. (Businesses are referred to Holders, as they are “holding” others’ property).
- The Audit team is responsible for managing contracted outside auditors, performing compliance reviews, and assessing and collecting penalties and interest for reports or property that were submitted incorrectly or late.

### Duties

The unclaimed property program was created and is administered pursuant to Chapter 120A of the Nevada Revised Statutes (NRS 120A), and is further clarified in Chapter 120A of the Nevada Administrative Code. NRS 120A represents a modified version of the Uniform Unclaimed Property Act (which is adopted by the Uniform Law Commission). NRS 120A was recently updated through the passage of Senate Bill 44 (SB44) of the 80th Nevada Legislative Session. These revisions have been codified into NRS 120A.

Unclaimed Property’s statutory duties outlined in NRS 120A include:

- Facilitating reporting and receiving unclaimed property;
- Receiving, reviewing, and approving or denying claims submitted to recover property;
- Conducting, or contracting with others to conduct audits of Holders to determine proper reporting of unclaimed property;
- Dispositioning securities and physical property received via security sales, public auctions and/or donations to certain libraries or museum when items are worthy of preservation;
- Notifying the public with instructions on how to search and access information relating to unclaimed property, announcing public auctions, and providing reporting information to Holders; and

- Ensuring the proper usage of unclaimed property funds which have yet to be return to rightful owners, including transfers to the Education Trust Account, Millennium Scholarship Trust Fund and the State General Fund.

## Major Accomplishments

### *Owner Claims*

Unclaimed Property paid 38,368 claims in FY20, an increase of 34% from FY19. Unclaimed Property returned a record high \$46 million to rightful owners, an increase of more than 6% over FY19. In FY20, 70% of all claims were paid via Unclaimed Property's online approval system, FastTrack, which represents a decrease of 2% from FY19; however due to the increase in total claims, the number of FastTrack approved claims increased by more than 4,400. This continued upward trend demonstrates that more claimants are able to easily file their claims online, and that the public acceptance and awareness of the legitimacy of unclaimed property programs continues to increase.

### *Holder Audit and Outreach Initiatives*

During FY20, the Audit team continued with initiatives implemented in FY19 to increase awareness of reporting requirements and increase audits of business that have weak reporting histories and are at a higher risk of underreporting. Initiatives included:

- Increased the number of contracted outside audit firms from two to five. This increase allows Unclaimed Property to broaden the audits performed on behalf of Nevada, as the new firms include those that specialize in industries not previously audited for Nevada.
- Implemented a modified "self-audit" program focusing on mid-sized businesses through the Unclaimed Property's outside audit partners. In the second year of the program, more than 400 self-audits have been initiated for businesses who have not previously reported to Nevada.
- Increased highlighting of the Voluntary Disclosure program, which offers waivers of penalties and interest to businesses who have not previously reported or have reported incorrectly. The program continues to evolve to focus on and provide education to Holders to improve accuracy and consistency of their reporting.

### *Holder Reporting and Collections*

The Holder team focused on promoting compliance with required online reporting and payment submissions. As a result, 78% of reports received were submitted online in FY20. Other collection results include:

- Cash receipts from holder reports exceeded \$71 million and security sales exceeded \$10.8 million;
- Over 1 billion shares of stocks were taken into custody; and
- Over 782,000 individual owner properties were reported.

## COLLEGE SAVINGS DIVISION

### Division Overview

The College Savings Division (“College Savings”) administers various programs that assist Nevadans in planning for, saving for, and paying for higher education. The Division also provides administrative support to the Board of Trustees of the College Savings Plans of Nevada.

### Duties

NRS 353B governs Nevada’s college savings programs and directs the State Treasurer to act as administrator. NRS 353B establishes three Nevada college savings programs: Nevada’s 529 College Savings Plans, Nevada Prepaid Tuition Program, and Nevada College Kick Start. NRS 396 governs the Governor Guinn Millennium Scholarship and directs the State Treasurer to act as administrator. NRS 226 establishes the Student Loan Ombudsman Program, and the Scholarship Database, which are housed within the State Treasurer’s Office and overseen by the College Savings Division.

### *529 College Savings Plans*

The Nevada 529 College Savings Plans are designed to assist parents and students in saving for future college expenses in tax advantaged savings accounts. The College Savings Plans operate as qualified tuition programs under Section 529 of the Internal Revenue Code. The Plans combine tax benefits and flexible features, making them a smart and convenient way to save for higher education. In 529 College Savings Accounts, earnings grow tax-deferred and are federally tax-free when used for qualified educational expenses at eligible higher education institutions. This allows savings to grow faster, providing more money for college-related expenses. The Board of Trustees of the College Savings Plans of Nevada provides fiduciary oversight of the investment managers, program managers, marketing managers and other vendors supporting the College Savings Programs.

The College Savings Plans of Nevada consists of four direct-sold plans managed by Ascensus College Savings: SSGA Upromise 529, Vanguard 529 College Savings Plan, USAA 529 College Savings Plan, and Wealthfront 529 College Savings Plan. The State also offers one advisor-sold plan, Putnam 529 for America. Nevada’s College Savings Plans are available to individuals from all fifty-states and at the end of FY20, collectively held 972,585 individual accounts and over \$29.1 billion in assets under management (AUM). This represents a 4.5% increase in accounts and an 9% increase in AUM over FY19.

The 529 College Savings Plans of Nevada vary in their structure, offerings, and risk. Plans are offered to customers throughout the United States; however, most plans provide additional benefits for Nevadans such as matching grant funds, waiver of annual account fees, and reduced required initial contributions.

The table below shows the total AUM for each plan, as well as the total number of accounts as of June 30, 2020:

	<b>AUM</b>	<b>Total Accounts</b>
<b>Putnam 529 for America</b>	\$434.3 MM	19,168
<b>Wealthfront 529 Plan</b>	\$283.9 MM	20,070
<b>USAA 529 College Savings Plan</b>	\$4,263 MM	315,479
<b>SSGA Upromise 529</b>	\$1,482 MM	138,227
<b>Vanguard 529 Plan</b>	\$22,682 MM	479,641
<b>TOTAL:</b>	<b>\$29,145 MM</b>	<b>972,585</b>

### *Silver State Matching Grant*

Since 2010, the Silver State Matching Grant Program has allowed qualifying Nevada families a unique opportunity to boost their 529 college savings contributions. The Program provides a matching contribution dollar-for-dollar up to \$300 per year for five years, for a maximum of \$1,500 per beneficiary into a recipient's SSGA Upromise 529 Account. The 2019 open enrollment period saw a record year, with a total of 438 approved applications, a 32% increase from last year's 332 applications approved during the 2018 enrollment period.

### *The Nevada Prepaid Tuition*

The Nevada Prepaid Tuition Program ("Prepaid Tuition") enables parents, grandparents, and other family members to lock in future in-state college tuition rates at today's prices. Established in 1998, Prepaid Tuition is one of only 11 prepaid tuition programs in the country. It is fully administered by the College Savings Division, and includes the marketing of Prepaid Tuition, assisting families with enrollment, and coordinating with higher education institutions for the distribution of benefits.

Prepaid Tuition is authorized under Section 529 of the Internal Revenue Code and is designed to assist families in saving for future college tuition expenses. Prepaid Tuition plans, or contracts, may be purchased with a lump sum payment, paid monthly over five years, monthly over 10 years, or monthly until the child is ready to attend college. Contracts are transferable to other children in the family, including first cousins. Contract benefits can be used to cover the cost of tuition at Nevada System of Higher Education institutions or may be applied to help offset the cost of tuition at eligible in-state and out-of-state institutions.

Prepaid Tuition opens enrollment each year from November through March. In FY20, the Program enrolled 524 new students and the four-year university plan remained the most popular choice of plans, with 65.65% of purchasers choosing the four-year university plan for their loved one. The lump sum payment option (40.84%) exceeded the monthly payment options (26.91% extended payments, 20.99% five-year payment option, and 11.26% 10-year payment option) as the most popular payment choice.

An actuarial report completed by an independent outside auditing firm found the funded status of Prepaid Tuition as of June 30, 2020 to be 165.7%. At the conclusion of FY20, a total of 22,239 children were enrolled in Prepaid Tuition, and the Nevada Higher Education Tuition Trust Fund held assets of \$312.2 million, an increase of 524 children and \$11.5 million, respectively, over the prior year. As of June 30, 2020, there were 3,408 students eligible to use their benefits, of which Prepaid Tuition paid out over \$11.9 million in tuition benefits, an increase of roughly 5.57% from FY19.

### *College Kick Start*

In Fall 2013, the Office launched the Nevada College Kick Start Program (“CKS”), which establishes an automatic \$50 scholarship for all public-school kindergarten students in the State. The scholarships are created using a portion of the program manager fees paid to College Savings, not taxpayer dollars. College Kick Start scholarships are held within a master account in the SSGA Upromise 529 Plan which is invested in the age-based portfolio which most closely matches the age of the students. Parents may also link their child’s CKS scholarship to a separate SSGA UPromise 529 account. The Office acts as administrator of the Program, which includes activities such as educating parents and families about CKS and assisting families in accessing their child’s scholarship via an online portal. Education and outreach efforts by College Savings include attendance at school events, direct mail sent to new CKS members, and ongoing written and email communications sent to all participants.

CKS was codified into law after the passage of Assembly Bill 475 (“AB475”) of the 79th Nevada Legislative Session. Provisions of AB475 require parents to claim a child’s account by the time the child enters 5th grade. College Savings is working to finalize regulations establishing the process for parents to claim their child’s scholarship.

As of June 30, 2020, there were 208,951 individual student scholarships created under CKS with funding totaling just over \$12.3 million.

### *Governor Guinn Millennium Scholarship*

Pursuant to NRS 396.911-945, the State Treasurer acts as administrator of the Governor Guinn Millennium Scholarship Program (“Millennium Scholarship”). Established during the 70th Nevada Legislative Session in 1999, the Millennium Scholarship provides scholarships to high achieving Nevada high schoolers for use at eligible colleges and universities located within the State.

Nevada high school seniors are automatically eligible for the award if they graduate with a diploma from a Nevada high school; have been a Nevada resident for at least two years of their high school career; graduate with a 3.25 GPA; and complete the minimum core curriculum classes. Students who do not meet the GPA requirement may substitute a qualifying score from a college entrance exam to gain eligibility. Of the graduating class of 2020, 15,721 were eligible for the scholarship, and 9,055 have acknowledged and began using the award. Funding for the Millennium Scholarship comes from appropriations, 40% of the annual Tobacco Master Settlement Agreement payments, and \$7.6 million annually from the Abandoned Property Trust Account.

As administrator of the program, the Office:

- Operates the Millennium Scholarship’s database (MiSL: Millennium Scholarship Ledger), which collects, stores, and maintains data on Millennium Scholars. College Savings also hosts a dedicated website allowing students to access their accounts on MiSL.
- Collects initial eligibility data from all Nevada school districts, 50 private high schools, adult education programs, and home school applicants.
- Conducts outreach efforts throughout the State at college fairs, schools, private companies, PTA meetings, and other community events to provide the latest information about the Program.
- Collaborates with representatives from each Nevada System of Higher Education (NSHE) institution, NSHE System Administration, System Computing Services, Nevada Association of School Superintendents, and the Nevada Department of Education to support the program.

### *Governor Guinn Millennium Memorial Scholarship*

Following the tragic death of former Governor Kenny C. Guinn in July 2010, at the request of former First Lady Dema Guinn, College Savings worked closely with the Guinn family to create a separate account within the Governor Guinn Millennium Scholarship Trust Fund to accept donations in his honor. Each year, the donations are used to provide scholarships to Millennium Scholars who are in their last year of college and who commit to teaching in Nevada following graduation. Historically, the scholarships were awarded to two students (one in northern Nevada and one in Southern Nevada) for \$4,500 each. During the 80th Nevada Legislative Session, Senate Bill 414 (“SB414”) was passed and subsequently signed by Governor Sisolak. SB414 increased the number of awards from two to four (two in northern Nevada and two in Southern Nevada), increased the award amount from \$4500 to \$5000, and allowed students from non-NSHE institutions to apply. These changes in eligibility and award amount were effective for 2020 applicants and for the first time, four scholarships were awarded.

## *Student Loan Ombudsperson and College Navigator*

### **Student Loan Ombudsperson**

Assembly Bill 383 of the 80th Nevada Legislative Session created a Student Loan Ombudsperson within College Savings. The bill was sponsored by Speaker of the Assembly, Jason Frierson, and received unanimous support from both the Senate and the Assembly. The Office took a proactive role during the Legislative Session in advocating for the passage of the bill and the creation of the program and committed to funding the position through the College Savings Endowment Account.

Effective January 1, 2020, the Student Loan Ombudsperson provides three general areas of assistance to Nevadans:

1. Educate current student loan borrowers on their rights and responsibilities and facilitate resolution of borrower complaints against student loan servicers;
2. Educate potential borrowers by creating and administering a borrower education course and by conducting outreach to focus populations in targeted settings; and
3. Provide recommendations for policy through research and analysis of data collected from Nevada borrowers, other states, and national policy organizations.

With Nevada having the highest rate of defaulted student loans, the Student Loan Ombudsperson focused its efforts on educating parents and high school students on the different ways to finance a higher education before taking out student loans. The presentations focused on the importance of applying for FAFSA, scholarships, and grants, but also on understanding student loan terms, understanding the difference between federal and private student loans, and the benefits/cons related to each. Although the presentations were conducted in person at the beginning of the calendar year, they were quickly transitioned to virtual due to the COVID-19 pandemic.

The initiation of the program took a lot of time, planning, and organizing. The Student Loan Ombudsperson not only created educational content, but also created forms and documents that give the Ombudsperson the ability to better assist Nevada residents, such as a third-party authorization form, privacy release form, intake form, and limited assistance form. Throughout the pandemic, the Student Loan Ombudsperson was readily available to help parents and students with questions concerning FAFSA and scholarships, but also assisted student loan borrowers with questions concerning their loans and any benefits associated with federal student loans, such as the Public Service Loan Forgiveness (PSLF).

The Student Loan Ombudsperson meets every two months with other states' ombudspersons, who have collaborated to create and send letters to Secretary DeVos that have championed for student borrower relief at the federal level. The first letter was sent in March 2020 and requested changes for borrowers who are permanently and totally disabled. Two other letters were sent after the close of the fiscal year. The Ombudsperson also conducted a Spanish radio interview that reached approximately 8,000 listeners. The Ombudsperson has also partnered with non-profit organizations



and conducted virtual educational presentations using Zoom and Facebook Live that have reached thousands of Nevadans.

### **College Navigator**

During the 80th Nevada Legislative Session, a College Savings Navigator position was created within the Office. The goal of the College Navigator was to build relationships with staff and administration and provide institutions, school districts, community partners, and students and households information on pursuing post-secondary education. The Navigator was created in order to foster a 'college bound' culture in Nevada by increasing awareness of the Nevada College Kick Start Program, Nevada's 529 College Savings Plans Program, the Nevada Prepaid Tuition Program, the Governor Guinn Millennium Scholarship Program, and other scholarship opportunities and financial aid options that allow Nevadans to plan for, save for, and pay for post-secondary education.

The College Navigator was hired at the start of the calendar year and was initially tasked to connect with K-12 students, school administrators, parents, and community partners. In February 2020, the College Navigator planned and carried out a 5-day rural Northern Nevada trip. The purpose of this 5-day journey was to connect with rural Nevadans and educate them on how the Office can assist students and parents when it comes to attending post-secondary institutions. The 5-day rural excursion was a huge success as the Navigator visited six different high schools, three elementary schools and two educational community fairs. At the conclusion of the trip, the data showed that over 8,500 individuals attended various events and the College Navigator directly interacted with over 3,100 individuals.

Due to the COVID-19 Pandemic, additional travel and in-person events for the year were cancelled. However, the Office and the College Navigator adjusted to ensure that Nevadans still had the opportunity to learn about the services and programs the Office offers. The Office utilized virtual platforms to reach K-12 students, school administrators, parents, and community partners. From the onset of the pandemic and onwards, the Office conducted events such as webinars, Q&A sessions, and trainings primarily through Zoom. One notable webinar event was held on National 529 Day, May 29, 2020, in which the College Savings team presented valuable information on 529s, scholarships, FAFSA, and student loans. A total of 156 people tuned in for this special event.

### ***Financial Literacy***

Towards the end of FY20, College Savings hired four contract vendors to conduct specialized work on financial literacy throughout the State. Namely, to research and gather input from families regarding the barriers and challenges they face when planning and paying for higher education; to draft targeted content guides on important student loan information and general college costs in Nevada; and to host events with families, students, teachers, school administrators and other student advocates (such as coaches and religious leaders) to educate them on how to plan, save, and pay for



higher education. Given the effects of the COVID-19 Pandemic, work with these partners will continue into FY21 and focus on virtual sessions rather than in-person as originally planned.

## Major Accomplishments

In FY20, Governor Guinn Millennium Scholarship award letters for the incoming class of 2020 were sent out one month earlier than in previous years, which allowed students to better plan and budget for their upcoming entrance to higher education.

In response to the COVID-19 Pandemic, College Savings quickly reorganized and replanned all outreach and planned events to virtual webinars, meetings, and panel events. The nimbleness of the College Savings team resulted in ongoing virtual series hosted by College Savings including Webinar Wednesdays, during which a new college savings topic is discussed; Millennium Mondays, which covers common questions surrounding the Millennium Scholarship; and Panel Fridays, wherein the State Treasurer moderates a panel of experts on different college savings topics or hosts conversations with Nevada education leaders. The heightened online presence has allowed College Savings to reach many more Nevadans than prior years events in a format that is accessible and convenient.

## NEVADA ABLE SAVINGS PROGRAM

### Program Overview

The Office is responsible for administering the Nevada ABLE Savings Program (“ABLE”) which allows people with disabilities to save and earn money without threatening the loss of state and federal benefit programs.

The federal Achieving a Better Life Experience (ABLE) Act was signed into law in 2014 and gave states the ability to establish tax advantaged savings programs for people with disabilities. Funds deposited into ABLE accounts can be used to help account beneficiaries pay for qualified disability expenses on tax-free basis and, in turn, help to increase an account holder’s overall level of independence. Nevada currently partners with 17 states in the National ABLE Alliance to help administer ABLE. The use of a multi-state consortium helps to keep fees low for participants and reduce the overall impact on the State.

### Duties

ABLE is outlined in NRS 427A.889. Senate Bill 419 of the 79th Nevada Legislative Session codified the Nevada ABLE Program into law. Initially, the Office was responsible for administration of ABLE accounts and regulatory duties of ABLE, and responsibilities for marketing and outreach to potential participants was placed with the Aging and Disabilities Division of the Department of Health and Human Services.

Assembly Bill 130 (“AB130”) of the 80th Nevada Legislative Session moved responsibility for outreach and marketing of ABLE into the Office, which allows for a streamlined approach to reaching potential participants and assisting current participants with questions.

### Major Accomplishments

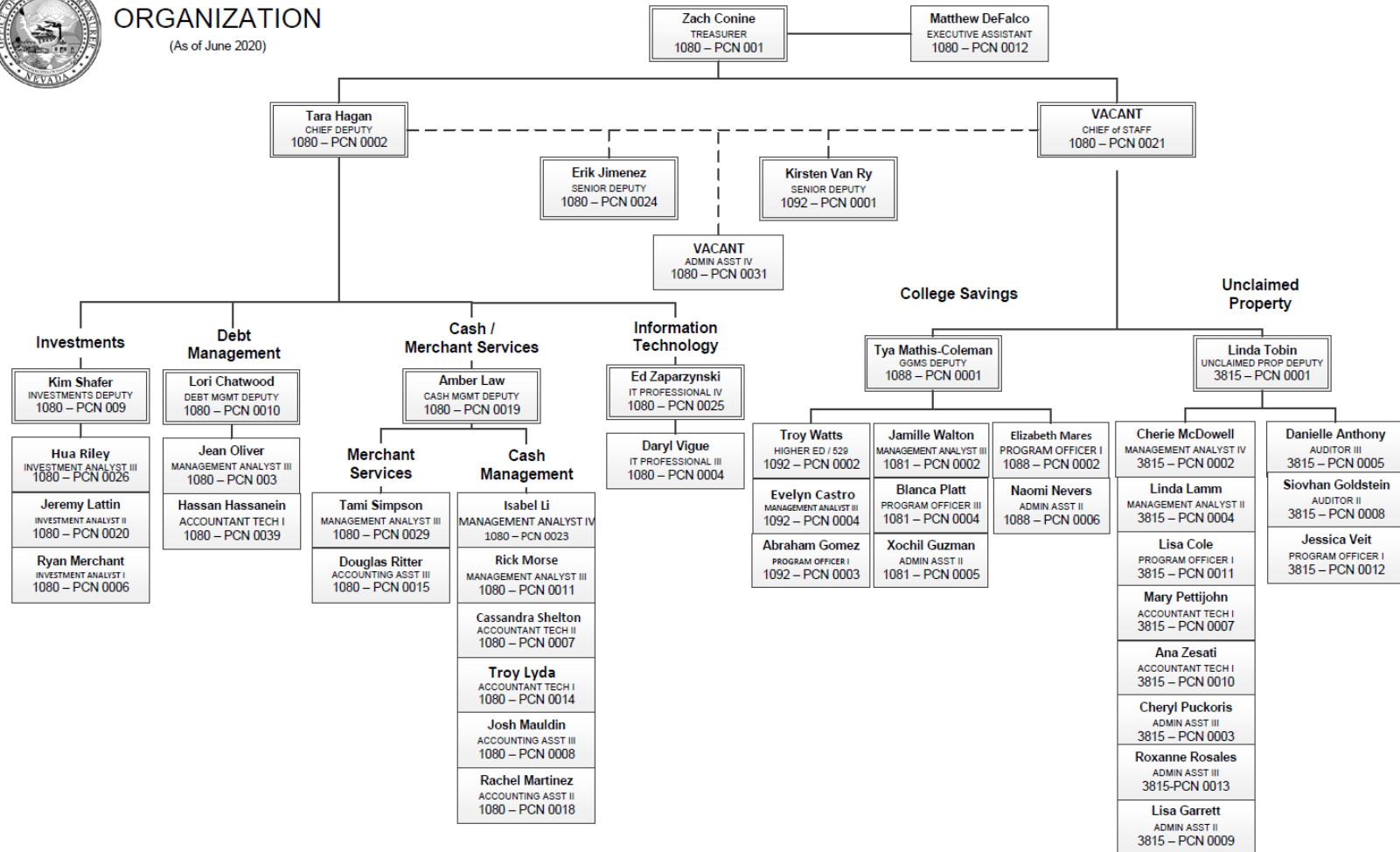
The change in statute provided by AB130 allowed the Office to provide a concerted and targeted approach to reaching people in the disability community and their families and raising awareness about ABLE. In FY20, ABLE experienced an increase in accounts and assets under management. On June 30, 2020, the ABLE program had 805 accounts, with assets totaling \$4,628,663.

The Office is excited to continue to grow ABLE, while also looking for more opportunities to increase competitive integrated employment for Nevada’s disability community.

## ORGANIZATIONAL CHART



Office of the State Treasurer  
**ORGANIZATION**  
(As of June 2020)



## ZACH CONINE BIOGRAPHY

Zach Conine currently serves as Nevada's 23<sup>rd</sup> State Treasurer. Elected on November 6<sup>th</sup>, 2018, Zach knows that responsible financial management is the key to ensuring long-term growth for the State. As Treasurer, Zach leads a team of more than 45 professionals that are responsible for investing the State's and many local governments' money, financing community assets and facilities, processing payments for public agencies, and collecting and returning unclaimed property. Additionally, Zach is responsible for Nevada College Savings Plans and administration of numerous scholarship programs and other services that help Nevadans plan, save, and pay for post-secondary education.

In addition to the daily management of the State Treasurer's Office, Zach serves as a member of the State Board of Finance, the Executive Branch Audit Committee, and the Board of Trustees of the College Savings Plans of Nevada, of which he serves as chair. Zach also serves as the Vice Chair of the State Debt Management Network, a nationwide professional organization for issuers and managers of state debt.

In his first year as Treasurer, the State has received two bond rating increases, the first since 2006; generated the highest investment returns for the State since the recession of 2008; and returned the largest amount of unclaimed property back to Nevadans since the inception of the State's Unclaimed Property Program.

Prior to serving as State Treasurer, Zach built a successful business career in the gaming, finance, and consulting sectors. Over the course of his career, Zach has been committed to creating economic opportunities for local businesses and working families. As co-founder of a consulting business, he has helped dozens of small and medium sized businesses expand, increase efficiencies, and decrease expenses. In doing so, he assisted in the creation and preservation of more than 3,000 jobs in Nevada.

Zach graduated with a B.A. from Cornell University's School of Hotel Administration and holds a J.D. from the UNLV's William S. Boyd School of Law. He and his wife Layke are happily raising their daughter Ruby, twin sons Rutherford and Theodore, and two dogs, Democracy and Liberty.

## SENIOR STAFF BIOGRAPHIES

### Chief Deputy Treasurer

#### *Tara Hagan*

Tara Hagan serves as the Chief Deputy Treasurer for the State Treasurer's Office. Tara joined the Office in June 2012 as Deputy Treasurer - Finance. Her responsibilities as Chief Deputy Treasurer include working closely with the Debt Management, Investment Management, and Cash Management divisions, including assisting with investment and contract responsibilities related to the Nevada College Savings Plans. Tara previously served nearly five years as the Executive Director of the Nevada Deferred Compensation Program, where she was responsible for managing the daily operations. Prior to this position, Tara was the Regional Manager for Voya Financial Services (formerly ING Financial Services) where she was responsible for the relationship management of several government defined contribution plans in California and Nevada. Tara holds a Bachelor of Arts degree in journalism and political science from the University of Iowa.

### Senior Deputy Treasurer – Northern Nevada

#### *Erik Jimenez*

Erik Jimenez serves as the Senior Deputy Treasurer for Northern Nevada for the State Treasurer's Office. Prior to joining the office, Erik managed Reno Mayor Hillary Schieve's successful reelection campaign in 2018, while also working on Treasurer Conine's statewide campaign. Erik has represented various gaming, health care, education, energy, and transportation interests in front of the Nevada Legislature, and has also worked to pass numerous disability reforms in Nevada. Erik serves on numerous community and volunteer boards including the Access Advisory Committee for the City of Reno, the Nevada Office of Minority Health and Equity, and the Northern Nevada International Center. Erik holds both a bachelor's degree in political science and a master's degree in Public Administration from the University of Nevada Reno.

### Senior Deputy Treasurer – Southern Nevada

#### *Kirsten Van Ry*

Kirsten Van Ry currently serves as the Senior Deputy Treasurer - South for the State Treasurer's Office. Born and raised in Nevada, Kirsten holds a baccalaureate degree in political science from the University of Nevada, Las Vegas, and a law degree from William S. Boyd School of Law. Prior to joining the office, Kirsten served as the Deputy Chief of Staff under former Nevada Lieutenant Governor Mark Hutchison. Kirsten's previous positions include experience in legislative and community relations in Las Vegas and Carson City.

## Deputy Treasurer – Cash Management

### *Amber Law*

Amber Law serves as the Deputy Treasurer of Cash Management, a role she was appointed to in March 2016. Amber is a Certified Public Manager and has served in governmental finance and accounting since 2005, and previously worked for the State Treasurer's Office from 2007 to 2012. Amber's duties include managing the Cash Management Division which oversees the State's banking relationships, the reconciliation of bank transactions with state accounting records, the e-payment merchant services program, and administers the state's check distribution program. She also oversees the day-to-day budget process, biennial budget request, purchasing, contract management, revenue forecasts, reports, and financial statements for the Treasurer's Office.

## Deputy Treasurer – College Savings

### *Tya Mathis-Coleman*

Tya serves as the organization's Deputy Treasurer of College Savings. In this position her primary focus is on the education initiatives administered by the State Treasurer's Office. Tya is a passionate servant leader who is committed to public education. Most recently Tya served as the Director of Recruitment for the Clark County School District. Tya is a native of Nevada and a proud product of the Clark County School District and the Nevada System of Higher Education. Tya strongly believes that together we can impact our community one child at a time. As the Deputy Treasurer of College Savings, Tya is responsible for ensuring all College Savings programs are effectively and efficiently managed. The Deputy Treasurer oversees administration, marketing, and execution of all programs, and guides and supports College Savings staff and vendors. Additionally, the Deputy Treasurer develops and maintains various community partnerships that advance College Savings goals.

## Deputy Treasurer – Debt

### *Lori Chatwood*

Lori Chatwood serves as the of Deputy Treasurer of Debt Management, to which she was appointed in March 2008. She has been employed by the State Treasurer's Office since 1997 and has worked within the Debt Management division since 2000. As Deputy Treasurer, Lori's responsibilities include overseeing the issuance of State securities, rating agency relations, investor relations, and the administration of the Consolidated Bond Interest and Redemption Fund budgets as well as managing the Debt Management Division. The Division is responsible for the collection and payment of various State obligations, the post issuance compliance of State securities with federal and State securities law and the reconciliation of the State's debt portfolio accounting transactions with banks, agencies, entities, and State accounting records. The Division administers bonding for the Municipal Bond Bank, the Permanent School Fund Guarantee, the Water Pollution Control Revolving Fund, the Safe Drinking Water Revolving Fund, the Unemployment Compensation Bond Fund, Lease-Backed Financings, Colorado River Commission Bonds, Public Works Capital Improvements, Tahoe Environmental

Improvements, Open Space, Parks, Cultural and Natural Resources, Wildlife Fish Hatchery Improvements, Nevada System of Education Slot Tax, Water Grants, Cultural Centers and Historic Preservation Grants, Marlette Lake Water System, and Highway Improvements.

## Deputy Treasurer – Investments

### *Kimberly Shafer*

Kimberly Shafer serves as the Office's Deputy Treasurer for Investments. Kim is responsible for management of the investment activities conducted through and for the Treasurer's Office, including the state's \$2.815 billion General Portfolio, \$1.26 billion Local Government Investment Pool, and the \$344 million Permanent School Fund, among others. Before joining the Treasurer's Office in March 2016, Kim has worked for the Controller's Office, the Legislative Counsel Bureau's Audit Division, and the Treasurer's Office as the Deputy Treasurer for Cash Management. Kim received her Bachelors of Science degree in 1998 from Sonoma State University. Prior to working for the State, Kim was employed by a public accounting firm in Reno. She is a Certified Public Accountant. Kim lives in Dayton with her husband, Rick, and her two sons.

## Deputy Treasurer – Unclaimed Property

### *Linda Tobin*

Linda Tobin serves as the Office's Deputy Treasurer of Unclaimed Property. Linda is a graduate from UNLV and is both a Certified Public Accountant and Certified Public Manager. Linda manages the state's Unclaimed Property program which is responsible for collecting unclaimed property from businesses across the country due to Nevadan's and then working to return these funds back to the rightful owner. Linda has worked for the State of Nevada for more than 21 years, including spending her first 20 years of state service with the Nevada Gaming Control Board.

# Financial Section



## UNCLAIMED PROPERTY

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

Revenues	2020		2019
Unclaimed Property Receipts			
Utility Companies	\$ -	1	\$ 11,759
Insurance Companies	-	2	3,439,624
Financial Institutions	537,077	3	475,694
Security Sales & Dividends	11,392,160	4	11,043,070
Local Governments	17,849	5	1,370,180
Other State Governments	-	6	1,875,191
Other Businesses	66,484,164	7	52,574,647
Audit Proceeds	6,382,797	8	416,903
Direct Payment From FDIC	49,521	9	578
Miscellaneous Sales	1,600	20	1,335
Penalties, Interest and Other	2,316,157	10	2,317,054
Total Revenues	<u>87,181,325</u>		<u>73,526,036</u>
Expenditures			
Payments to Claimants	45,910,759	11	42,516,756
Payments FDIC Claimants	754,303	12	1,140,126
Personnel Costs	964,889	13	885,737
Contractual Services	1,093,350	14	1,054,405
Operating Costs	174,267	15	139,409
Advertising and Public Relations	110,715	16	114,076
Total Expenditures	<u>49,008,282</u>		<u>45,850,509</u>
Other Financing Sources (Uses)			
Transfer to General Fund	(31,198,989)	17	(20,964,747)
Transfer to Educational Trust Fund	(78,836)	18	(250,328)
Transfer to Gov. Guinn Scholarship Fund	(7,600,000)	19	(7,600,000)
Total Other Financing Sources (Uses)	<u>(38,877,825)</u>		<u>(28,815,075)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(704,782)		(1,139,547)
Beginning Balance, July 1	11,231,870		12,371,418
Ending Balance, June 30	<u>\$ 10,527,088</u>		<u>\$ 11,231,870</u>

**MILLENNIUM SCHOLARSHIP TRUST FUND**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

Revenues	2020		2019
Tobacco Settlement			
Income	\$ 15,360,519	1	\$ 16,086,597
Appropriation	-	11	33,000,000
Interest Income	451,927	12	225,278
Prior Year Correction	-	13	-
Refunds	-	14	-
Total Revenues	<u>15,812,445</u>		<u>49,311,875</u>
Expenditures			
Scholarship Payments	38,729,697	3	37,061,746
Personnel	204,155	5	226,101
Travel	1,461	6	2,672
Administrative	155,326	7	130,803
Total Expenditures	<u>39,090,638</u>		<u>37,421,322</u>
Other Financing Sources (Uses)			
Transfer from College			
Savings Endowment	-		-
Account		4	
Transfer from Treasurer	360,941	8	359,576
Transfer from Unclaimed			
Property	7,600,000	2	7,600,000
Total Other Financing			
Sources (Uses)	<u>7,960,941</u>		<u>7,959,576</u>
Excess of revenues and other financing			
sources			
over expenditures and other financing uses	(15,317,252)		19,850,129
Beginning Balance, July 1	38,200,939	9	18,350,810
Ending Balance, June 30	<u>\$ 22,883,687</u>	10	<u>\$ 38,200,939</u>

## PREPAID TUITION TRUST FUND

### Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2020 and June 30, 2019

Revenues	2020		2019
Participant Contributions	\$ 13,591,170	1	\$ 15,869,029
Application Fees	52,300	2	66,800
Administrative Charges	25,100	3	25,800
Interest Income	84,687	4	131,146
Investment Gain (Loss)	12,089,267	5	6,346,085
Total Revenues	<u>25,842,524</u>		<u>22,438,860</u>
Expenditures			
Tuition Payments	11,999,639	6	11,366,735
Personnel Costs	212,704	7	209,883
Travel	120	8	2,692
Operating Costs	580,868	9	457,407
Contract Cancellation			
Refunds	2,796,172	10	2,470,138
Contract Rollover			
Payments	165,344	11	51,160
Total Expenditures	<u>15,754,847</u>		<u>14,558,015</u>
Other Financing Sources (Uses)			
Transfer from College			
Savings Endowment		12	-
Account	-		
Transfer from College			
Savings to Pay Operating	793,692	13	669,982
Total Other Financing			
Sources (Uses)	<u>793,692</u>		<u>669,982</u>
Excess of revenues and other financing			
sources			
over expenditures and other financing uses	10,881,369		8,550,827
Beginning Balance, July 1	217,557,272	14	209,006,445
Prior Period Adjustment	-		-
Ending Balance, June 30	<u>\$ 228,438,641</u>		<u>\$ 217,557,272</u>

## COLLEGE SAVINGS

### Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Years Ended June 30, 2020 and June 30, 2019

Revenues	2020		2019
Investment Management Fees	\$ 5,645,505	1	\$ 5,408,794
Gifts and Donations	-	2	-
Noncash Revenues	413,664	3	521,632
Settlement Income	-		-
Interest Income	165,783	4	174,963
Cost Allocation/Fund Transfers	2,754,535	5	3,108,037
Total Revenues	<u>8,979,486</u>		<u>9,213,426</u>
Expenditures			
Personnel	311,560	6	245,359
Operating	2,448,180	7	2,867,663
In-Kind Marketing	413,664	8	521,632
Total Expenditures	<u>3,173,404</u>		<u>3,634,654</u>
Other Financing Sources (Uses)			
Administrative Transfers			
College Savings	2,754,535	9	3,108,037
Millennium Scholarship	360,941	10	359,576
Prepaid Tuition	793,692	11	669,982
Transfer to Prepaid Tuition Trust Fund		12	
College Kick Start		13	
Cost Allocation	-	14	2,732
Settlement Expenses		15	
Total Other Financing Sources (Uses)	<u>3,909,168</u>		<u>4,140,327</u>
Excess of revenues and other financing sources over expenditures and other financing uses	1,896,914		1,438,446
Beginning Balance, July 1	8,609,987	16	7,171,541
Ending Balance, June 30	<u>\$ 10,506,901</u>		<u>\$ 8,609,987</u>

## CONSOLIDATED BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

### Revenues

Taxes	<u>2020</u>		<u>2019</u>
Real Property	147,554,779	1	138,496,344
Personal Property	18,021,973	1	16,759,456
Centrally Assessed Property	<u>10,869,776</u>	1	<u>10,705,560</u>
	176,446,528		165,961,360
Other			
Lease Purchase Building Rent	6,835,984	2	7,794,861
Interest Income	3,323,907	3	3,658,384
Excess Escrow Funds	<u>-</u>	4	<u>9</u>
	<u>10,159,891</u>		<u>11,453,253</u>
Total Revenues	<u>186,606,420</u>		<u>177,414,613</u>

### Expenditures

Personnel	323,543	5	232,236
Statewide Cost Allocation (SWCAP)	21,897	16	4,850
Operating	-	6	-
Professional Services	637,767	17	370,527
CIP Construction Contracts			
COP Projects			
Refunds			
Arbitrage			
Insurance			
Trust Agent Fees	<u>24,822</u>	7	<u>24,822</u>
	1,008,030		632,435
Debt Service			
Bond Principal Redemption	132,940,000	8	120,375,000

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Bond Interest Expense	<u>57,305,899</u>	9	<u>59,962,010</u>
	<u>190,245,899</u>		<u>180,337,010</u>
Total Expenditures	<u>191,253,929</u>		<u>180,969,445</u>
Other Financing Sources (Uses)			
Transfers from State Agencies	14,347,740	10	12,483,368
US Treasury - Build America Bonds Subsidy	635,587	11	1,112,544
State Treasurer's Assessment	191,355	12	57,100
Transfers-out			
Transfer to UCCSN	-	13	-
Transfer to Local Government			
Transfer to Public Works Board	-		-
Net Proceeds from Refundings		14	
Net Prior Year		15	
Refunds/Expenditures	-		(144,584)
Bond Proceeds for Cost of Issuance	<u>620,222</u>	18	<u>333,087</u>
Total Other Financing Sources (Uses)	<u>15,794,904</u>		<u>13,841,515</u>
Excess of revenues and other financing sources			
over expenditures and other financing uses	11,147,395		10,286,683
Beginning Balance, July 1	144,693,110	1082	134,352,232
Balance Forward Prior Year from other accounts	-	9999	-
Prior Period Adjustment	<u>-</u>		<u>-</u>
Ending Balance, June 30	<u>155,840,505</u>		<u>\$ 144,638,915</u>

## MUNICIPAL BOND BANK BOND INTEREST & REDEMPTION FUND

### Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2020 and June 30, 2019

	<u>2020</u>		<u>2019</u>
Revenues			
			\$
Receipts from municipalities-Interest	\$ 3,256,787	1	3,417,513
Receipts from municipalities-Principal	4,405,000	9	3,425,000
Other			
Interest Income	6,666	2	6,032
Reimbursement of Expenses	-	3	-
Total Revenues	<u>7,668,453</u>		<u>6,848,545</u>
Expenditures			
Administrative Costs	-	4	-
Transfer to Administration	-	8	6,032
Trust Agent Fees	-	5	-
	-		6,032
Debt Service			
Bond Principal Redemption	4,405,000	6	3,425,000
Bond Interest Expense	3,256,787	7	3,417,513
	<u>7,661,787</u>		<u>6,842,513</u>
Total Expenditures	<u>7,661,787.48</u>		<u>6,848,545</u>
Other Financing Sources (Uses)			
Reversion to General Fund	-		-
Total Other Financing Sources (Uses)	<u>-</u>		<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	6,666		-
Beginning Balance, July 1	-		-

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Ending Balance, June 30

\$	6,666	\$	-
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odd # years balance reverts to  
General Fund  
even # years balances forward to the following year or pursuant to NRS 350A.190  
2(d)  
money reverted to General Fund and closed with zero  
balance



## FUND FOR HEALTHY NEVADA

### Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Years Ended June 30, 2020 and June 30, 2019

Revenues	2020		2019
Tobacco Settlement Income	\$ 23,040,778	1	\$ 24,129,896
Interest Income	668,663	2	743,417
Appropriations	-		-
Refund of Unused Grant Money	2,514	3	-
Transfer From Health Division	1,089,517	18	-
Total Revenues	<u>24,801,472</u>		<u>24,873,313</u>

Expenditures			
Operating	62,820	4	59,265
Total Expenditures	<u>62,820</u>		<u>59,265</u>

#### Other Financing Sources (Uses)

Transfer to Department of Health and Human Services

Administrative Services	669,565	19	820,752
Senior RX Program	1,133,139	5	1,375,837
Children & Disabled Persons	6,410,046	6	4,730,556
Aging Services	5,855,473	7	5,678,226
Disability RX	-	8	141,998
Differential Response	1,260,275	9	1,327,804
Child & Adolescent Services *	2,302,918	10	2,302,751
Autism	2,870,000	11	1,600,000
Family Resource Center	1,669,664	12	1,341,611
Consumer Health Asst	350,344	14	306,913
Tobacco Cessation	912,357	15	942,009
Public and Behavioral Health	1,303,906	16	400,150
Transfer to Millennium Scholarship	-		-
Total Other Financing Sources (Uses)	<u>24,737,687</u>		<u>20,968,606</u>

Excess of revenues and other financing sources			
over expenditures and other financing uses	965		3,845,443
Beginning Balance, July 1	39,276,779	17	35,431,336
Prior Year Adjustment			
Ending Balance, June 30	<u>\$ 39,277,744</u>		<u>\$ 39,276,779</u>