



Annual Report

Office of State Treasurer Zach Conine

Fiscal Year
2019

July 1, 2018 – June 30, 2019

Zach Conine

State Treasurer



STATE OF NEVADA

OFFICE OF THE STATE TREASURER

December 13, 2019

Dear Governor Sisolak and Members of the Nevada Legislature:

Enclosed please find a copy of the Nevada State Treasurer's Office Fiscal Year 2019 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 incredible accomplishments for the Treasurer's Office. Our various divisions have worked tirelessly to increase efficiencies and find innovative ways to better serve Nevadans.

Our Unclaimed Property Division returned a record \$44 million to rightful owners and has continued to work to improve compliance rates and overall customer service. The Investment Division distributed over \$60 million in interest returns to State agencies and has worked to expand investment classes for the General Portfolio for the first time since 1993. Meanwhile, our Cash Management Division has been working with agencies to encourage more safe and efficient means of handling financial transactions, while the Debt Management Division has continued to ensure the State is on solid financial ground. The College Savings Division has been working to increase educational opportunities for all Nevadans by developing new ways to help families plan for, save for, and pay for higher education. Finally, our Office has taken full ownership of the Nevada ABLE Savings Program, which gives people with disabilities the opportunity to save for a better future.

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 been able to complement the great work that has been done by Governor Sisolak and the Legislature over the last year.

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,

A handwritten signature in black ink, appearing to be "ZC", followed by a long horizontal line extending to the right.

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 four college savings programs throughout the State, including: the five 529 College Savings Plans, Nevada Prepaid Tuition Program, Nevada College Kick Start Program, and Governor Guinn Millennium Scholarship Program.

CASH MANAGEMENT DIVISION

Division Overview

The Cash Management Division (“Cash Management”) 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.

Cash Management is also tasked with accounting and administrative duties within the 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 initially handled by Cash Management.

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 Office has 29 bank accounts under analysis, most being zero balance accounts. The funds deposited into these accounts by other State agencies are transferred into the State’s consolidation account daily, thus providing an efficient method for combining cash balances within one financial institution and minimizing non-invested cash balances. Cash Management also maintains three depository accounts with other financial institutions 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 \$40 million in MSA funds in Fiscal Year 2019 (“FY”) enabling Cash Management to distribute approximately \$16 million to Millennium Scholarship recipients and \$24 million to the Healthy Nevada program.

Cash Management 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. These revenues are distributed based on the percentage of revenues collected in those various jurisdictions.

Merchant Services

As the manager of the State’s electronic payment acceptance program, Cash Management maintains over 212 merchant accounts for 52 State programs. As a result of the transition to Wells Fargo Merchant Services, State agencies now receive next day funding on all electronic transactions.

Cash Management maintains a website for electronic payment acceptance featuring information and forms for assisting agencies through the merchant services process. In FY19, 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. This program has 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 FY19, Cash Management assisted many State agencies with implementing the desktop deposit scanning system. This system increased efficiency, accuracy, and enabled State agencies to deposit checks electronically instead of going to a bank. Additionally, Cash Management created virtual folders for many of its internal processes which discontinued physical printing of many daily documents.

Cash Management continues to seek more efficient and safe means of protecting financial information 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

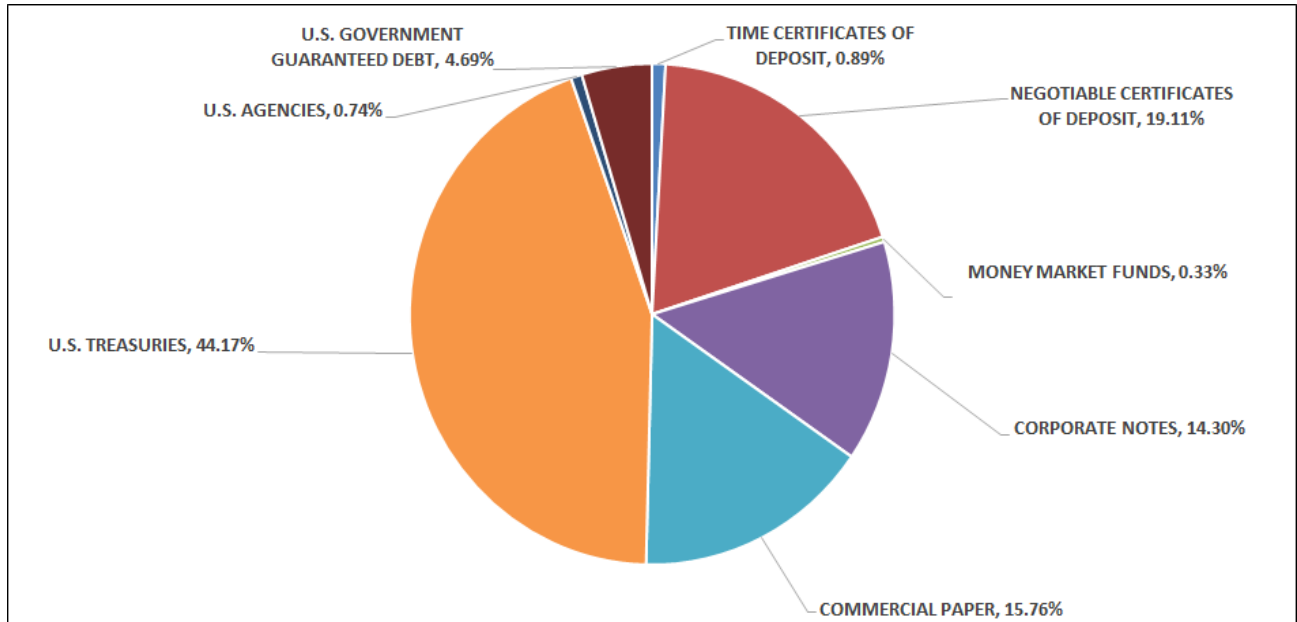
The investment of the State of Nevada’s General Portfolio is a function performed by Investment in accordance with state statutes. An Investment Policy for prudent investment of State funds has been adopted to guide this process. The General Portfolio includes all State funds, excluding funds invested 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.

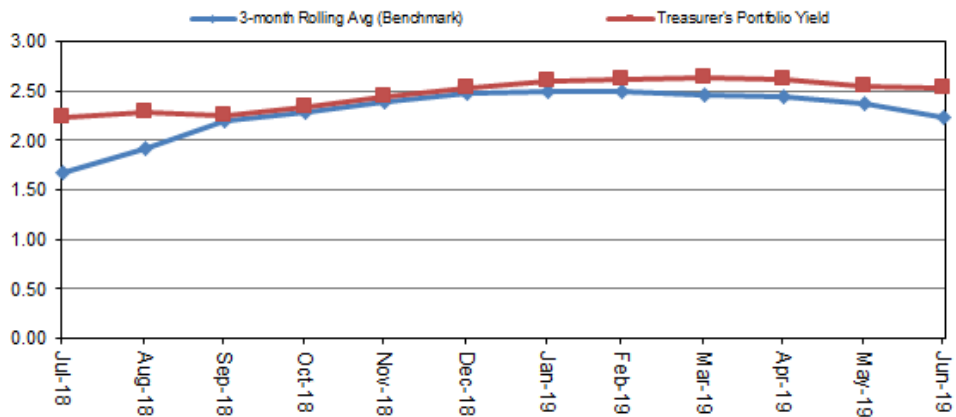
In FY16, Investment began using registered investment advisers to manage a portion of the State’s General Portfolio. Investment manages the portion of the Portfolio utilized for operating funding, while the portion of the Portfolio not needed for immediate expenses is managed by two registered investment advisers, Chicago Equity Partners and MacKay Shields. Contracts for the two registered investment advisers ended on June 30, 2019 and, accordingly, Investment will work with the State Purchasing Division to hire qualified firms to serve as investment advisers for the next contracting period.

The FY19 General Portfolio’s book value as of June 30, 2019 was \$2.815 billion. The following chart provides a breakdown of total investments held as of the end of FY19. Total realized earnings for FY19 were \$60,157,006 representing a yield of 2.14%.



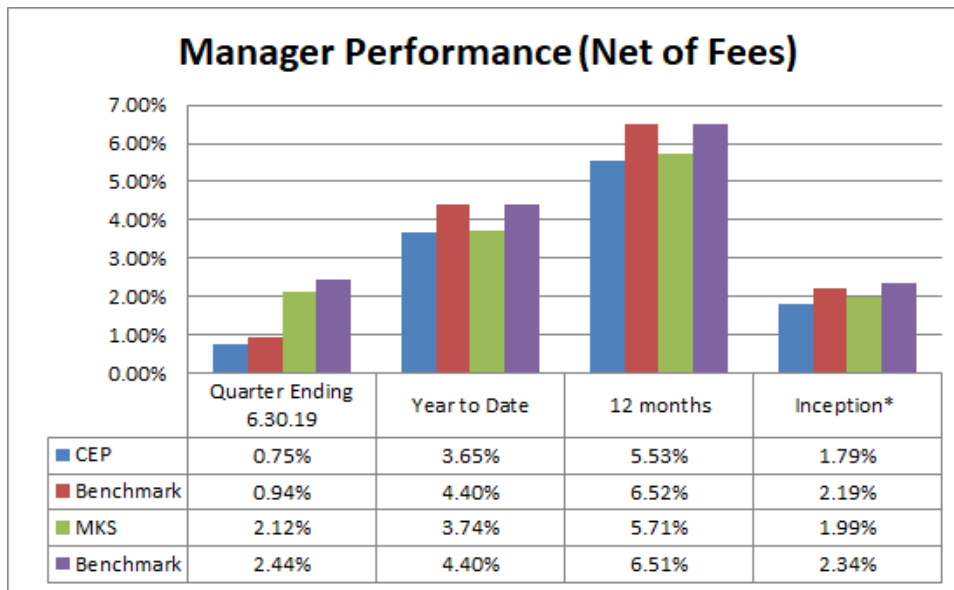
Performance of Operating Portion of General Portfolio vs. Benchmark

As of June 30, 2019, the yield on the portion of the General Portfolio used for operating expenses was 2.521%. 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 2.24% with an average maturity of 218 days. The average maturity of the State’s operating portfolio was 0.47 years, or 170 days.



Outside Managers’ Performance vs. Benchmark

The performance net of fees since inception for the period ending June 30, 2019 for manager Chicago Equity Partners (CEP) is 1.79% and for Mackay Shields (MKS) is 1.99%*. Both returns are based on a time-weighted rate of return which is defined as the compounded growth rate of \$1 over the period being measured. These funds have been assigned the Bloomberg Barclays Intermediate Government Credit A or better benchmark. Nevada's statutory requirements prevent managers from investing in certain securities and fewer corporate notes which is the cause of the difference in manager performance versus the benchmark.



*CEP inception date is August 2015 and MKS is December 2015.

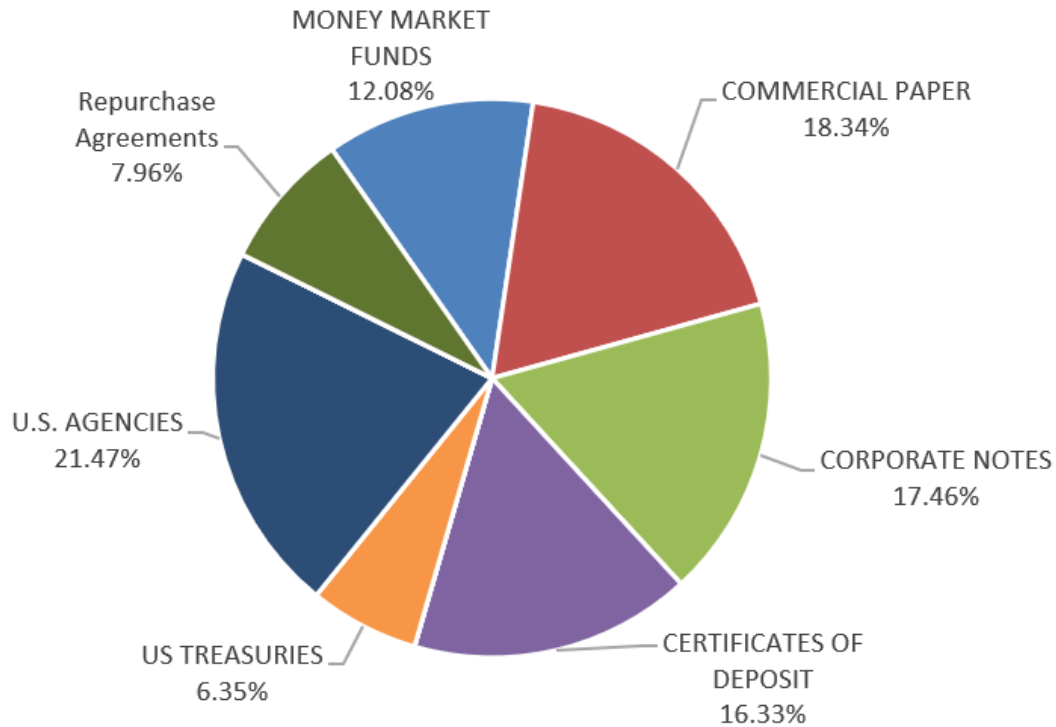
Local Government Investment Pool

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, 2019.



Performance vs. Benchmark

As of July 1, 2015, registered investment advisor, FTN Financial Services Mainstreet Capital Advisors (FTN), manages the LGIP Portfolio. FTN created a custom blended benchmark to assess performance in the LGIP*. As of the end of FY19, the LGIP was outperforming this benchmark by 50.7 basis points. There were 88 LGIP members at the close of FY19, comprised of cities, counties, school districts, and various special districts across the State. The LGIP's book value on June 30, 2019 was \$1,255,654,777. 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 115 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, an RFP 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, 2019, the NVEST portfolios had a total book value of \$120,160,548 and consisted of 3 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 FY19, 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 28, 2019 of \$1.285 billion with pledged collateral of \$1.560 billion, which calculates to \$275 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. In August 2015, Investment made the decision to phase in public equity investments through institutional mutual funds at Vanguard. All earnings on the Fund’s assets are apportioned among several Nevada school districts.

As of June 30, 2019, the book value of the fixed-income investments of the Permanent School Fund totaled \$174,616,817, the public equity investments totaled \$139,269,000 and the private equity book value totaled \$30,219,778 (excludes capital returned to NCIC since SSOF inception). The total portfolio as of June 30, 2019 totaled \$344,105,595.

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 FY19, SSOF was fully committed as of May 13, 2016. Approximately 89.28%, or \$44.6 million, of committed capital has been drawn from the Permanent School Fund as of June 30, 2019.

The SSOF is generating a 5.0% net annual return to the State's Permanent School Fund. On a gross basis, SSOF is generating an 8.32% Internal Rate of Return (IRR). As of June 30, 2019, the NCIC has contributed \$44.6 million and received \$15.4 million in distributions, resulting in \$29.2 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, 2019, 29 companies have received investments from SSOF. This includes investments throughout the entire State as noted in the SSOF report. This is a total of \$598 million (15x 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 2,366 Nevada employees with an average annual wage of \$57,631, which is higher than the national average wage.

Major Accomplishments

Expanding Investment Classes

Through the passage of Assembly Bill 34 ("AB34"), proposed by the Office in the 80th Nevada Legislative Session, Investment was able to add new investment options to the General Portfolio for the first time since 1993. Broadly speaking, AB34 allows the State's General Portfolio to become more diversified, while increasing returns and mitigating the overall level of risk.

Through the change in statute, two new allowable investment classes have been added to the State's options:

- **Sovereign bonds/Yankee bonds** - Those issued by a foreign entity, such as a bank or company, but which are issued and traded in the United States and denominated in U.S. dollars, and rated AA or better.
- **Supranational bonds** - Those issued by international organizations such as the World Bank, for the purpose of promoting economic development. Also U.S. dollar denominated and rated AA or better.

Additionally, AB34 increased the maximum share of the General Portfolio allowed to be invested in the commercial paper, notes, bonds or other obligations of certain corporations and depository institutions operating in the U.S. from 20% to 25%.

Strengthening the Collateral Pool Program

The passage of Assembly Bill 39 (“AB39”), proposed by the Office during the 80th Nevada Legislative Session, enables Investment to work with the public depositories more efficiently and allow more custodial options to the depositories by making the following changes:

- Amending NRS 356.340 to allow public depositories to choose Securities and Exchange Commission (SEC) registered brokerage firms that offer custodial services as their custodian. This does not change any of the approval requirements for those third-party depositories.
- Providing Investment with the ability to independently verify the collateral with the third-party depositor, and requiring these depositories to submit monthly reports, which will allow the Office to compare agency lists with depository lists to ensure all accounts are collateralized.

The changes made through AB39 ensures that all deposits held in the collateral pool are protected, while also adding an extra layer of accountability for program participants.

Interest Distributions

In FY19, Investment worked to return \$60,157,006 in interest distributions to State agencies. Investment returned an average of \$15,039,252 to agencies each quarter in FY19, for an average calculated rate of return of 2.14%.

This return was significantly higher than in previous years. Total interest distributions for the four previous fiscal years are illustrated below:

- FY16 = \$9,776,035
- FY17 = \$19,288,094
- FY18 = \$34,861,867
- FY19 = \$60,157,006

Investment is excited to continue to grow the amount of interest distributions made available to state agencies going forward.

DEBT MANAGEMENT DIVISION

Division Overview

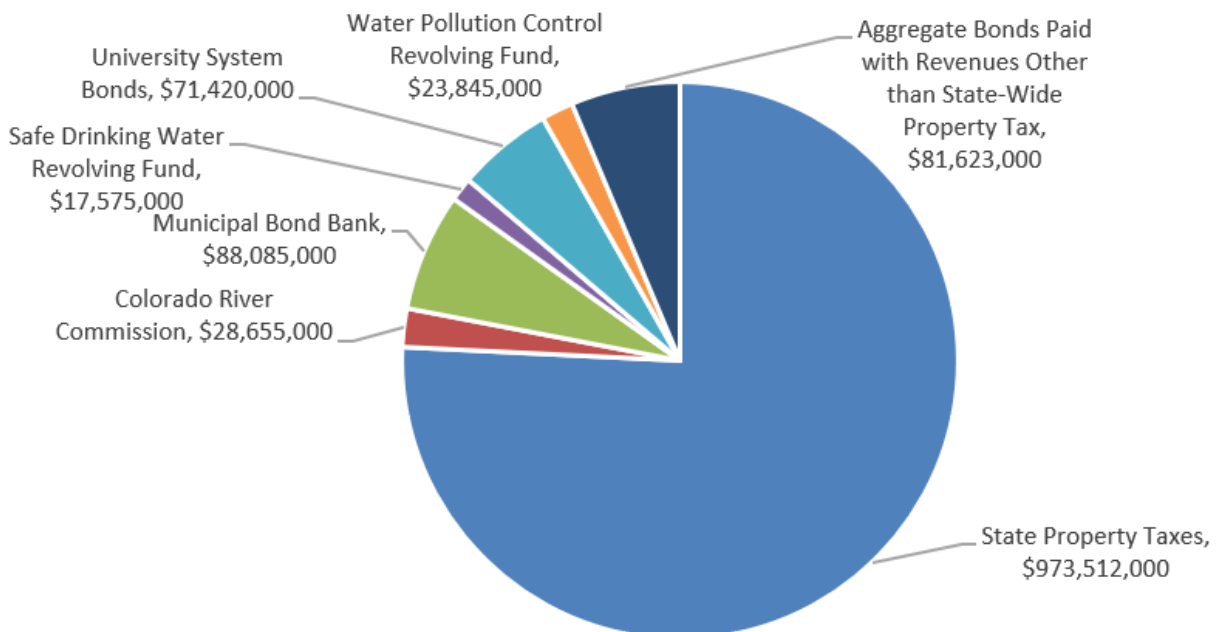
Pursuant to NRS 349, the State Treasurer is directly responsible for the issuance of any debt obligation authorized on behalf of and in the name of the State, except for issuances by the Colorado River Commission, the University of Nevada System, and the Department of Business and Industry which issue 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, 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, 2019 was \$1,284,715,000.

The following chart illustrates the breakout of the State’s \$1.29 billion Gross General Obligation Debt as of June 30, 2019.



During FY19, the Debt Management Division (“Debt Management”) processed debt service payments for existing GO debt totaling approximately \$195.84 million.

Gross General Obligation Debt FY19 Debt Service Payments			
	Principal	Interest	Total
State Property Taxes	\$109,908,000	\$50,858,366	\$160,766,366
Aggregate Bonds Paid with Revenues Other Than Property Tax	3,022,000	2,635,399	5,657,399
Clean Water Revolving Fund	7,765,000	1,236,825	9,001,825
Safe Drinking Water Revolving Fund	3,425,000	614,750	4,039,750
Municipal Bond Bank	3,425,000	3,417,512	6,842,512
Nevada System of Higher Education	3,545,000	2,976,825	6,521,825
Colorado River Commission	1,865,000	1,147,890	3,012,890
Total FY19 Debt Service	\$132,955,000	\$62,887,567	\$195,842,567

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, 2019, the unaudited reserve amount within the Bond Fund was approximately \$143 million, which is equal to approximately 94% of the FY20 debt service on those general obligation bonds expected to be paid from property tax and prior to the issuance of additional 2019 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, 2019, the constitutional debt limit stood at \$2.68 billion. The outstanding debt subject to this limit was \$988.26 million and the remaining constitutional debt capacity was \$1.69 billion.

Constitutional Debt Limitation and Capacity⁽¹⁾				
Effective June 30	Assessed Valuation	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2015	\$101,414,649,154	\$2,028,292,983	\$1,127,220,000	\$901,072,983
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
⁽¹⁾ 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, 2019, the outstanding par amount of securities issued pursuant to the Act was \$88,085,000.

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, 2019, \$174,508,300 in bonds had been guaranteed, or authorized by the State Board of Finance to be guaranteed, by the PSF.

Major Accomplishments

Bond Sales

In FY19, the Office successfully conducted two bond sales comprised of one series of bonds each:

BONDS ISSUED IN FY2019						
	Series	Original Amount	New Money	PV Savings	TIC	Term
Capital Improvement and Historic Preservation Bonds	2018A	\$ 57,100,000	\$ 57,100,000	\$ -	3.35%	19yrs
Natural Resources Tahoe Bonds	2018B	\$ 2,500,000	\$ 2,500,000	\$ -	4.21%	7mths
		\$ 59,600,000	\$ 59,600,000	\$ -		

The combined principal (or par value) amount of the bonds was \$59,600,000. The terms of the bonds ranged from 7 months to 19 years and the true interest costs (TIC) ranged from 3.35% to 4.21%, 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 FY19, the State’s GO debt was rated AA+, Aa2, 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”.

Ratings			
	Fitch	Moody's	S&P
General Obligation	AA+	Aa2	AA
Safe Drinking Water Revolving Fund	AA+	Aa2	AAA
Water Pollution Control Revolving Fund	AA+	Aa2	AAA
Certificates of Participation	AA	Aa3	AA-
Highway Revenue	AA+	Aa2	AA+
Permanent School Fund Guarantee	N/A	Aaa	AAA

UNCLAIMED PROPERTY DIVISION

Division Overview

The Unclaimed Property Division (“Unclaimed Property”) currently safeguards more the \$853 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 the 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. SB44 revised NRS 120A to reflect changes enacted in the 2016 Revised Uniform Unclaimed Property Act. The bill also addressed key issues for Nevada, such as data sharing, clear penalties for fraudulent claims, and a fee for holders failing to report and remit abandoned property online.

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 museums 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 28,652 claims in FY19, a decrease of 6% from FY18. Unclaimed Property returned a record high \$44 million to rightful owners, an increase of more than 10% over FY18. In FY19, 72% of all claims were paid via Unclaimed Property's online approval system, FastTrack, which represents an increase of 3% over FY18. 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 programs continues to increase.

Holder Audit and Outreach Initiatives

During FY19, the Audit team took several steps 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 first six month of the program, more than 200 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 is continuing 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, 89% of reports received were submitted online, up from 62% in FY18. Other collection results include:

- Cash receipts from holder reports exceeded \$59 million and security sales exceeded \$10.5 million;
- Over 104 million shares of stocks were taken into custody; and
- Over 545,800 individual owner properties were reported.

COLLEGE SAVINGS DIVISION

Division Overview

The College Savings Division (“College Savings”) administers four 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.

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 FY19, collectively held 930,459 individual accounts and over \$26.7 billion in assets under management (AUM). This represents a 10% increase in accounts and an 11% increase in AUM over FY18.

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, 2019:

	AUM	Total Accounts
Putnam 529 for America	\$446.2MM	19,751
Wealthfront 529 Plan	\$213.4MM	16,712
USAA 529 College Savings Plan	\$4,130MM	309,869
SSGA Upromise 529	\$1,490MM	143,501
Vanguard 529 Plan	\$20,430MM	440,626
TOTAL:	\$26,700MM	930,459

The Nevada Prepaid Tuition Program

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 College Savings, which 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 through tax advantaged savings accounts. 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-March. During FY19, the Program enrolled 674 new students and the four-year university plan remained the most popular choice of plans, with just over 60% of purchasers choosing the four-year university plan for their loved one. The lump sum payment option (41.7%) exceeded the monthly payment options (27.0% extended payments, 19.7% five-year payment option, and 11.6% 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, 2019 to be 154.6%. The FY19 funded status represents an increase of 12% over FY18, and the strongest funded status in the 21-year history of Prepaid Tuition. At the conclusion of FY19, a total of 21,715 children were enrolled in Prepaid Tuition, and the Nevada Higher

Education Tuition Trust Fund held assets of \$300.7 million, an increase of 674 children and \$20.1 million, respectively, over the prior year. As of June 30, 2019, there were 3,255 students eligible to use their benefits, of which Prepaid Tuition paid out over \$11.3 million in tuition benefits, an increase of roughly 1.24% from FY18.

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 established 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, ongoing written and email communications sent to all participants, and a Piggy Bank Program delivered in schools by teachers or volunteers.

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, 2019, there were 208,874 individual student scholarships created under the program with funding totaling just over \$10.4 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 2018, 14,520 were eligible for the scholarship, and 8,308 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 will be effective for 2020 applicants.

Major Accomplishments

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 will provide 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.

College Navigator

During the 80th Nevada Legislative Session, a College Savings Navigator position was created. The College Navigator will 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 will create and expand 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.

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 (“SB419”) 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

Outreach and Marketing

The separation of responsibilities provided by SB419 in 2017 resulted in slow account growth and a lack of overall awareness about ABLE during the initial rollout. The change in statute provided by AB130 has 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 FY19, the Office partnered with numerous organizations to help educate individuals about the benefits of the Program. These organizations include:

- American Institute for CPA’s
- Legal Aid Center of Southern Nevada
- National Council on Disability
- National Down Syndrome Society
- National Federation of the Blind

- National Organization for Parents of Blind Children
- Nevada Disability Coalition
- Nevada Justice Association
- University of Nevada Center for Excellence in Disabilities
- The Guinn Center for Policy Priorities

The Office is developing a more comprehensive approach to ensure people with disabilities have access to services and can live independently. To do so, the Office is working to strengthen partnerships with a number of State agencies to increase awareness about the program. These agencies include:

- Aging and Disability Services Division
- Department of Education
- Division of Health Care Financing and Policy
- Division of Welfare and Supportive Services
- Office of Minority Health and Equity
- The Nevada Governor’s Council on Developmental Disabilities

Growth in Accounts

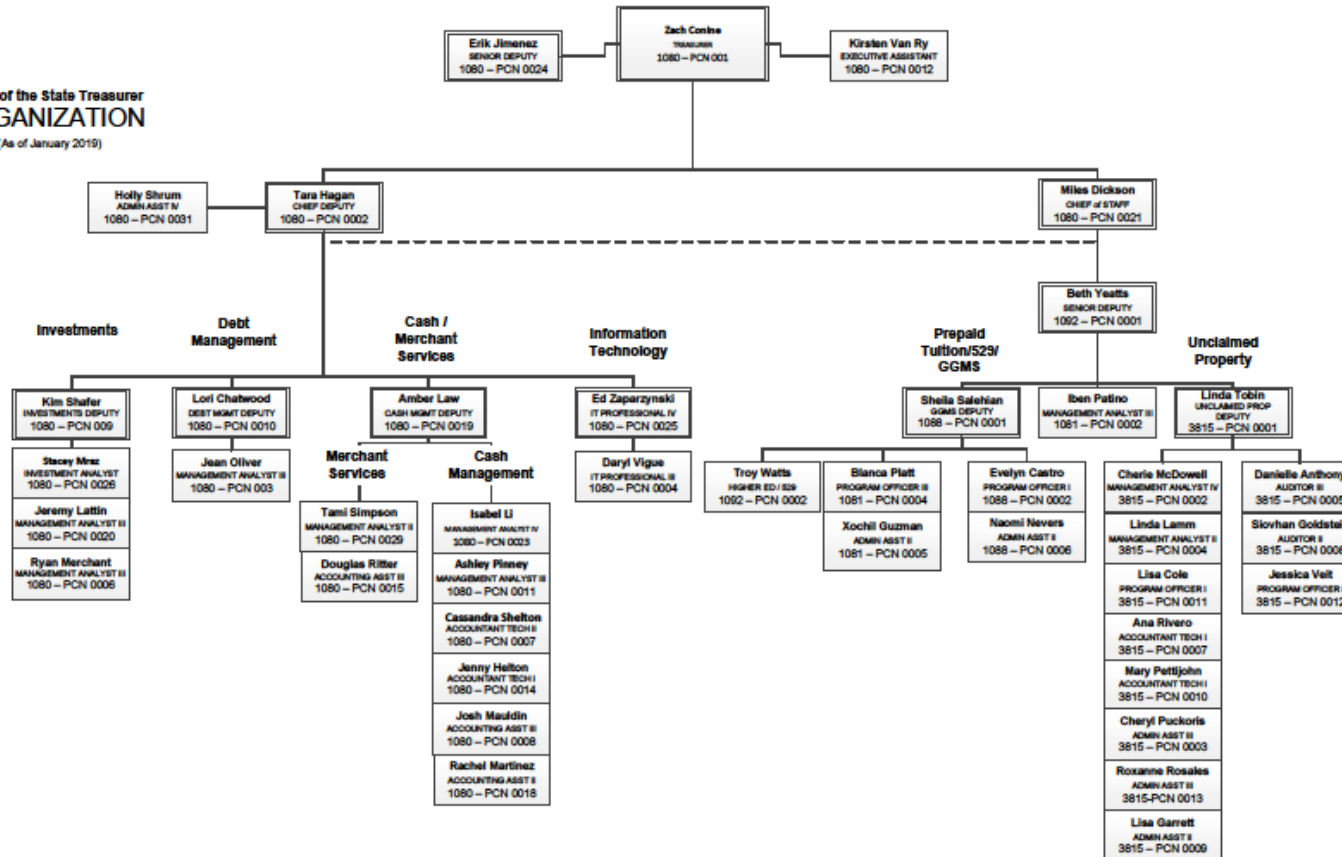
Through the Office’s commitment to marketing and outreach, ABLE has experienced a significant increase in accounts and assets under management. On June 30, 2018, ABLE program had just 237 accounts, with assets totaling \$1,013,846. As of June 30, 2019, ABLE nearly tripled in size to a total of 651 accounts.

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 January 2019)



ZACH CONINE BIOGRAPHY

Zach Conine currently serves as Nevada’s 23rd State Treasurer. Elected on November 6th, 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 is also working to launch a first of its kind pilot program to bank the State’s marijuana industry and improve public safety.

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 from UNLV's William S. Boyd School of Law. He and his wife Layke are happily raising their six-year-old daughter Ruby, two-year old twin sons Rutherford and Theodore, and two dogs, Democracy and Liberty.

SENIOR STAFF BIOGRAPHIES

Chief of Staff

Miles Dickson

Miles Dickson serves as Chief of Staff for the Nevada State Treasurer’s Office. In this role, which he was appointed to in February 2019, Miles serves as an advisor to the Treasurer and is responsible for leading strategy and special initiatives, collaborating with other governmental officials and community stakeholders, and working with the talented personnel team to support effective operations.

Prior to joining the Treasurer’s Office, Miles was a Principal in The JABarrett Company, a Nevada-based management consulting company where he served as a senior advisor, advocate, and project manager for clients spanning the private, public, and social sectors. Miles has a Juris Doctorate degree from the William S. Boyd School of Law and a Bachelor’s Degree in Journalism from UNLV. He is also a graduate of the Executive Program at UCLA Anderson School of Management. A third-generation Nevadan, Miles is very engaged in local causes and serves on several nonprofit organization boards.

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

Beth Yeatts

Beth Yeatts serves as the Senior Deputy Treasurer for Southern Nevada for the State Treasurer's Office. She is responsible for overseeing the College Savings and Unclaimed Property Divisions, in addition to working with the Chief Deputy Treasurer and the Chief of Staff on special projects. Prior to joining the Treasurer's Office, Beth worked in various state and federal government agencies and has spent over 20 years in management roles in higher education. She holds a Masters of Business Administration degree from Youngstown State University and is a Certified Public Accountant.

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 – 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 – 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 – 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.

Deputy Treasurer – College Savings

Sheila Salehian

Sheila Salehian serves as the Executive Director of the Governor Guinn Millennium Scholarship program and Deputy Treasurer for College Savings. Sheila’s responsibilities include oversight of the first 529 College Savings Program in Nevada and The Nevada Prepaid Tuition Program. She is also responsible for outreach and administration of the office’s many Financial Literacy programs. Prior to joining the Treasurer’s office, Sheila worked in the Financial Services Industry for over 22 years, holding a variety of Relationship Manager, Area Director, & Information Technology liaison roles for a Fortune 100 company. Sheila holds a Bachelor of Business Administration degree from the University of Iowa.

Financial Section

UNCLAIMED PROPERTY

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

Revenues	2019		2018
Unclaimed Property Receipts			
Utility Companies	\$ 11,759	1	\$ 639,226
Insurance Companies	3,439,624	2	3,721,577
Financial Institutions	475,694	3	19,085,616
Security Sales & Dividends	11,043,070	4	14,452,909
Local Governments	1,370,180	5	1,457,051
Other State Governments	1,875,191	6	1,347,186
Other Businesses	52,574,647	7	30,495,572
Audit Proceeds	416,903	8	3,656,997
Direct Payment From FDIC	578	9	133,351
Miscellaneous Sales	1,335	20	1,470
Penalties, Interest and Other	2,317,054	10	1,522,481
Total Revenues	73,526,036		76,513,435
 Expenditures			
Payments to Claimants	42,516,756	11	39,773,451
Payments FDIC Claimants	1,140,126	12	-
Personnel Costs	885,737	13	742,764
Contractual Services	1,054,405	14	1,092,773
Operating Costs	139,409	15	134,664
Advertising and Public Relations	114,076	16	122,318
Total Expenditures	45,850,509		41,865,970
 Other Financing Sources (Uses)			
Transfer to General Fund	(20,964,747)	17	(26,723,929)
Transfer to Educational Trust Fund	(250,328)	18	(190,185)
Transfer to Gov. Guinn Scholarship Fund	(7,600,000)	19	(7,600,000)
Total Other Financing Sources (Uses)	(28,815,075)		(34,514,114)
 Excess of revenues and other financing sources over expenditures and other financing uses	(1,139,547)		133,351
 Beginning Balance, July 1	12,371,418		12,238,067
Ending Balance, June 30	\$ 11,231,870		\$ 12,371,418

MILLENNIUM SCHOLARSHIP TRUST FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

Revenues	2019		2018
Tobacco Settlement Income	\$ 16,086,597	1	\$ 16,595,931
Appropriation	33,000,000	11	-
Interest Income	225,278	12	147,776
Prior Year Correction	-	13	-
Refunds	-	14	3,379
Total Revenues	49,311,875		16,747,086
Expenditures			
Scholarship Payments	37,061,746	3	34,500,837
Personnel ¹	226,101	5	205,884
Travel ¹	2,672	6	2,061
Administrative ¹	130,803	7	120,201
Total Expenditures	37,421,322		34,828,982
Other Financing Sources (Uses)			
Transfer from College Savings Endowment Account	-	4	-
Transfer from Treasurer ¹	359,576	8	328,146
Transfer from Unclaimed Property	7,600,000	2	7,600,000
Total Other Financing Sources (Uses)	7,959,576		7,928,146
Excess of revenues and other financing sources over expenditures and other financing uses	19,850,129		(10,153,751)
Beginning Balance, July 1	18,350,810	9	28,504,560
Ending Balance, June 30	\$ 38,200,939	10	\$ 18,350,809

Note: 1: These amounts represent expenditures for the administration of the Millennium Scholarship Trust Fund (BA1088) which are paid from the College Savings Endowment Account (BA1094) and are not revenues to Millennium Scholarship Trust Fund (BA1085).

PREPAID TUITION TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

Revenues	2019		2018
Participant Contributions	\$ 15,869,029	1	\$ 16,267,178
Application Fees	66,800	2	76,600
Administrative Charges	25,800	3	27,700
Interest Income	131,146	4	34,084
Investment Gain (Loss)	6,346,085	5	7,180,103
Total Revenues	22,438,860		23,585,664
Expenditures			
Tuition Payments	11,366,735	6	11,227,210
Personnel Costs	209,883	7	207,621
Travel	2,692	8	1,362
Operating Costs	457,407	9	474,801
Contract Cancellation Refunds	2,470,138	10	2,272,946
Contract Rollover Payments	51,160	11	51,101
Total Expenditures	14,558,015		14,235,041
Other Financing Sources (Uses)			
Transfer from College Savings Endowment Account	-	12	-
Transfer from College Savings to Pay Operating	669,982	13	683,784
Total Other Financing Sources (Uses)	669,982		683,784
Excess of revenues and other financing sources over expenditures and other financing uses	8,550,827		10,034,407
Beginning Balance, July 1	209,006,445	14	198,972,037
Prior Period Adjustment	-		-
Ending Balance, June 30	\$ 217,557,272		\$ 209,006,444

COLLEGE SAVINGS

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2019 and June 30, 2018

Revenues	2019		2018
Investment Management Fees	\$ 5,408,794	1	\$ 5,114,749
Gifts and Donations	-	2	-
Noncash Revenues	521,632	3	532,647
Settlement Income	-		-
Interest Income	174,963	4	83,466
Cost Allocation/Fund Transfers	3,108,037	5	2,870,176
Total Revenues	9,213,426		8,601,038
Expenditures			
Personnel	245,359	6	188,510
Operating	2,867,663	7	2,685,474
In-Kind Marketing	521,632	8	532,647
Total Expenditures	3,634,654		3,406,630
Other Financing Sources (Uses)			
Administrative Transfers			
College Savings	3,108,037	9	2,870,176
		1	
Millennium Scholarship	359,576	0	328,146
		1	
Prepaid Tuition	669,982	1	683,784
		1	
Transfer to Prepaid Tuition Trust Fund		2	-
		1	
College Kick Start		3	-
		1	
Cost Allocation	2,732	4	2,732
		1	
Settlement Expenses		5	
Total Other Financing Sources (Uses)	4,140,327		3,884,838
Excess of revenues and other financing sources			
over expenditures and other financing uses	1,438,446		1,309,570

Nevada State Treasurer
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Beginning Balance, July 1	<u>7,171,541</u>	<u>5,861,971</u>
Ending Balance, June 30	<u>\$ 8,609,987</u>	<u>\$ 7,171,541</u>

CONSOLIDATED BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2019 and June 30, 2018

Revenues	2,019		2,018
Taxes			
Real Property	138,496,344	1	130,098,306
Personal Property	16,759,456	1	15,703,036
Centrally Assessed Property	10,705,560	1	11,697,455
	<u>165,961,360</u>		<u>157,498,797</u>
Other			
Lease Purchase Building Rent	7,794,861	2	8,036,797
Interest Income	3,658,384	3	2,274,853
Excess Escrow Funds	9	4	925
	<u>11,453,253</u>		<u>10,312,575</u>
Total Revenues	<u>177,414,613</u>		<u>167,811,372</u>
 Expenditures			
Personnel	232,236	5	189,652
Statewide Cost Allocation (SWCAP)	4,850	16	4,850
Operating	-	6	13
Professional Services	370,527	17	935,014
Trust Agent Fees	24,822	7	24,535
	<u>632,435</u>		<u>1,154,063</u>
Debt Service			
Bond Principal Redemption	120,375,000	8	113,507,000
Bond Interest Expense	59,962,010	9	61,953,078
	<u>180,337,010</u>		<u>175,460,078</u>
Total Expenditures	<u>180,969,445</u>		<u>176,614,141</u>
 Other Financing Sources (Uses)			
Transfers from State Agencies	12,483,368	10	11,361,368
Special Higher Ed Capital	6,521,825		6,512,971
University System	-		6,728
Wildlife Division	1,224,475		1,064,950
Capital Projects Fund	-		-
NDOT	2,474,507		1,659,559
Colorado River Commission	1,220,355		1,220,815
Environmental Protection			
Department of Information Technology	665,357		665,357
Corrections			
General Fund	-		250
DMV	334,622		223,488

Nevada State Treasurer
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Combined Receipts from many agencies	42,228		7,250
Dept of Cons. & Natural Res. - Arbitrage			
US Treasury - Build America Bonds Subsidy	1,112,544	11	1,174,514
State Treasurer's Assessment	57,100	12	241,345
Transfers-out			
Transfer to UCCSN	-	13	-
Transfer to Local Government			
Transfer to Public Works Board	-		(93,456)
Net Proceeds from Refundings		14	
Net Prior Year Refunds/Expenditures	(144,584)	15	-
Bond Proceeds for Cost of Issuance	333,087		928,577
Total Other Financing Sources (Uses)	<u>13,841,515</u>		<u>13,612,348</u>
Excess of revenues and other financing sources over expenditures and other financing uses	10,286,683		4,809,578
Beginning Balance, July 1	134,352,232	108 2 999	129,542,653
Balance Forward Prior Year from other accounts	-	9	-
Prior Period Adjustment	-		-
Ending Balance, June 30	<u><u>144,638,915</u></u>	18	<u><u>\$ 134,352,231</u></u>

MUNICIPAL BOND BANK BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2019 and June 30, 2018

	2019		2018
Revenues			
Receipts from municipalities-Interest	\$ 3,417,513	1	\$ 3,469,247
Receipts from municipalities-Principal	\$ 3,425,000		\$ 4,190,000
Other			
Interest Income	6,032	2	4,338
Reimbursement of Expenses	-	3	60,329
Total Revenues	6,848,545		7,723,914
Expenditures			
Administrative Costs	-	4	58,541
Transfer to Administration	6,032	8	4,338
Trust Agent Fees	-	5	1,788
	6,032		64,667
Debt Service			
Bond Principal Redemption	3,425,000	6	4,190,000
Bond Interest Expense	3,417,513	7	3,469,247
	6,842,513		7,659,247
Total Expenditures	6,848,544.94		7,723,914
Other Financing Sources (Uses)			
Reversion to General Fund	-		-
Total Other Financing Sources (Uses)	-		-
Excess of revenues and other financing sources over expenditures and other financing uses			
	-		-
Beginning Balance, July 1	-		-
Ending Balance, June 30	\$ -		\$ -

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, 2019 and June 30, 2018

Revenues	<u>2019</u>		<u>2018</u>
Tobacco Settlement			
Income	\$ 24,129,896	1	\$ 24,893,897
Interest Income	743,417	2	414,672
Appropriations	-		-
Refund of Unused Grant Money	-	3	24,679
Total Revenues	<u>24,873,313</u>		<u>25,333,247</u>
Expenditures			
Operating	<u>59,265</u>	4	<u>64,983</u>
Total Expenditures	<u>59,265</u>		<u>64,983</u>
Other Financing Sources (Uses)			
Transfer to Department of Health and Human Services			
Administrative Services	820,752	4	838,753
Senior RX Program	1,375,837	5	1,870,899
Children & Disabled Persons	4,730,556	6	4,224,829
Aging Services	5,678,226	7	5,655,875
Disability RX	141,998	8	275,202
Differential Response	1,327,804	9	1,288,859
Child & Adolescent Services *	2,302,751	10	-
Autism	1,600,000	11	2,000,000
Family Resource Center	1,341,611	12	1,295,437
Consumer Health Asst	306,913	14	284,001
Tobacco Cessation	942,009	15	948,819
Public and Behavioral Health	400,150	16	2,552,751
Transfer to Millennium Scholarship	-		-
Total Other Financing Sources (Uses)	<u>20,968,606</u>		<u>21,235,424</u>
Excess of revenues and other financing sources over expenditures and other financing uses	3,845,443		4,032,840
Beginning Balance, July 1	35,431,336	17	31,398,496
Prior Year Adjustment			
Ending Balance, June 30	<u>\$ 39,276,779</u>	18	<u>\$ 35,431,336</u>