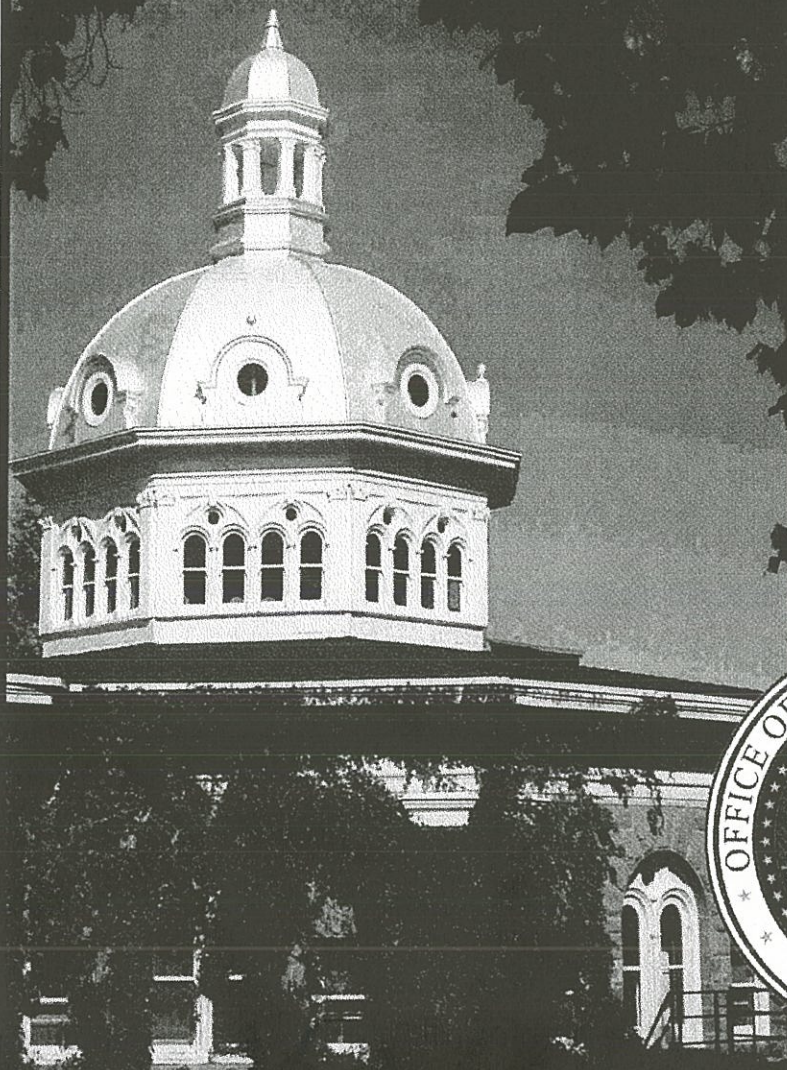


OFFICE OF THE NEVADA STATE TREASURER

Dan Schwartz

FY 2015



ANNUAL REPORT

JULY 1, 2014—JUNE 30, 2015

EXHIBIT Y - LC

Document consists of 50 pages.

Entire exhibit provided.

Meeting Date: 12-21-15

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OFFICE OF THE STATE TREASURER



October 23, 2015

Dear Governor Sandoval and Members of the Legislature:

I am pleased to present the State Treasurer's Office Annual Report for Fiscal Year 2015 as required by NRS 226.120.

This past year has been difficult but rewarding. We took office in January and were immediately confronted by a number of challenging issues. We are well on our way to resolving all of them. We have increased the returns on the nearly \$3 billion in various State portfolios, and in the case of the Local Government Investment Pool (LGIP), tripled the return. We have emphasized the need for an increased focus on Nevada-based investments by the Nevada Capital Investment Corporation (NCIC) and will continue to make additional changes throughout the New Year. Our College Savings and Prepaid Tuition programs are benefitting from the introduction of our mascot, Sage, and our statewide bus tour, the first of its kind by the Treasurer's Office—bringing our programs to every corner of the State. We are in the process of increasing efficiencies and customer service in our Unclaimed Property Division, well-illustrated by bringing the processing time below the statutory maximum for the first time in recent years. We have expanded our Financial Literacy Conferences to include military veterans and senior citizens. And, we are optimistic the Education Savings Account Program, a charge of the 78th Legislature, will begin funding accounts in early 2016. Finally, Nevada has maintained its AA/Aa2, and AA+ credit ratings, even earning an AAA rating on one series of bonds.

All these achievements would not have been possible without the great team that has taken charge at the Treasurer's Office. These individuals include Tara Hagan and Grant Hewitt, Chief Deputy and Chief of Staff respectively; and Deputy Treasurers Lori Chatwood, Linda English, Linda Everhard, Tiffany Hudder, and Sheila Salehian and all our dedicated and indefatigable staff.

Looking ahead, the Treasurer's Office will build on the successes of the past year. We will continue to improve the return on our State's capital pool, with special attention to the private equity fund (NCIC); we will look closely at Nevada's bonding capability, with an eye to suggesting new projects to complement the Governor's program of economic development and diversification; and, we will dedicate special effort to inculcating a "culture of education" in a State that desperately wants one. And more.

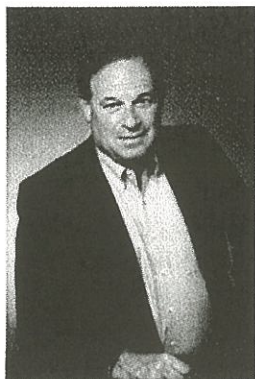
All ahead warp speed.

Respectfully submitted,

Dan Schwartz
Nevada State Treasurer

DAN SCHWARTZ

Nevada State Treasurer



Dan is Nevada's State Treasurer. He is committed to improving education through the Millennium Scholarship and other college savings plans; to creating jobs through a micro-loan and related investment programs; and to making Nevada's tax dollars work for its citizens.

Dan grew up in suburban Chicago and attended Princeton University. He graduated from the undergraduate program at the Woodrow Wilson School of Public Policy and International Affairs in 1972. During his junior year, he studied at the Institut d'Etudes Politiques in Paris and received his Certificate. He holds a law degree from Boston University and a business degree from Columbia.

He served in the United States Army (1972-74) and was stationed in Europe as a Pershing Missile Crewman.

Dan has over 35 years of financial experience across multiple sectors of the banking and securities industry in Houston, New York, and internationally. He is also an experienced and accredited investor in the public and private markets.

Over the past 25 years, Dan has started and built several companies. He served as the CEO of AVCJ Group, Ltd. (AVCJ), which publishes the highly-regarded *Asian Venture Capital Journal*, the first ever print journal to be distributed over the Internet. Dan and his team built AVCJ into Asia's leading source on conferences and information on Asian private equity and venture capital. A UK company purchased AVCJ in 2006.

Dan is also Founder, President and CEO of Qiosk.com, "The World's Newsstand," one of the pioneers and innovative leaders in digital magazine delivery and media. Fifteen years after its creation, Qiosk continues to be profitable and a leader in its field.

Dan is active in the Jewish Federation of Las Vegas and supports many community organizations in Nevada. He is the author of two books, *The Future of Finance: How Private Equity and Venture Capital Will Shape the Global Economy* (published by John Wiley) and *Principles of the American Republic* (published by Sturdy Oak Press).

Dan is also a member of the Illinois Bar. He is married to Yanan and has 2 daughters.

MISSION STATEMENT

The Nevada State Treasurer's Office adheres to sound fiscal policy principles—including the prudent and conservative financial management of all state monies—by ensuring the state's money is invested with an emphasis on preservation of assets, then on return, and that the state's debt obligations are paid timely and accurately; that the state's banking relationships, state agency banking needs, and the state's Collateral Pool program are managed to the highest standard; that money entrusted by participants in the Nevada Prepaid Tuition and Nevada 529 College Savings Plans programs; the Governor Guinn Millennium Scholarship program and the Fund for a Healthy Nevada; and that Permanent School Fund dollars are managed, monitored, and invested prudently; and that unclaimed property held by the state is returned as expeditiously as possible to its rightful owners.

OVERVIEW

The Office of the State Treasurer was created in 1864, under Article 5, Section 19, of the Constitution of the State of Nevada. The State Treasurer is elected to a four-year term and the general responsibilities include the receipt and safeguarding of all money of the State which is not expressly required by law to be received and kept by some other person; the disbursement of state money through electronic means and checks drawn upon the Treasury by the State Controller; the investments of all available state funds which include, but are not limited to, the General Investment Portfolio, Local Government Investment Pools, Prepaid Tuition Program, 529 College Savings Plan, and the Permanent School Fund; the issuance of any debt obligation authorized on behalf and in the name of the state (with few exceptions); and managing the State's Unclaimed Property and Pooled Collateral programs.

The office is divided into six functional areas: Administration, Cash Management, Debt Management, Investments, Education Programs, and Unclaimed Property.

The mission of the State Treasurer's Office is to:

- Provide ethical financial leadership to the state;
- Provide prudent and conservative financial management of all state monies;
- Provide professional and judicious fiscal management of all state monies;
- Maximize earnings while maintaining the highest degree of safety;
- Assist families in providing for their children's higher education;
- Maintain the highest degree of public confidence and accountability;
- Maintain an organization which embodies public confidence and professionalism; and,
- Promote efficiencies through technological advances and best practices.

Statutory responsibilities of the State Treasurer:

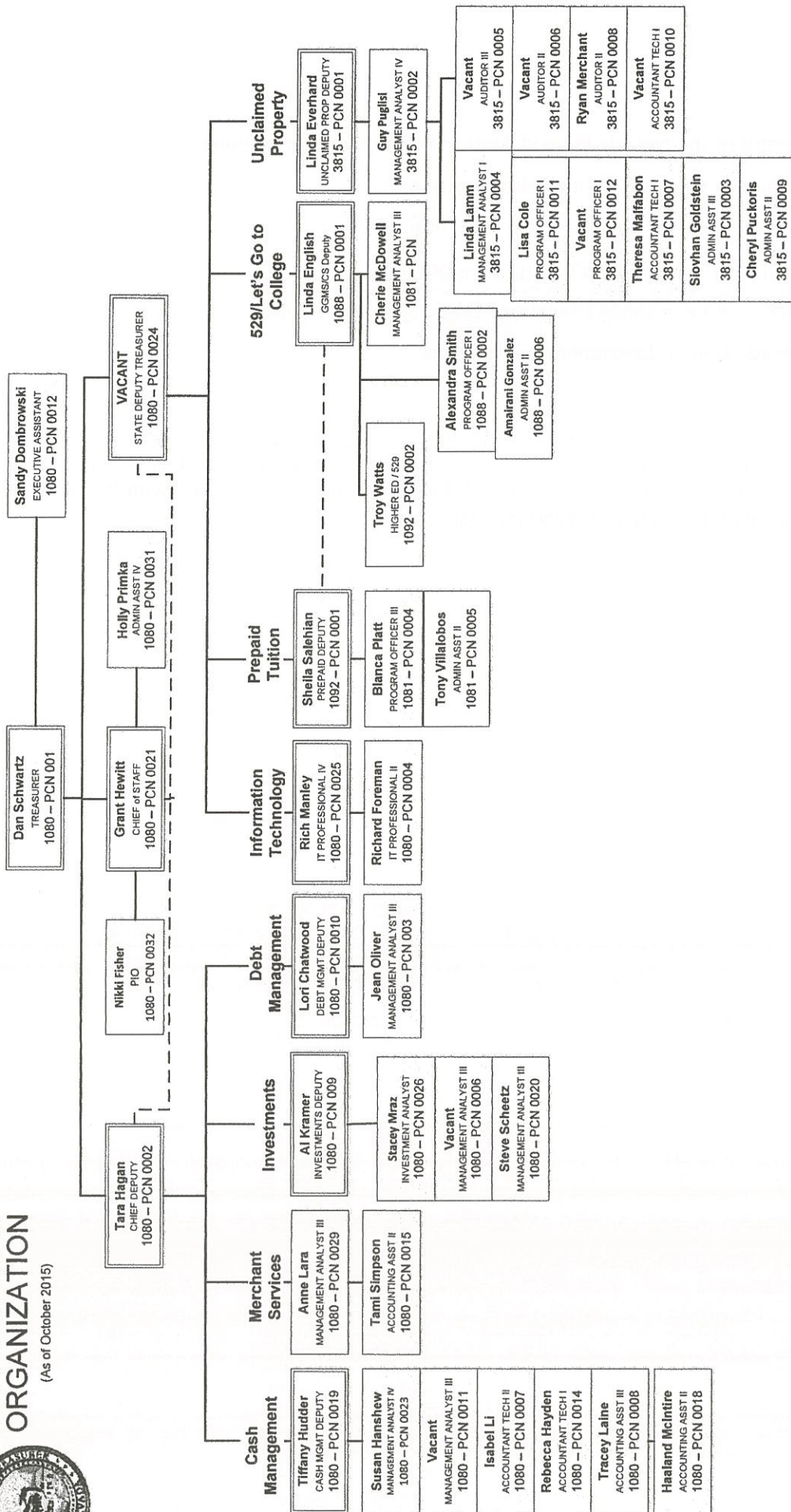
- Member of the State Board of Finance;
- Ex-Officio State Disbursing Office for the federal government;
- Administrator of the Municipal Bond Bank;
- Chairman of the Board of Trustees of the College Savings Plans of Nevada;
- Administrator of the 529 College Savings Plan and Trust Fund;

- Administrator of the Nevada Prepaid Tuition Program and Trust Fund;
- Administrator of the Fund for a Healthy Nevada;
- Member of the Executive Branch Audit Committee;
- President of the Nevada Real Property Corporation;
- Administrator of the Nevada Unclaimed Property Division; and,
- Chair, Nevada Capital Investment Corporation

For FY15, the State Treasurer's Office had an approved budget over all functional areas of \$10,006,172, but expended only \$8,938,154, a savings of \$1.1 million taxpayer dollars. Only 12.5% of the total expenditures were paid for with General Fund appropriation, with the balance being funded by assessments and trust fund transfers.



Office of the State Treasurer
ORGANIZATION
(As of October 2015)



COLLEGE SAVINGS PLANS OF NEVADA

The Nevada 529 College Savings Plans are authorized by NRS 353B and comply with 26 U.S.C. § 529. The plans are designed to assist parents and students in taking advantage of savings plans, which offer tax advantages to account holders. The program is authorized in NRS 353B.

The State Treasurer's Office partners with Ascensus College Savings¹ and Putnam Investments to help Nevada residents and families across the United States save for college. The College Savings Plans of Nevada operates as a qualified tuition program under Section 529 of the Internal Revenue Code. As such, the plans are able to combine tax benefits and flexible features, making them a smart and easy way to save for college. In 529 plans, earnings in an account grow tax-deferred and, when used for qualified educational expenses at eligible higher education institutions, are federally tax-free. This allows savings to grow faster, providing more money for college-related expenses. FY2016 saw the introduction of an expanded awareness campaign featuring Sage, the intrepid desert tortoise.

The College Savings Plans of Nevada consist of three direct sold plans managed by Ascensus College Savings—SSgA Upromise 529, Vanguard 529 College Savings Plan, and USAA 529 College Savings Plan—and one advisor-sold plan, Putnam 529 for America. As of June 30, 2015, there were 686,372 individual accounts across all four of these plans, with over \$15.8 billion in assets under management.

The various college savings plans offer a variety of market-based savings options. Each portfolio has a different allocation of stock, bond, and money market funds. The investor selects a portfolio depending on his/her own savings goals, risk tolerance, and the amount of time until the child enters college. Any person may open a 529 college savings account by contributing as little as \$15. The maximum that can be saved in any of Nevada's 529 Plans is \$370,000 per beneficiary. These accounts may be used for qualified education expenses at any eligible post-secondary school in the world, including two- and four-year colleges, technical and trade schools, and graduate schools.

The Board of Trustees of the College Savings Plans of Nevada, chaired by Treasurer Schwartz, provides financial oversight for the investment managers, program managers, and account holders in the College Savings Program.

SSgA Upromise 529

As an enhancement to the College Savings Plans of Nevada, the Board and Upromise Investments, Inc. (now Ascensus) entered into an agreement in FY12 with worldwide asset manager State Street Global Advisors to revamp the Upromise plan and offer investors lower management fees with a sophisticated institutional-quality investment approach, in addition to providing a unique channel through registered investment advisors to broaden the customer base. In April 2012, the SSgA Upromise 529 Plan replaced the Upromise College Fund.

¹ Upromise Investments, Inc. was purchased by Ascensus Broker Dealer Services, Inc. in December of 2013.

The SSgA Upromise 529 Plan is the college savings plan actively used in education and outreach efforts conducted by Treasurer's Office staff within the state. The Plan has seen significant new in-state account growth since October 2013 with the launch of the Nevada College Kick Start Program.

Silver State Matching Grant Program

The Silver State Matching Grant Program, available within the SSgA Upromise 529 plan, offers low- and middle-income Nevada families a matching grant of up to \$300 in extra college savings per calendar year, with a lifetime maximum grant of \$1,500. Matching grant funding is part of the office's contract with Ascensus, which supplies the money for the matching grants. *No taxpayer dollars are used.* The program was significantly expanded in FY14 to include all Nevada families with a household Adjusted Gross Income (AGI) of under \$75,000. As the chart below shows, the program has shown impressive year-over-year growth.

Silver State Matching Grant Program FY10 to FY14

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY2013</u>	<u>FY2014</u>
Applications Received	42	90	128	255	414
Approved Applications	34	80	112	236	377
Matching Funds Paid Out	\$8,363.51	\$22,343.49	\$30,889.47	\$67,283.37	\$98,024.06
% Increase Over Previous Year	N/A	135%	40%	111%	60%

Vanguard 529 Plan

Nevada's Vanguard 529 College Savings Plan is one of the largest in the nation, with assets under management as of June 30, 2015 of just over \$11.7 billion. The total number of accounts at the conclusion of FY15 in this plan was 285,571. This industry leading plan is consistently ranked as one of the best by financial rating agencies. As of May 27, 2015, Nevada's Vanguard 529 Plan received an overall rating of Gold from Morningstar, a leading provider of independent investment research in North America, Europe, Australia, and Asia.

Morningstar Analyst Ratings for 529 College-Savings Plans

Gold Rating (4 plans out of 64 ranked received a Gold rating)

Alaska:	T. Rowe Price College Savings Plan
Maryland:	Maryland College Investment Plan
Nevada:	The Vanguard 529 College Savings Plan
Utah:	Utah Educational Savings Plan

USAA 529 College Savings Plan

In partnership with USAA Investment Management, the USAA 529 College Savings Plan is geared toward military families. The program is nationally recognized for its strong performance and, as of June 30, 2015, was ranked seventh in the industry for 10-year performance by Savingforcollege.com, an independently sponsored website dedicated to assisting parents and students with planning for college. Additionally, Nevada's USAA 529 College Savings Plan was again awarded a Bronze rating by Morningstar, a national mutual fund rating company.

USAA Distinguished Valor Matching Grant Program Expanded

The State Treasurer's Office, working in conjunction with the USAA 529 College Savings Plan, established the USAA Distinguished Valor Matching Grant Program in January 2011 to allow families of Purple Heart recipients the opportunity to receive up to \$1,500 in matching funds to their USAA 529 College Savings Plan contributions. It is the only such matching grant program in the nation. Previously only open to Purple Heart recipients from Nevada who had served in Operation Enduring Freedom or Iraqi Freedom, the program has been expanded to include all active duty US military and reservists who are Nevada residents.

Distinguished Valor Matching Grant

	FY2012	FY2013	FY2014
Approved Applications	16	78	105
Matching Funds Paid Out	\$ 4,700	\$ 22,280	\$ 30,400
% Increase Over Previous Year		388%	35%

Putnam 529 for America

Sold in Nevada and nationally through financial advisors, Putnam 529 for America showed solid growth during FY15. As of June 30, 2015, the plan had \$397 million in assets under management and 19,506 total accounts. Industry analyst Savingforcollege.com ranked Putnam 529 for America the #2 advisor sold plan for one and three year performance at net asset value (i.e. no sales charges). Savingforcollege.com also gave the plan 4.5 caps out of 5 for overall features and benefits (as of March 31, 2015).

Historical charts

The following charts underscore the overall growth of accounts and assets under management over the past six years, including double the number of Nevada accounts.

Number of National Accounts:

Year	SSgA Upromise 529	Vanguard 529 Plan	USAA 529 Plan	Putnam 529 Plan	Total
2006					
2007	157,309	115,057	58,597		330,963
2008	166,570	141,602	64,379		372,551
2009	166,790	155,020	80,275	N/A	402,085
2010	164,341	170,649	102,190	N/A	437,180

2011	161,611	190,729	130,451	12,580	495,371
2012	158,066	208,088	153,636	15,656	535,446
2013	153,837	230,323	178,657	16,859	579,676
2014	153,128	255,357	206,333	18,306	633,124
2015	148,868	285,571	232,427	19,506	686,372

Assets:

Year	SSgA Upromise	Vanguard	USAA 529 Plan	Putnam 529	Total
	529	529 Plan		Plan	
2009	\$608,228,558	\$3,343,224,153	\$519,141,031	N/A	\$4,568,231,621
2010	\$738,274,807	\$4,303,662,470	\$738,227,830	N/A	\$5,888,597,523
2011	\$923,243,928	\$5,899,169,097	\$1,121,433,138	\$225,829,285	\$8,169,675,448
2012	\$982,374,293	\$6,623,429,551	\$1,317,915,273	\$266,915,980	\$9,190,635,097
2013	\$1,084,540,000	\$8,184,020,000	\$1,690,800,000	\$302,780,137	\$11,262,130,137
2014	\$1,237,190,000	\$10,417,310,000	\$2,210,580,000	\$367,909,671	\$14,232,989,671
2015	\$1,276,391,819	\$11,716,947,923	\$2,479,562,950	\$397,081,967	\$15,869,984,659

Number of Nevada Accounts:

Year	SSgA Upromise	Vanguard	USAA	Columbia	Putnam	Total
	529	529 Plan		529 Plan	529 Plan	
2007	2,824	1,460	660	0	N/A	4,944
2008	3,305	1,923	826	110	N/A	6,164
2009	3,238	2,089	958	118	N/A	6,431
2010	3,346	2,355	1,125		N/A	6,979
2011	3,480	2,645	1,440		212	7,777
2012	3,668	2,881	1,750		296	8,595
2013	3,956	3,214	2,085		360	9,615
2014	4,595	3,604	2,490		425	11,114
2015	5,454	4,118	2,798		451	12,821

Education and Outreach Initiatives - Increased Nevada Participation

With the intent of increasing Silver State participation in the College Savings Plans of Nevada and the Nevada Prepaid Tuition programs, the State Treasurer's Office continued its grassroots education and outreach campaign aimed at increasing awareness by Nevada residents about the value of saving for college and the availability of our programs. Several avenues were successfully utilized in promoting these programs, including:

- Having a dedicated in-state field representative to work with local businesses and other statewide organizations to increase awareness of the SSgA Upromise 529 Plan, college savings in general, and to provide assistance to Nevada families in establishing accounts for their children.

- Expanding the \$529 College Savings Day Contest to award \$529 college savings accounts to 20 randomly selected entries.
- Actively participating in numerous community events, such as Parent Teacher Association Conventions, school counselor meetings, UNR & UNLV basketball games, Girl & Boy Scout Expos, Back-to-School Fairs, and other events throughout the State.

Nevada College Kick Start Program

In fall 2013, the Treasurer's Office launched the Nevada College Kick Start Program (CKS), which establishes \$50 college savings accounts for all public school kindergarten students in the state. This is the first statewide, universal children's savings account program in the United States and, as such, has garnered much national attention. The accounts are established using a portion of the program manager fees paid to the Treasurer's Office, *not taxpayer dollars*.

CKS accounts are held within a master account in the SSgA Upromise 529 Plan. The account is invested in the age-based portfolio which most closely matches the age of the students. CKS accounts are controlled by the State Treasurer's Office and can only be used for qualified education expenses at an eligible institution by the student. There are no fees to participate and because the program is an opt-out model, parents do not need to complete any paperwork. Data needed to enroll students in the program is provided to the office by the State Department of Education is secured and by contract cannot be shared with anyone else.

As of June 30, 2015 there were 66,898 students participating in the program. Funding for student accounts totaled just over \$3.5 million.

Approved by the Board of Trustees of the College Savings Plans of Nevada to run for three years starting in November 2013, the program will be evaluated at the end of the FY16.

Education and outreach efforts by Treasurer staff has included a multitude of school events, quarterly account summaries sent to all participants, a Piggy Bank Program delivered in schools by teachers or volunteers, social media contests, National Public Radio sponsorships, and more.

The impetus behind the launch of the Nevada College Kick Start Program was several studies showing that children who know they have a college savings account in their name were 7 times more likely to attend an institution of higher learning. The studies found that even a small account improves a child's determination and preparedness for college and higher education, regardless of family income, ethnicity, or the educational attainment of the child's parents.

Special thanks to each of the school districts for their support, collaboration, and partnership in helping to ensure this program is renewed permanently to benefit our youth for years to come.



Nevada State Treasurer Dan Schwartz reads to students during Nevada Reading Week at Fritsch Elementary in Carson City



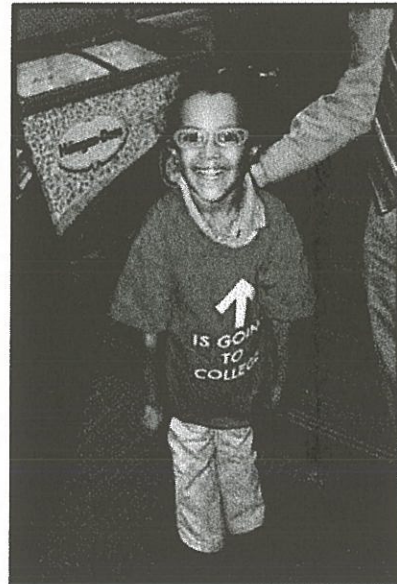
Booth display at "College Savings Day" event at The Discovery Museum in Reno Nevada



Treasurer's Office staff, posing with attendees at the Clark County Fair and Rodeo in Logandale Nevada



Staff Member Alex Smith pictured with Braeden Hudder, son of Tiffany Hudder, Cash Management Deputy Treasurer, after throwing out the first pitch at the Reno Aces Baseball game.



Nevada College Kick Start participant from Reno Nevada.

The Nevada Prepaid Tuition Program offers an alternative to acquiring student loans to pay for college tuition. The Treasurer's website, www.NVPrepaid.gov allows convenient online enrollment, access to program forms, ability to make contract payments, and to perform basic account maintenance. As noted below, the most popular plan is the 4-year university plan, paid for through extended monthly payments.

FINANCIAL LITERACY

In accordance with NRS 353B.350(5), "the Endowment Account must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for the use of the Administrative Account. The money in the Endowment Account may be expended."

- a) For any purpose related to the Nevada College Savings Program;
- b) To pay the costs of administering the Governor Guinn Millennium Scholarship Program; or
- c) In any other manner which assists the residents of this state to obtain post-secondary education.

Annual funding of \$175,000 for financial literacy outreach efforts was approved by the College Savings Board in April 2010 and again in July 2012 and July 2014 as part of the 5 year College Savings Plan.

Financial Literacy in Nevada: The State Treasurer's Office approach to providing increased financial literacy/education in Nevada to students, parents, teachers, and other professionals includes:

- Providing financial support to local nonprofit organizations who teach Financial Literacy in Schools such as The Andson Foundation.
- Hosting the Annual Nevada Women's Money Conferences in both English and Spanish.
- Hosting Financial Literacy Training Seminars for Military Families and Senior Citizens.

Financial Literacy Outreach

Treasurer Dan Schwartz is passionate about educating Nevada's adults in financial matters so they will become more economically educated and prepared to deal with cyclical and personal economic conditions. To this end, the Nevada State Treasurer's Office expanded several financial literacy outreach activities in FY15 aimed at educating Nevada parents and children about the importance of managing their money. These activities and programs, offered in partnership with the Andson Foundation and the Nevada Council on Economic Education included the following activities:

1) The Andson Foundation:

Provided support for 6 Southern Nevada Clark County School District Schools. Over 1,750 students were served in this program during the 2014-2015 school year. This hands-on program was staffed with volunteers who taught students the basics of personal finance while stressing the importance of saving and spending wisely. There were also take-home lessons that engaged the parents in the curriculum. The long term goal of the Treasurer's Office financial fitness efforts is to provide Nevada schools and families with valuable information on effectively managing money throughout one's lifetime, regardless of income level.

2) Hosting the Nevada Women's Money Conferences:

In FY15, the Treasurer's Office and the College Savings Board of Nevada once again sponsored the Nevada Women's Money conferences in Reno and Las Vegas. In addition, the first-of-its kind, Latina Women's Money Conference, called *Mujeres y Dinero*, conducted entirely in Spanish, was offered in Las Vegas and Reno, Nevada. In total, the 4th annual conferences were attended by over 1,000 women, who ranged in age from 15-75 years old. The conferences included a resource expo, a money mentor program, and nationally renowned women authors/speakers who provided attendees with invaluable advice on taking control of their personal finances.

As part of the mentoring program, conference attendees are regularly asked to complete surveys highlighting what they have achieved as part of their attendance. Some of those achievements by attendees include

- Establishing an emergency savings
- 50 point increase in credit score.
- Creating and living within a budget.
- Paying off \$30,000 in debt.
- Paying off pay-day loans
- Establishing a 'pink slip' fund in case of a job layoff



Nevada State Treasurer Dan Schwartz pictured with speakers at the Women's Money Conference in Reno on February 28th, 2015.

This unique program will continue in 2016 in Nevada to help women continue to grow in their knowledge and management of personal financial resources, with a focus on the benefits of saving early and often, understanding and managing debt, saving for higher education for their children, and the importance of properly planning for retirement.

3) Coordinating specialized Financial Literacy benefits and training sessions for Veterans and Senior Citizens:

In 2015, there were 6 events held that offered Veterans and Senior Citizens the chance to hear from industry experts on the program benefits uniquely available to them in their community, discussing benefits such as federal VA benefit offerings, VA loans, and the USAA College Savings Matching Grant program. Senior Citizens were educated about the many free services offered by the Legal Aid Center of Southern Nevada, Aging and Disability Services, and Medicare/Medicaid. These two specialty training offerings will be expanded to serve a larger section of the population in 2016. As always, saving for higher education will be a key topic of discussion.

In summary, as Chair of the College Savings Board of Nevada, Treasurer Dan Schwartz is committed to helping Nevada families learn, understand and improve their personal economic circumstances.

GOV. GUINN MILLENNIUM SCHOLARSHIP

In 1999, the Legislature unanimously approved the dedication of 40 percent of Nevada's Tobacco Master Settlement Agreement payments to fund the Millennium Scholarship Program, which by legislative decree during the 2005 session was renamed after former Gov. Kenny Guinn. Graduates of the class of 2000 were the first recipients of the scholarship.

The program provides scholarship funding toward attendance at any eligible college or university located in the state to Nevada high school students who, as of June 2009:

- Graduate with a minimum GPA of 3.25;
- Have been a resident and attended a high school in Nevada for at least two years;
- Graduate with a diploma from a public or private Nevada high school;
- Pass the Nevada High School Proficiency Examination; and
- Complete a core curriculum consisting of 4 units of math (including Algebra II or higher), 4 units of English, and 3 units each of natural and social sciences.

There is no application process for the student to complete. Nevada high schools electronically submit the names of eligible students to the Millennium Scholarship Program in the Treasurer's Office. Including the graduating class of 2015, more than 145,005 high school seniors have been deemed eligible to receive the Millennium Scholarship. The average utilization rate is 63% percent since the program was established. By the end of the spring 2015 school term, more than \$347.2 million had been distributed to 91,745 Millennium Scholars, who collectively earned more than 35,211 associate, bachelor, and other certificates and degrees.

Governor Guinn Memorial Wall



Now in its 15th year, the Gov. Guinn Millennium Scholarship Program (GGMS) continues to encourage and support students in their pursuit of higher education in Nevada. The State Treasurer's Office partners and collaborates with the Nevada System of Higher Education and the Nevada Department of Education to facilitate the payment of scholarship awards which support Millennium Scholars.

There are seven Nevada System of Higher Education (NSHE) eligible institutions where students may utilize their scholarship award, as well as Sierra Nevada College in Incline Village, and Roseman University of Health Sciences in Henderson.

As administrator of the program, the State Treasurer's Office continues to:

- Operate the program's database (MiSL: Millennium Scholarship Ledger), which collects, stores, and maintains data on Millennium Scholars;
- Collect initial eligibility data from 17 county school districts, 50 private high schools, adult education, and home school applicants so they can be provided award packets with the scholarship information;
- Conduct outreach efforts throughout the state at college fairs, schools, private companies, PTA groups, and other venues to provide the latest information about the Millennium Scholarship Program;
- Cooperate with representatives of each NSHE institution, NSHE System Administration, System Computing Services, Nevada Association of School Superintendents, and the Nevada Department of Education to support the program;
- Disseminate information to Nevada high school students, high school counselors, NSHE institutions, and the general public; and,
- Maintain a dedicated website which allows students to acknowledge, and monitor their scholarship award.

The following table identifies the number of Millennium Scholars enrolled in a community college, state college, or university during FY 14 and FY 15.

Enrollment by Institution by Semester						
Institution Name	Summer 2013	Fall 2013	Spring 2014	Summer 2014	Fall 2014	Spring 2015
College of Southern Nevada	628	2,823	2,309	670	2,704	2,418
Great Basin College	19	219	174	25	210	195
Nevada State College	111	287	256	101	321	273
Roseman University	6	9	7	-	5	-
Sierra Nevada College	2	14	11	2	12	12
Truckee Meadows Community College	212	926	757	207	934	785
University of Nevada, Las Vegas	1,572	5,973	4,480	1,782	6,132	4,659
University of Nevada, Reno	1,466	5,190	4,303	1,419	5,394	4,417
Western Nevada College	38	336	236	18	266	233
Totals	4,054	15,777	12,533	4,224	15,978	12,992

According to data from NSHE and the Treasurer's Office, the program appears viable through FY17. Revenues, expenses, and fund balance for the Millennium Scholarship Fund for FY15 includes donations received by the Kenny C. Guinn Memorial Millennium Scholarship Trust Fund:

Beginning Balance	\$	25,451,827.00
Tobacco Settlement	\$	15,662,757.50
Transfer from Unclaimed Property	\$	7,600,000.00
	\$	<u>48,714,584.50</u>
Tuition Payments	\$	(24,662,555.61)
	\$	<u>(24,662,555.61)</u>
Ending Balance	\$	24,052,028.89

KENNY C. GUINN MEMORIAL MILLENNIUM SCHOLARSHIP

Senate Bill 220 establishing the Kenny C. Guinn Memorial Millennium Scholarship was unanimously passed during the 2011 Legislative Session. It was expanded during the 2013 Legislative Session to award scholarships to two recipients each year, one from a Northern school and one from a Southern school.

Following the tragic death of former Gov. Kenny C. Guinn in July 2010, at the request of former First Lady Dema Guinn, the Treasurer's Office worked closely with the Guinn family to create a separate account within the Gov. Guinn Millennium Scholarship Trust Fund to accept donations in his honor. The Treasurer's Office then partnered with Senator William Raggio and later Senator Ben Kieckhefer during the 2011 Legislative Session to craft and pass Senate Bill 220, which established the Kenny C. Guinn Memorial Millennium Scholarship. In 2013, Senate Bill 102 amended NRS to allow the scholarship be given to two students annually, with one recipient being a student in Northern Nevada and the other in Southern Nevada. The legislation passed unanimously both times.

Eligibility

In addition to being an eligible Millennium Scholar, a student may be eligible for the Memorial Scholarship by meeting the following criteria:

1. Must be a currently eligible Millennium Scholar;
2. Must be entering his/her senior or last year of college with 90 or more credits at an eligible institution (eligible institutions are the University of Nevada, Reno; University of Nevada Las Vegas; Great Basin College; Nevada State College; and Sierra Nevada College);
3. Be enrolled in and remain enrolled in a course of study leading to licensure in elementary or secondary education;
4. Maintain a college grade point average of not less than 3.5 on a 4.0 grading scale;
5. State a commitment to teaching in Nevada upon graduation; and
6. Have a commendable record of community service.

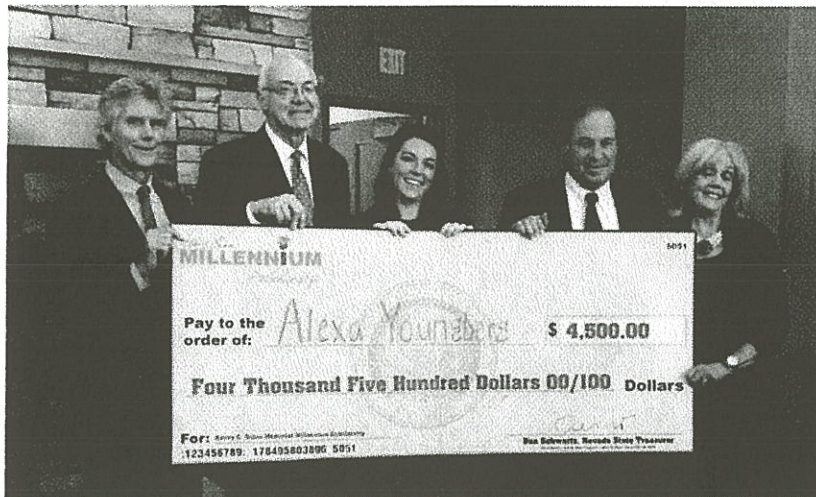
Award

The award can be used to help pay the educational expenses of the recipients for their senior year of college which are not already met by the student's GGMS scholarship funding, including registration fees, laboratory fees and expenses, and to purchase required textbooks and course materials.

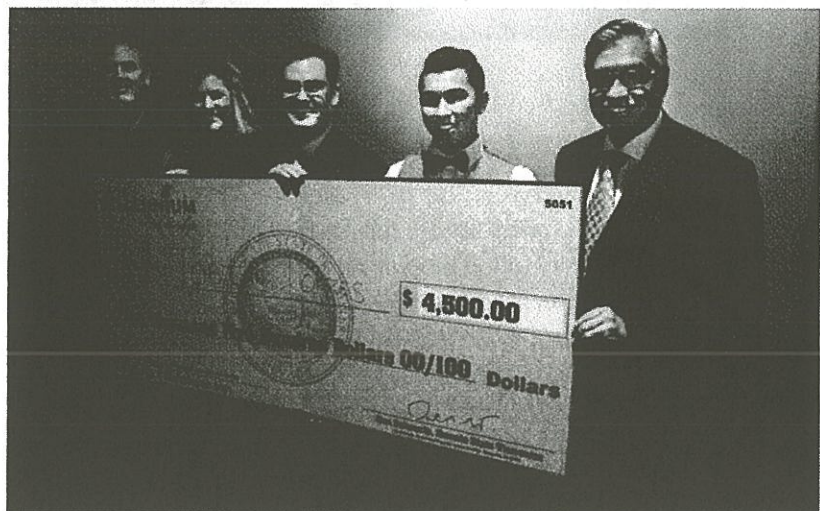
The Kenny C. Guinn Memorial Millennium Trust Fund continues to have a strong financial position with a balance of more than \$211,000. It is anticipated that the annual maximum award of \$4,500 will be available to pay recipients for many years to come.

2015 Award Winners

In September 2015, University of Nevada, Reno student Alexa Youngberg and Nevada State College student Tobias Torres were recognized as the recipients of FY16 Kenny C. Guinn Memorial Millennium Scholarship. Both recipients showed a strong commitment to remaining in Nevada after graduation and working in education.



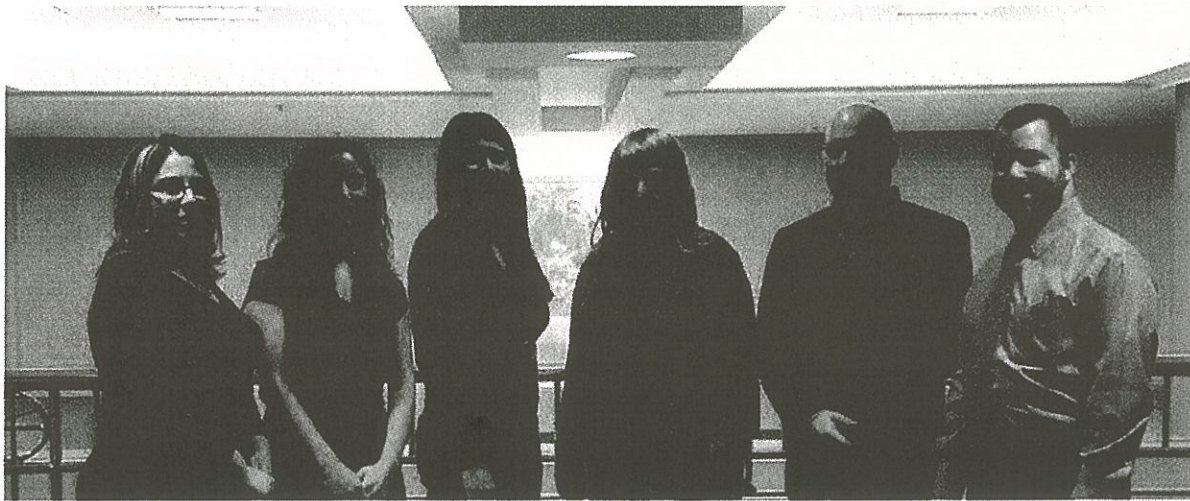
**Alexa Youngberg, Northern Nevada
2015 Kenny C. Guinn Memorial Millennium Scholarship**



**Tobias Torres, Southern Nevada
2015 Kenny C. Guinn Memorial Millennium Scholarship**

UNCLAIMED PROPERTY DIVISION

The State of Nevada's Unclaimed Property Division has the responsibility of collecting, safeguarding, and distributing unclaimed property for current and past residents and businesses. Companies and governmental agencies are required by NRS 120A to submit annual holder reports and to turn over to the State unclaimed intangible assets and the contents of safe deposit boxes. Assets include securities, bank deposits, payroll checks, utility deposits, insurance proceeds, and other items specified in Nevada's statutes. Property is considered abandoned when it remains unclaimed for the number of years prescribed by statute. The person, business, or legal entity entitled to receive the property never loses the right to make a claim for the asset (or value of items sold). Owners could include the estate or the heir to the original owner.



Unclaimed Property Division Staff

Unclaimed Property Defined

Abandoned property can be any financial asset owed to a business or an individual. Property is considered abandoned when there has been no activity and/or contact with the owner for a specific period of time. The property type will determine the abandonment period; however, it is generally three years. When the holder's (company that has the asset) attempts to locate the rightful owner have been unsuccessful, the assets must be escheated (remitted) to the state of the last known address. The State Treasurer's Office is responsible for protecting the assets and advertising the rightful owners' names in attempting to return the assets to the rightful owners. Examples of abandoned/unclaimed property include: bank accounts, un-cashed payroll checks, insurance checks, traveler's checks, utility deposits, gift certificates, stocks, bonds, mutual funds, dividends, insurance policy benefits, or claim payments, oil and gas royalties, court deposits, and safe deposit box contents. Abandoned/unclaimed property does not include real estate or land, automobiles, boats, taxes, or other tangible properties.

Unclaimed Property Owner Claims

The Unclaimed Property Division completed another very successful year in terms of returns to rightful owners. There were 16,146 claims paid in FY15, with \$27.6 million returned to rightful owners at a rate of 42.6%. The Fast Track Claims process adopted by the Treasurer's Office, which allows a claim to be paid through an automated process, has played a substantial role in the increase in paid claims. In FY15, 32% of all claims were paid via Fast Track.

Unclaimed Property Owner Outreach

At the conclusion of FY15, the state was holding approximately \$675 million in unclaimed property. The State Treasurer's Office, Nevada Unclaimed Property Division, continues to utilize many methods adopted since Treasurer Marshall took office to reunite rightful owners with their unclaimed property:

- ***Operation Claim It!***, an organized effort to reunite owners with lost funds including Savings Bonds left in Safe Deposit Boxes.
- In FY15, the Division made a concerted effort to locate and return FDIC funds to rightful owners, including locating, contacting, and assisting rightful owners with claim forms. The effort enabled the office to return \$602,596 in bank funds.
- A user-friendly website (NevadaTreasurer.gov) that provides individuals the ability to easily search the state's database of abandoned property, as well as to initiate claims.
- Member of the National Database website sponsored by the National Association of Unclaimed Property Administration (NAUPA), which provides a national search engine for unclaimed property.
- A revised holder outreach program (Voluntary Disclosure Agreement) that has dramatically increased the number of companies registered with the state: 29,196 in FY15
- Public notices being published in 17 newspapers throughout the state identifying unclaimed property held by the state, along with the name of the rightful owner.
- Working with community support organizations to assist in finding and returning funds that rightfully belong to Nevada senior citizens.
- Owner outreach seminars where potential claimants can connect with staff to search for and claim funds.

Unclaimed Property Collections

In all, \$65,482,539 million was collected from holders in FY15, bringing the total being safeguarded by the Nevada Unclaimed Property Division to nearly \$675 million. A transfer of \$28.3 million was provided to the General Fund.

Holder's Voluntary Disclosure Agreement Programs

As part of the Division's continuing efforts to assist holders, a Voluntary Disclosure Agreement (VDA) program was established in FY10 to encourage non-compliant businesses to conform to Nevada's unclaimed property laws without penalties and interest being added. The VDA program provides an avenue for businesses, which may not have realized they were out of compliance, with an opportunity to work with the Unclaimed Property Division to submit past due reports. In FY14, more than \$2.1 million was reported as a result of the VDA program.

Annual Safe Deposit Box Content Auction

Each year, the Unclaimed Property Division attempts to locate lost owners of Safe Deposit Boxes. Following a two-year period of remaining unclaimed, the contents are auctioned on the first Saturday of December. Viewing begins at 9:00am, with auction bidding starting at noon. The proceeds of the auction are transferred to the state General Fund; however, the rightful owner retains the ability to claim the proceeds from the sale indefinitely.



The Unclaimed Property Division auction in Las Vegas

CASH MANAGEMENT DIVISION

The primary duty of the Cash Management Division is to manage the State's banking relationships and to assist State agencies with their banking needs. The Division is also responsible for the Treasurer's Office administrative and accounting functions.

The Cash Management Division oversees the State's banking relationships, reconciles bank transactions with state accounting records, manages the State's Arbitrage and e-Payment programs, 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.



Cash Management Division staff in Carson City

In addition to its main depository and controlled disbursement accounts, the Treasurer's Office also has thirty 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.

During FY15, the Treasurer's Office in conjunction with the Purchasing Division completed a Request for Proposal for the State's electronic payment services. This initiative resulted in a unanimous decision by several State agencies to select Wells Fargo as the new vendor. The move to Wells Fargo will allow the Treasurer's office to receive deposits the following business day versus the current three day settlement. The ability to receive these funds next day will save the State over \$1.5 million in annual float. In addition, the State currently pays over \$550,000 per year in credit card processing fees. The new contract will cost the State approximately \$292,000 per year which results in a savings of over \$1.03 million over the four year contract period.

As of June 30th, 2015 the Treasurer's office had successfully established over 100 merchant accounts and began receiving new deposits into the account. All agencies will be transitioned to the new Wells Fargo gateway by November 30, 2015.

The Treasurer's Office also maintains three depository accounts with other financial institutions, offering State agencies in geographically remote areas the ability to move 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 Gov. Guinn Millennium Scholarship Fund and 60% to the Fund for a Healthy Nevada. Nevada received approximately \$39.7 million in MSA funds in FY15. Estimates for a potential trajectory predict the State will receive about \$40 million in FY16.

The Cash Management Division is also responsible for the allocation of 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.

In FY15, the office distributed more than 98,000 checks, which is a decrease of approximately 60,000 from FY14. 155,000 direct deposit advices were sent to vendors and employees in FY15 which is an increase of 18,000 from FY14.

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

INVESTMENT DIVISION

The investment of the State of Nevada's General Portfolio is a function performed by the State Treasurer's Office 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.

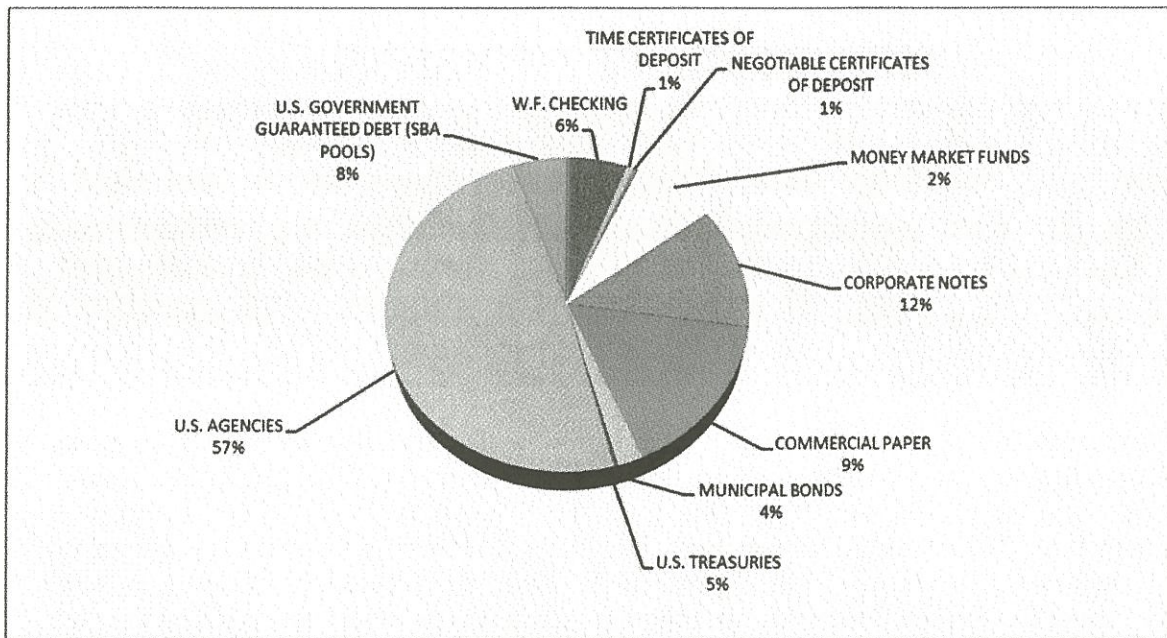
The Investment Division has four staff members—the Deputy Treasurer of Investments, Investment Analyst, and two Management Analyst III positions. Staff responsibilities include investment and accounting activities relating to the General Portfolio, Local Government Investment Pool (LGIP), and the Permanent School Fund (PSF), as well as oversight of the NVEST investment advisers. As of September 1, 2012, the Investment Division assumed management of the Nevada Collateral Pool Program, which was previously managed by the Cash Management Division.

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. The State Treasurer maintains a conservative, moderately active investment strategy, which 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.

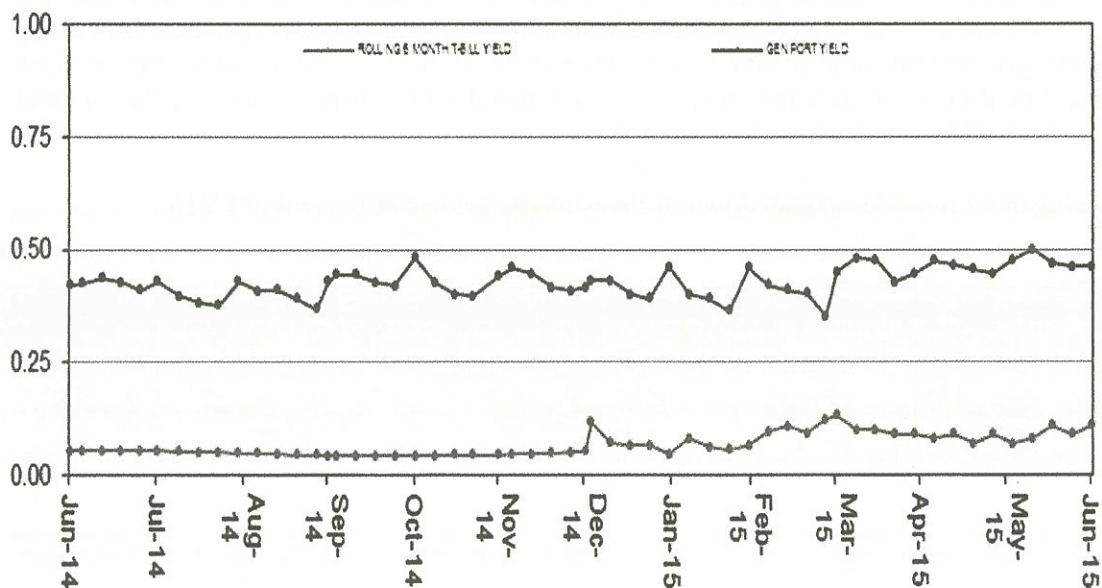
In FY12, the State's investment policies were amended to allow the purchase of municipal bonds. Subsequent to that change, investment staff has purchased municipal debt issued by Nevada local governments at attractive yields. Investment staff also established a core portfolio for the investment of the State's longer-term monies, thereby increasing returns for the General Portfolio. These initiatives have continued in FY15.

The following chart provides a breakdown of investments held as of the end of FY15.



The FY15 General Portfolio's book value as of June 30, 2015 was \$1.774 billion. The weighted average maturity (WAM) of the portfolio was 386 days. The effective duration was 0.82 years.

Total earnings for FY15 were \$7,491,322, representing a yield of 0.44 %. The benchmark used to assess performance in the General Portfolio is the six-month moving average of the six-month Treasury bill. As of the end of FY15, the General Portfolio outperformed this benchmark by 33 basis points. During FY 2015, a Request for Proposal (RFP) was issued to hire a manager for the core portion of the General Portfolio. Chicago Equity Partners and MacKay Shields were selected to manage a portion of the General Portfolio. Chicago Equity Partners began managing on September 1, 2015 and MacKay Shields will begin managing on November 1, 2015. Benchmark returns will also be adjusted going forward.

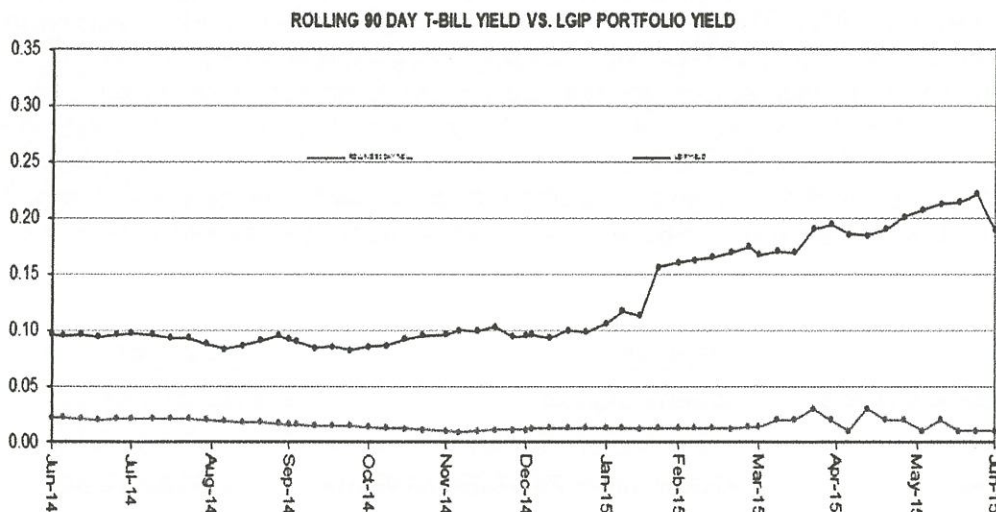


Local Government Investment Pool

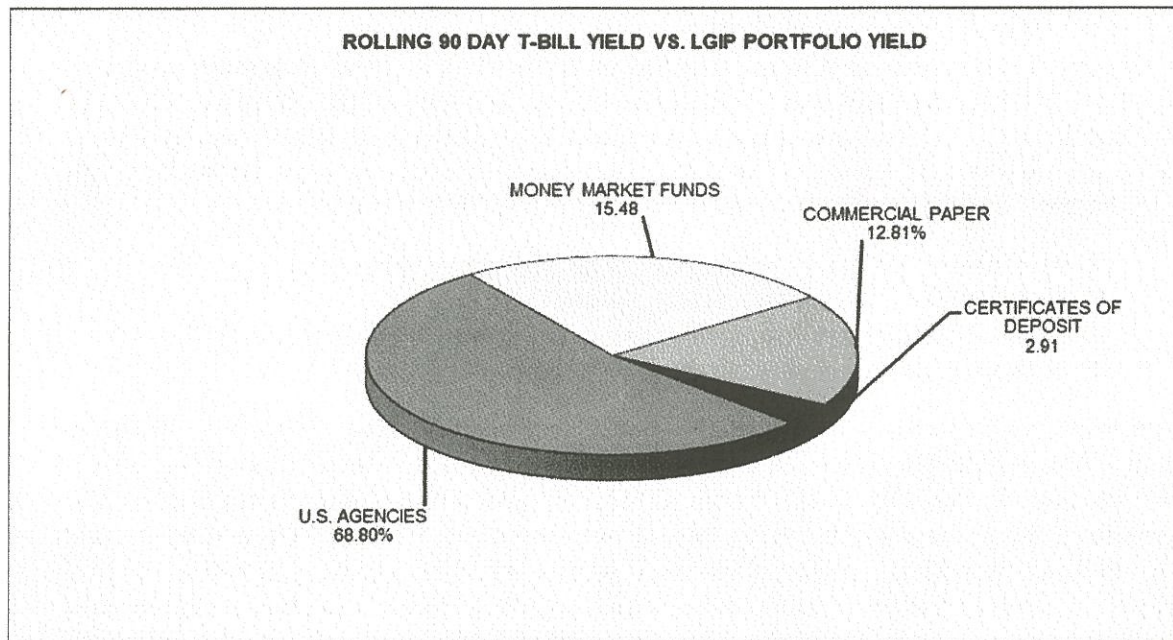
The LGIP was established as an alternative program to be utilized by local governments on a voluntary basis for their investable cash, with the advantage being economies of scale. The State Treasurer administers the LGIP in a conservative manner, consistent with the prudent guidelines outlined in a LGIP-specific Investment Policy. Any local government may deposit its public monies in the pool. In addition to safety and convenience, the LGIP permits:

- ❑ Multiple accounts may be maintained for accounting purposes;
- ❑ No minimum or maximum size of accounts;
- ❑ 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 on a daily basis 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 has maturing securities aligned accordingly. The benchmark used to assess performance in the LGIP is the three-month moving average of the three-month Treasury bill. As of the end of FY15, the LGIP was outperforming this benchmark by 17 basis points.



There were 86 LGIP members at the close of FY15, comprised of cities, counties, school districts, and various special districts across the State. The LGIP's book value on June 30, 2015 was \$406,975,061. 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 108 days. During FY 2015, an RFP was issued to hire a manager for the LGIP. FTN Financial Services; and *Mainstreet Capital Advisors* were chosen and began managing the LGIP on July 1, 2015.



NVEST

NVEST is an alternative investment program for local governments, whose object is to provide higher returns than the LGIP. The minimum account size is \$3 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 FY 2015, an RFP was issued to select managers for the NVEST program. The firms chosen were Atlanta Capital, Government Portfolio Advisors and Chicago Equity Partners. Seix did not respond to the RFP; therefore, entities using Seix will need to change to one of the three selected managers. As of June 30, 2015, the NVEST portfolios had a total book value of \$259,915,593.74 and consisted of 9 participants.

<u>Entity</u>	<u>Manager</u>	<u>Book Value</u>
Clark Co School District	Atlanta Capital	\$ 208,861,113.01
City of Elko	Government Portfolio Advisors	\$ 984,945.34
Eureka County	Government Portfolio Advisors	\$ 1,926,238.50
City of Fernley	Atlanta Capital	\$ 1,293,738.74
Humboldt County	Seix Investment Advisors	\$ 1,338,661.88
City of Las Vegas	Seix Investment Advisors	\$ 34,620,821.55
Lyon Co. School District	Seix Investment Advisors	\$ 3,000,080.22
Nye County	Seix Investment Advisors	\$ 3,273,191.90
City of Winnemucca	Seix Investment Advisors	\$ 4,616,802.60
		\$ 259,915,593.74

Collateral Pool Program

Under Nevada Revised Statute (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 objective is to reduce risk while, at the same time, decrease the overall collateral requirement for depositories. By centralizing the administration and reporting functions through the Investment Division, government agencies and depositories recognize cost savings in terms of operational support and collateral efficiency. Each financial institution is required to maintain as collateral (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. 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 FY15, there were 250 public entities throughout the State participating in the Collateral Pool Program, with deposits in 14 financial institutions and a daily balance on June 30, 2015 of \$1.746 billion with pledged collateral of \$2.338 billion, which calculates to \$557.2 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. Additionally, school districts may enter into guarantee agreements with the State Treasurer whereby the money in the Fund is used to guarantee the debt service payments on certain bonds issued by school districts. The amount of guarantee for bonds of each school district outstanding, at any one time, must not exceed \$40 million.

As of June 30, 2015, fixed-income assets of the Permanent School Fund totaled \$294,372,056.

Nevada Capital Investment Corporation

In 2011, the 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 a newly created non-profit corporation, the Nevada Capital Investment Corporation (NCIC). This private equity fund, called the Silver State Opportunities Fund, is a first in the history of the State of Nevada. Sponsored by the Nevada State Treasurer’s Office and supported by dozens of stakeholders during the 2011 Legislative Session, this fund focuses on new businesses in Nevada, existing Nevada businesses that are expanding, or in businesses which agree to relocate to this State.

In FY15, the State Treasurer evaluated the Silver State Opportunities Fund and its underlying investment overseen by the NCIC Board and its fund-of-funds manager, Hamilton Lane.

Hamilton Lane has worked with the Treasurer to pivot the investments to ensure all investments have a Nevada-focus. Hamilton Lane is screening and evaluating private equity investment opportunities in Nevada. Co-investments in Nevada in FY15, included:

- Headquartered in Henderson, NV, Rural Physicians Group (RPG) provides rotating specialists to critical access and rural hospitals in the US. The Company grew from serving 3 hospitals in 2010 to 22 hospitals with a Western focus as of Sept. 2014. The Company offers a compelling value proposition to all key stakeholders of the business: Rural patients are able to be treated at their local hospital for a wider variety of cases than before, which can be lifesaving in some instances. Rural hospitals have a high return on their investment as they are able to retain more patients in-house, improving their bottom line. Physicians are paid 2-2.5x the national average compensation for working with RPG and are given the flexibility to work as much or as little as they wish.
- West Dermatology headquartered in Las Vegas possesses an estimated 50% market share in Las Vegas. It is one of the largest dermatology practices in the United States and it currently employs 49 clinicians across its locations. West Dermatology offers physicians the opportunity to solely focus on practicing medicine because it will take control of the back-office functions.

As of June 30, 2015, the NCIC's commitments total \$33 million, or roughly 66% of the State's total allocation to private equity. The Silver State Opportunities Fund's partnerships have opened six offices in Nevada. The program has already begun to catalyze the development of a private equity ecosystem in Nevada, as more than 150 companies have received referrals to fund managers and dozens of out-of-state managers have come to Nevada for conferences and management meetings.

DEBT MANAGEMENT DIVISION

Per NRS 226.110 (10), 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 a range of statutory authority. In accordance with NRS 226.110, Subsection 11 allows the State Treasurer to organize and facilitate statewide pooled financing programs, including lease purchases, for the benefit of the state and any political subdivisions.

In FY15, the State Treasurer's Office successfully conducted one bond sale comprised of three series of bonds:

- 2015 Series A-C:

March 2015

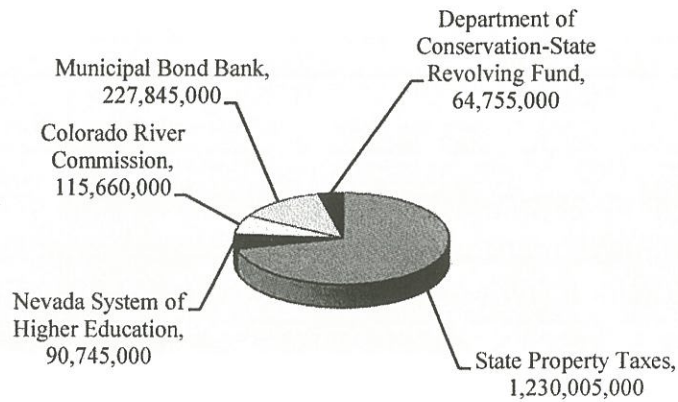
BONDS ISSUED IN FY2015						
	Series	Series Par	New Money	PV Savings	TIC	Term
University System Projects Bonds	2015A	\$ 78,335,000	\$ 78,335,000	\$ -	2.69%	18
Capital Improvement and Cultural Affairs Refunding Bonds	2015B	\$ 192,950,000	\$ -	\$ 22,503,063	2.37%	12
Natural Resources Refunding Bonds	2015C	\$ 21,340,000	\$ -	\$ 2,577,650	2.65%	20
		\$ 292,625,000	\$ 78,335,000	\$ 25,080,713		

The combined principal (or par) amount of the bonds was \$292,625,000. The terms of the bonds ranged from 12 to 20 years and the true interest cost (TIC) ranged from 2.37% to 2.69%, which represented historically low rates. The refunding bonds produced just over \$25 million in present value savings to the State and its municipalities.

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, Cultural Affairs Bonds, Natural Resources Bonds, and other miscellaneous GO bonds and securities. The state requires GO bonds to be legislatively authorized and secured by the ad valorem tax portion dedicated to the payment of GO debt to the extent other monies are not available. The state's gross GO debt decreased from \$1.89 billion as of June 30, 2014 to \$1.73 billion as of June 30, 2015 due to refundings and payment of principal during FY15.

Gross General Obligation Debt as of June 30, 2015



During FY15, the Debt Management Division processed debt service payments for existing GO debt totaling approximately \$207.40 million.

Gross General Obligation Debt FY15 Debt Service Payments

	Principal	Interest	Total
State Property Taxes	\$89,225,000	\$58,043,223	\$147,268,223
Colorado River Commission	5,130,000	8,934,207	14,064,207
Municipal Bond Bank	15,900,000	11,398,275	27,298,275
Department of Conservation-State Revolving Fund	9,505,000	2,745,396	12,250,396
Nevada System of Higher Education	5,755,000	764,375	6,519,375
Total FY15 Debt Service	\$125,515,000	\$81,885,476	\$207,400,476

State law generally limits the maximum term of state debt to 20 years from the date of authorization, thus providing for a relatively short amortization of debt compared to most states. The profile of the state's GO debt—which includes both self-supporting debt paid by fees and other revenue sources and debt paid by the statewide 17-cent property tax rate—is displayed in the Future Annual General Obligation Debt Service Requirements on the next page.

The chart below details the state's annual GO debt service by fiscal year as of June 30, 2015.

Future Annual General Obligation Debt Service Requirements¹

(As of June 30, 2015)

Fiscal Year	General Obligation Bonds ²		Self-Supporting General Obligation Bonds		Grand Total
	Principal	Interest ³	Principal	Interest	
2016	88,900,000	57,276,724	27,050,000	12,897,746	186,124,470
2017	93,175,000	53,973,695	31,350,000	11,983,772	190,482,468
2018	97,585,000	50,235,743	28,375,000	10,616,372	186,812,116
2019	96,935,000	45,924,252	23,215,000	9,446,868	175,521,120
2020	104,180,000	41,494,936	23,395,000	8,412,306	177,482,242
2021	109,290,000	36,123,775	21,955,000	7,356,035	174,724,810
2022	106,205,000	30,653,224	18,075,000	6,437,777	161,371,001
2023	99,700,000	25,317,876	19,650,000	5,586,108	150,253,983
2024	89,970,000	20,287,840	16,865,000	4,743,065	131,865,905
2025	93,255,000	15,888,980	17,240,000	3,931,008	130,314,987
2026	93,510,000	11,067,495	9,100,000	3,311,775	116,989,270
2027	94,255,000	6,333,773	8,805,000	2,930,633	112,324,406
2028	21,435,000	2,846,702	28,470,000	2,311,170	55,062,872
2029	17,445,000	1,811,237	7,015,000	1,727,018	27,998,254
2030	5,900,000	919,668	7,265,000	1,473,215	15,557,883
2031	6,160,000	669,680	7,495,000	1,239,133	15,563,813
2032	3,560,000	467,985	7,740,000	996,375	12,764,360
2033	3,695,000	329,260	7,540,000	752,681	12,316,941
2034	1,180,000	184,727	1,170,000	607,750	3,142,477
2035	1,225,000	140,242	1,215,000	557,069	3,137,311
2036	1,270,000	93,605	1,270,000	504,263	3,137,868
2037	575,000	59,010	1,320,000	449,225	2,403,235
2038	600,000	30,130	1,380,000	391,850	2,401,980
2039			1,280,000	335,325	1,615,325
2040			1,330,000	279,863	1,609,863
2041			1,390,000	222,063	1,612,063
2042			1,450,000	161,713	1,611,713
2043			1,510,000	98,813	1,608,813
2044			1,570,000	33,363	1,603,363
Total	\$1,230,005,000	\$402,130,557	\$325,485,000	\$99,794,349	\$2,057,414,907

¹Table does not include revenue bonds, contingent liabilities, and lease purchase arrangements, the payments of which are subject to appropriation and terminable upon a nonappropriation of funds.

²Table includes debt service on the State's general obligation bonds which are expected to be paid in part from other sources and payments to be made by the State relating to the State of Nevada General Obligation Certificates (Secure Juvenile Treatment Facility Project) Series 2009 executed and delivered by the Nevada Real Property Corporation.

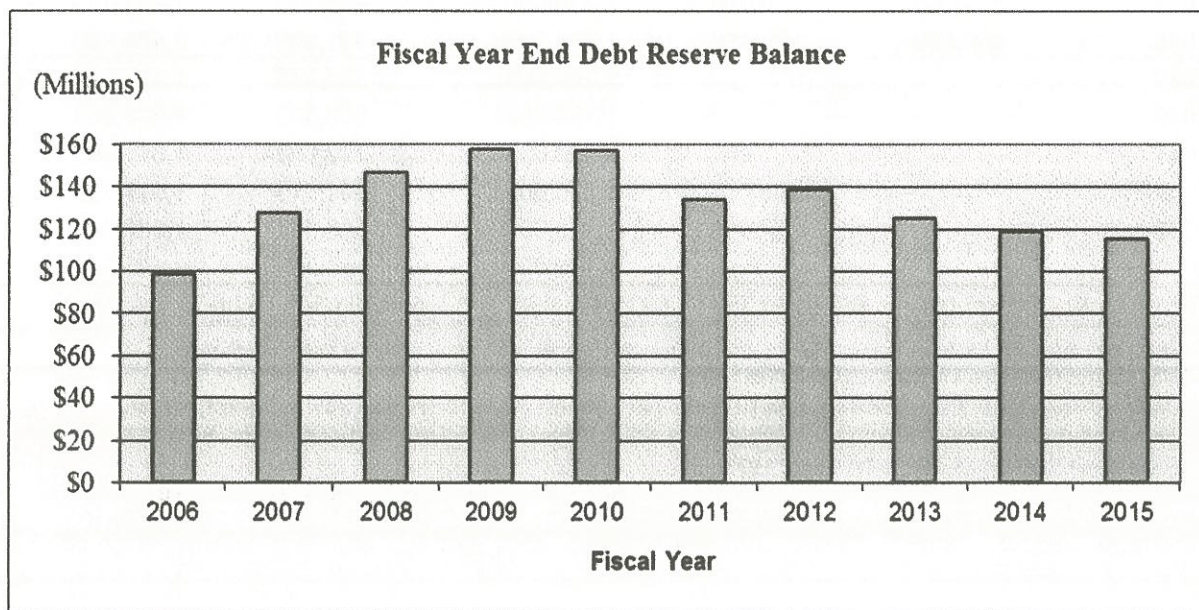
³Interest payments include the full interest payments due on the State's general obligation bonds which were issued as Build America Bonds, including the interest expected to be reimbursed from the federal government.

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. The outstanding amount of securities issued pursuant to this Act was \$227,845,000 as of June 30, 2015.

Debt Service Reserves

Nevada's Consolidated Bond Interest and Redemption Fund is used for the collection of the 17-cent property tax revenue dedicated to pay GO bonds, payment of the principal and interest on non-self-supporting GO bonds, and to reserve monies for future GO bond debt service payments. This debt service reserve is funded from the excess of applicable property tax revenues over the required debt service payments plus interest earnings on the fund. The Bond Interest and Redemption Fund is available to provide ready reserves to meet current debt service obligations to the extent monies are insufficient from current property tax revenues. At the conclusion of FY15, the Bond Interest and Redemption Fund had an estimated ending balance of approximately \$115.69 million, which represents approximately ten months of the state's FY16 GO debt paid with property taxes. The state's Debt Management Policy has an objective to have a reserve within the Bond Interest and Redemption Fund balance at the end of each fiscal year equal to at least 50% of the next fiscal year's debt service on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) and after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The current reserve significantly exceeds this benchmark by prefunding most of the FY16 debt service requirements.



Debt Affordability Analysis

A committee comprised of representatives from the Department of Taxation, the Department of Administration, and the Legislative Counsel Bureau meets at a minimum biannually to forecast the estimated revenue to be received from its assessed property tax. The State Treasurer's Office attends these meetings and utilizes the committee's projections in the General Obligation Debt Capacity and Affordability Report. In addition to these meetings, the affordability analysis is updated as needed and after each issuance.

The General Obligation Debt Capacity and Affordability Report is utilized by the Governor in preparing his recommended budget and then also presented to the State Legislature for use in their decision making regarding the issuance of bonds during the following biennium, future capacity and affordability for the next ten years, and the determination of the ad valorem levy for the next biennium.

The assumptions used in the General Obligation Debt Capacity and Affordability Report 2015-2017 Biennium were:

- Estimated future borrowing costs are set at a conservative 6% interest rate.
- The reserve balance in the Bond Interest and Redemption Fund is maintained at June 30th of each fiscal year equal to at least 50% of the next fiscal year's debt service.
- Outstanding and proposed GO debt does not exceed the Constitutional debt limit.
- Ad Valorem levy to stay at the existing rate of \$0.17 per \$100 of assessed valuation.

In January 2015, the Debt Management Division presented the General Obligation Debt Capacity and Affordability Report 2015-2017 Biennium to the Legislature. This report, utilizing the above assumptions, determined the state could issue up to \$105 million of additional GO bonds for capital programs paid with property tax.

The ad valorem tax levy for the 2015-2017 Biennium remained at the prior levy rate of \$0.17 per \$100 of assessed valuation.

State Debt Capacity

In addition to the debt affordability report prepared by the Debt Management Division, the issuance of GO bonds is also limited by the State Constitution. Article 9, Section 3 of the State Constitution 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.

For FY15, the constitutional debt limit stood at \$2.03 billion with the outstanding GO debt subject to this limit at \$1.13 billion.

Constitutional Debt Limitation and Capacity⁽¹⁾				
June 30	Assessed Valuation	Debt Limitation	Outstanding GO Debt Subject to Limitation	Remaining Constitutional Debt Capacity
2011	87,805,540,651	1,756,110,813	1,311,690,000	444,420,813
2012	83,575,629,078	1,671,512,582	1,260,065,000	411,447,582
2013	85,058,177,087	1,701,163,542	1,178,185,000	522,978,542
2014	92,727,490,889	1,854,549,818	1,151,010,000	703,539,818
2015	101,414,649,154	2,028,292,983	1,127,220,000	901,072,983

⁽¹⁾Estimated by State of Nevada Controller's Office

Nevada's Credit Ratings

Credit rating agencies provide an independent evaluation 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 determining the likelihood of repayment.

Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. Determination of a credit rating by a rating agency is based on the rating agency's 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 conclusion of FY15, 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 Standard & Poor's.

	Ratings		
	Fitch	Moody's	Standard & Poor's
General Obligation	AA+	Aa2	AA
Certificates of Participation	AA	Aa3	AA-
Highway Revenue	AA+	Aa2	AAA
Unemployment Compensation Revenue	AA+	Aaa	AAA
Permanent School Fund Guarantee	N/A	Aaa	AAA

Despite the national recession, which exacerbated Nevada's relatively cyclical and narrow economy that relies on sectors sensitive to changes in discretionary consumer spending (tourism and gaming) and those with volatile performance (construction and real estate), the state has been able to maintain a strong "AA" category rating, one step below the highest rating category of "AAA." Investors consider bonds with "AA" ratings to be of high quality by all standards

With strong capacity to pay principal and interest. Nevada is recognized by the rating agencies as having conservative and prudent fiscal management which reacts quickly to its budget needs. Debt ratios, on both a per capita and personal income basis, are below Moody's 50-state median. Standard and Poor's considers Nevada to have low total debt relative to the state's economy and a low debt burden as a portion of the state's budget.

Permanent School Fund Guarantee Program

The Permanent School Fund Guarantee Program (PSFG), established under NRS 387.519, provides a mechanism for 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 school districts. The PSFG secured bonds carry the highest possible rating of "AAA" by Moody's and Standard and Poor's—thus providing Nevada school districts with greater access to public credit markets and reduced borrowing costs. The State Treasurer is tasked with the responsibility of administering the PSFG and for investing the monies related to the PSF.

In the 2007 State Legislature, Assembly Bill 554, raised the Permanent School Fund Guarantee available for each school district from \$25 million to \$40 million, increasing the school districts' ability to reduce borrowing costs.

Fundamental to the PSFG program 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 fund and payment of debt service on the bonds is considered a loan to the district. The loan must be repaid to the state from either district money available to pay debt service on the bonds which are guaranteed or from withholdings of state aid due to the district.

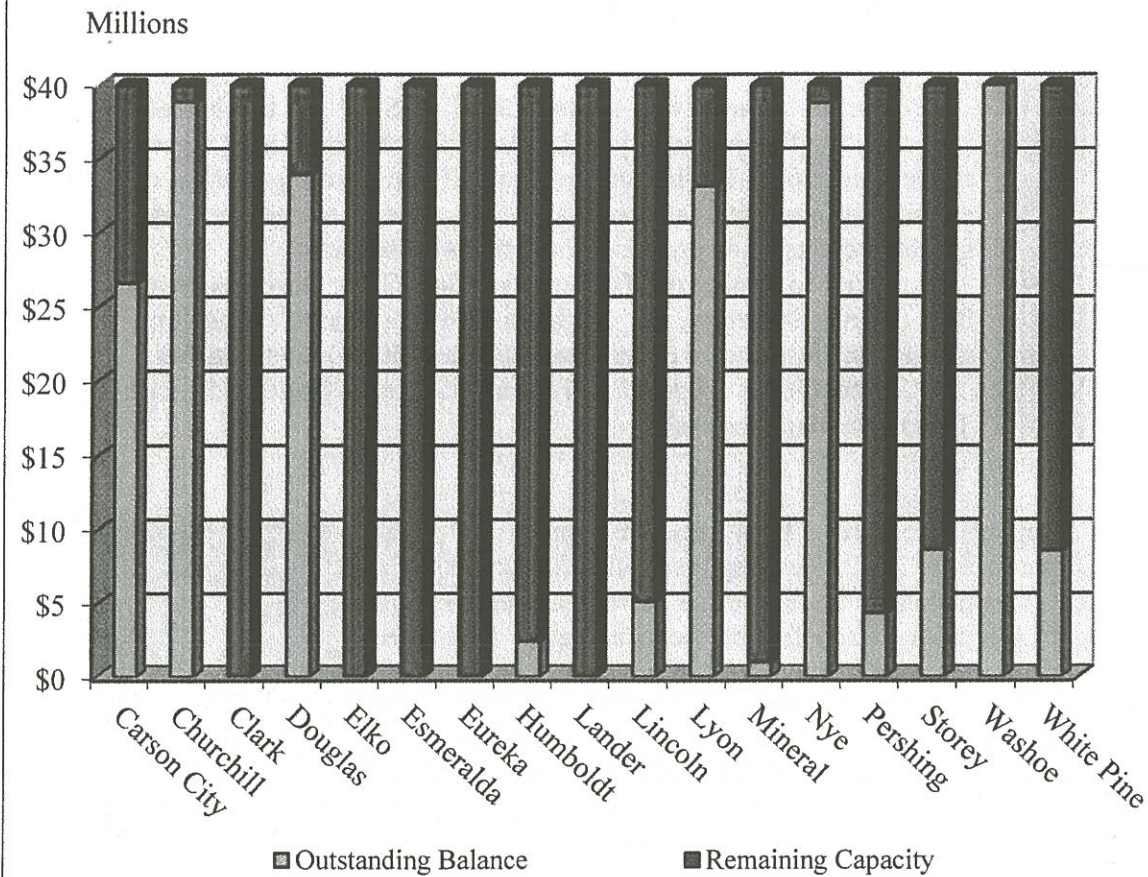
The Permanent School Fund is funded primarily by escheated estates, gifts and proceeds from the sale of federal lands. Interest on the fund is used to support education in the State. As of December 31, 2014, the State Controller reported that the value of the total assets of the PSF, including all investments reported at fair value, was \$331,040,010. Presently, the PSF is invested primarily in U.S. Treasury and Agency fixed income securities with maturities no longer than 10 years but as of September 30, 2014, the fund had made \$6.4 million in private equity investments, received \$0.6 million in distributions and has unfunded commitments of \$9.8 million with private equity managers. In addition, the State Treasurer anticipates making public equity investments and additional private equity investments in the PSF in the future as part of a plan to phase the PSF portfolio from a fixed income portfolio to a blended equity/bond portfolio over time.

Pursuant to NRS §387.516.1 the maximum amount of principal that can be guaranteed by the State for any school district is limited to \$40,000,000. Further, pursuant to NRS §387.522.1(a), 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 \$750 million. As of June 30, 2015 \$241,400,900 in bonds had been guaranteed, or authorized by the State Board of Finance to be guaranteed, by the PSF.

To date, twelve of Nevada's seventeen school districts are taking advantage of the PSFG. Since the implementation of the 2007 legislation, taxpayers have saved over \$10 million in borrowing costs from school districts utilizing the PSFG.

Permanent School Fund Guaranteed Bonds by School District¹	
School District	Outstanding Balance
Carson City	\$26,605,000
Churchill	38,845,000
Clark	0
Douglas	33,925,000
Elko	0
Esmeralda	0
Eureka	0
Humboldt	2,395,000
Lander	0
Lincoln	5,130,600
Lyon	33,145,000
Mineral	980,000
Nye	38,765,000
Pershing	4,350,000
Storey	8,660,300
Washoe	40,000,000
White Pine	8,600,000
	\$241,400,900
¹ As of June 30, 2015	

PSFG Capacity by School District



Remaining Capacity by County (in millions)

Carson City: \$13
 Churchill: \$1
 Clark: \$40
 Douglas: \$6
 Elko: \$40
 Esmeralda: \$40

Eureka: \$40
 Humboldt: \$37
 Lander: \$40
 Lincoln: \$34
 Lyon: \$6
 Mineral: \$39

Nye: \$1
 Pershing: \$35
 Storey: \$31
 Washoe: \$40
 White Pine: \$31

Staff Profiles



Grant Hewitt was named Chief of Staff for the Nevada State Treasurer's office in January 2015. As Chief of Staff, Grant serves as the office's liaison with other government officials and dignitaries, oversees all internal and external communication, as well as the coordination of special projects, and supervises the office's personnel.

Prior to joining the Treasurer's office, Grant served as President of Red Point Strategies, a Southern Nevada based consulting firm specializing in strategic counsel to 501(c) and 501(c) organizations.

Grant holds a Bachelor of Science degree in Political Science from Texas Christian University.

Chief Deputy Treasurer **Tara Hagan** joined the State Treasurer's Office in June 2012. Her responsibilities include assisting with investment responsibilities related to the Nevada College Savings Plans, serving as the point person for the Nevada Capital Investment Corporation, and working with the Chief Deputy Treasurer and the Chief of Staff on special projects.

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 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.



Deputy Treasurer **Sheila Salehian** joined the Treasurer's Office in January 2012. Sheila's responsibilities include oversight of the first 529 College Savings Program in Nevada, 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.



Lori Chatwood accepted the position of Deputy Treasurer for Debt Management in March 2008. She has been employed by the State Treasurer's Office since 1997, and worked within the Debt Management division since 2000.

Besides overseeing the issuance of State securities, Lori is responsible for the collection and payment of various state obligations: Transportation, Capital Improvements, Water Pollution Control Revolving Fund, Safe Drinking Water Revolving Fund, Municipal Bond Bank, Lease-Backed Financings and the Permanent School Fund Guarantee, among others.

Linda Everhard, Deputy Treasurer for Unclaimed Property, oversees a staff of four auditors and six other office members. The Division is responsible for finding owners of unclaimed property, processing claims, ensuring holder compliance, securities management, and enforcing the Unclaimed Property Nevada Revised Statute 120A.

Linda earned a Bachelor of Business Administration degree from Montana State University.

Linda English was appointed as Executive Director of the Governor Guinn Millennium Scholarship program and Deputy Treasurer for College Savings in September 2012. She manages all aspects of both programs, including serving as a spokesperson at public events to inform people about the benefits of both programs for Nevada families.

Before joining the Treasurer's staff, Linda served over 15 years at the University of Alaska as the Executive Director of Alaska's 529 Program, as well as the UA Scholars Program, Alaska's largest scholarship program. Prior to this position, Linda owned and operated a successful reservation service for the Denali National Park area of Alaska.

Linda holds a Bachelor of Business Administration from the University of Alaska Fairbanks.

Sandy Dombrowski serves as Executive Assistant to State Treasurer Dan Schwartz. She joined the office in October 2007. Her duties include scheduling, administrative tasks, assisting with inquiries and correspondence from constituents and elected officials, and other responsibilities assigned by the Treasurer.

Sandy previously was a customer service representative and executive office receptionist for the Secretary of State's Office, as well as serving as back up to the Secretary's Executive Assistant.

2015 ANNUAL REPORT

STATE OF NEVADA OFFICE OF THE STATE TREASURER

MILLENNIUM SCHOLARSHIP TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Revenues	2015	2014
Tobacco Settlement Income	\$ 15,662,758	\$ 15,735,088
Appropriation	-	7,000,000
Interest Income	49,676	13,843
Prior Year Correction	-	13,534
Refunds	4,045	43,932
Total Revenues	<u>15,716,478</u>	<u>22,806,397</u>
Expenditures		
Scholarship Payments	24,662,556	23,832,685
Personnel	213,707	210,501
Travel	3,117	3,201
Administrative	120,974	123,772
Total Expenditures	<u>25,000,354</u>	<u>24,170,159</u>
Other Financing Sources (Uses)		
Transfer from College Savings Endowment Account	-	-
Transfer from Treasurer	337,798	337,474
Transfer from Unclaimed Property	7,600,000	7,600,000
Total Other Financing Sources (Uses)	<u>7,937,798</u>	<u>7,937,474</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(1,346,078)	6,573,712
Beginning Balance, July 1	25,451,826	18,878,114
Ending Balance, June 30	<u>\$ 24,105,748</u>	<u>\$ 25,451,826</u>

Cash Basis - Unaudited

2015 ANNUAL REPORT

STATE OF NEVADA OFFICE OF THE STATE TREASURER

PREPAID TUITION TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Revenues	2015	2014
Participant Contributions	\$ 16,760,697	\$ 15,073,995
Application Fees	101,000	126,700
Administrative Charges	28,100	25,500
Interest Income	10,021	5,764
Investment Gain (Loss)	5,485,184	2,510,474
Total Revenues	<u>22,385,002</u>	<u>17,742,433</u>
Expenditures		
Tuition Payments	8,922,913	8,159,498
Personnel Costs	170,164	152,712
Travel	804	4,295
Operating Costs	332,175	357,077
Contract Cancellation Refunds	1,843,296	1,722,683
Contract Rollover Payments	102,295	4,406
Total Expenditures	<u>11,371,647</u>	<u>10,400,671</u>
Other Financing Sources (Uses)		
Transfer from College Savings Endowment Account	1,820,000	1,820,000
Transfer from College Savings to Pay Operating	503,143	514,084
Total Other Financing Sources (Uses)	<u>2,323,143</u>	<u>2,334,084</u>
Excess of revenues and other financing sources over expenditures and other financing uses	13,336,497	9,675,846
Beginning Balance, July 1	156,493,539	146,817,693
Prior Period Adjustment	-	-
Ending Balance, June 30	<u>\$ 169,830,036</u>	<u>\$ 156,493,539</u>

Cash Basis - Unaudited

2015 ANNUAL REPORT

STATE OF NEVADA OFFICE OF THE STATE TREASURER

COLLEGE SAVINGS

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Revenues	2015	2014
Investment Management Fees	\$ 5,590,818	\$ 5,091,588
Gifts and Donations	8,040	25,893
Noncash Revenues	455,576	488,931
Settlement Income	-	4,583,994
Interest Income	24,488	23,202
Cost Allocation/Fund Transfers	3,330,698	3,238,311
Total Revenues	<u>9,409,620</u>	<u>13,451,919</u>
Expenditures		
Personnel	184,471	212,525
Operating	2,814,444	3,025,787
In-Kind Marketing	788,656	488,932
Total Expenditures	<u>3,787,570</u>	<u>3,727,244</u>
Other Financing Sources (Uses)		
Administrative Transfers		
College Savings	3,330,698	3,238,311
Millennium Scholarship	337,798	337,474
Prepaid Tuition	503,143	514,084
Transfer to Prepaid Tuition Trust Fund	1,820,000	1,820,000
College Kick Start	160	21,293
Cost Allocation	62	182
	<u>1,240,406</u>	
Total Other Financing Sources (Uses)	<u>7,232,267</u>	<u>5,931,344</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(1,610,218)	3,793,331
Beginning Balance, July 1	6,764,235	2,970,904
Ending Balance, June 30	<u>\$ 5,154,017</u>	<u>\$ 6,764,235</u>

Cash Basis - Unaudited

2015 ANNUAL REPORT

STATE OF NEVADA OFFICE OF THE STATE TREASURER

MUNICIPAL BOND BANK BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

	2015	2014
Revenues		
Receipts from municipalities-Interest	\$ 10,835,400	\$ 11,025,278
Receipts from municipalities-Principal	\$ 4,925,000	\$ 4,815,000
Other		
Interest Income	2,321	2,324
Reimbursement of Expenses	1,465	1,088
Total Revenues	<u>15,764,186</u>	<u>15,843,690</u>
Expenditures		
Administrative Costs	330	226
Trust Agent Fees	1,300	975
	<u>1,630</u>	<u>1,201</u>
Debt Service		
Bond Principal Redemption	4,925,000	4,815,000
Bond Interest Expense	10,835,400	11,025,278
	<u>15,760,400</u>	<u>15,840,278</u>
Total Expenditures	<u>15,762,030</u>	<u>15,841,479</u>
Other Financing Sources (Uses)		
Reversion to General Fund	2,212	-
Total Other Financing Sources (Uses)	<u>2,212</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(56)	2,211
Beginning Balance, July 1	2,211	-
Ending Balance, June 30	<u>\$ 2,155</u>	<u>\$ 2,211</u>

odd # years balance reverts to General Fund
even # years balances forward to the following year

Cash Basis - Unaudited

2015 ANNUAL REPORT

STATE OF NEVADA OFFICE OF THE STATE TREASURER

FUND FOR HEALTHY NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

Revenues	2015		2014
Tobacco Settlement Income	\$ 23,494,136	1	\$ 23,602,632
Interest Income	136,139.40	2	101,303.00
Appropriations	-		-
Refund of Unused Grant Money	7,775	3	2,335
Total Revenues	<u>23,638,051</u>		<u>23,706,270</u>
Expenditures			
Operating	59,293	4	57,644
Total Expenditures	<u>59,293</u>		<u>57,644</u>
Other Financing Sources (Uses)			
Transfer to Department of Health and Human Services			
Administrative Services	782,390	5	806,273
Senior RX Program	2,542,884	6	2,743,074
Children & Disabled Persons	5,098,014	7	5,063,011
Aging Services	5,931,874	8	6,104,924
Disability RX	524,962	9	505,624
Differential Response	1,352,026	10	1,332,473
Traumatic Brain Injury	460,832	11	1,343,997
Autism	4,812,188	12	2,052,953
Family Resource Center	1,255,701	13	1,268,855
Taskforce Support	31,295	14	-
Consumer Health Asst	264,534	15	-
Tobacco Cessation	994,851	16	912,928
Public and Behavioral Health	5,265,803	17	3,434,548
Transfer to Millennium Scholarship	-		13,534
Total Other Financing Sources (Uses)	<u>29,317,354</u>		<u>25,582,194</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(5,738,597)		(1,933,568)
Beginning Balance, July 1	44,505,803		46,416,675
Prior Year Adjustment			22,696
Ending Balance, June 30	<u>\$ 38,767,206</u>		<u>\$ 44,505,803</u>

Cash Basis - Unaudited