

STATE TREASURER

32 STATE TREASURER

MISSION:

To offer financial management in an expedient and cost-effective manner as a working partner throughout state government on matters, in whole or in part, relating to accounting, administration and support services, banking, bond management, budget, cash management, data processing, supervision and regulation of public funds insurance, investment receipts, state agency requests, state allocations, warrants, and unclaimed property; to accurately and legally account for South Dakota citizens and taxpayers all monies received, kept, and allocated of their state's treasury according to the Constitution and as directed by law; to authorize, supervise, perform, and coordinate all responsibilities vested in the Office of the State Treasurer; to exercise state leadership on finance and accounts; to maintain the stability of the state's banking; to direct the wire transfer of funds of the state treasury; to coordinate in a central, effective, and as efficient way as possible the electronic transfer of funds by state agencies when appropriate; and, to influence the state money available by monitoring the investment of state public funds and managing cash for use by the State Investment Council.

LEGAL CITATION: South Dakota Constitution, Articles IV, XI, and XVIII, 1-10, 1-18, 1-30, 3-4, 3-5, 3-8, 3-12, 4-1, 4-3, 4-4, 4-5, 4-6, 4-6A, 4-8, 4-9, 4-10, 5, 12-5, 22-11, 23-3, 23A-40, 26-8A, 28-9, 28-11, 38-6, 43-41B, 46A-7A, 49-28, and 61-3.

| | ACTUAL FY 2010 | ACTUAL FY 2011 | BUDGETED FY 2012 | REQUESTED FY 2013 | GOVERNOR'S RECOMMENDED FY 2013 | RECOMMENDED INC/(DEC) FY 2013 |
|----------------------------|-------------------|-------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|
| FUNDING SOURCE: | | | | | | |
| General Funds | \$ 437,856 | \$ 457,852 | \$ 457,700 | \$ 457,661 | \$ 468,460 | \$ 10,760 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 8,372,041 | 9,711,673 | 11,593,703 | 11,902,405 | 11,685,658 | 91,955 |
| Total | \$ 8,809,897 | \$ 10,169,526 | \$ 12,051,403 | \$ 12,360,066 | \$ 12,154,118 | \$ 102,715 |
| EXPENDITURE DETAIL: | | | | | | |
| Personal Services | \$ 5,039,224 | \$ 6,278,790 | \$ 7,468,930 | \$ 8,002,157 | \$ 7,800,969 | \$ 332,039 |
| Operating Expenses | 3,770,674 | 3,890,735 | 4,582,473 | 4,357,909 | 4,353,149 | (229,324) |
| Total | \$ 8,809,897 | \$ 10,169,526 | \$ 12,051,403 | \$ 12,360,066 | \$ 12,154,118 | \$ 102,715 |
| Staffing Level FTE: | 36.4 | 36.6 | 37.0 | 37.0 | 37.0 | 0.0 |

STATE TREASURER

320 State Treasurer

MISSION:

To publicly manage and offer financial services in an expedient and cost-effective manner as a working partner throughout state government on matters, in whole or in part, relating to accounting, administration and treasury support services, banking, bond management and debt service, cash management, data processing, and collateral supervision; to insure state and local public deposits and fund transfers, including the earnings on the tuition subaccount, receipts, custody of securities for safekeeping, state agency requests and state allocations, warrants, and unclaimed property; to legally account for South Dakota citizens and taxpayers of all monies received, kept, and allocated of their state treasury according to the Constitution and as directed by law; to exercise state leadership on finance and accounts that include selecting depositories for the collection of instruments and maintaining the stability of state government's banking; to jointly determine the justification for state agencies to have local accounts; to direct the wire transfer of funds of the state treasury; to coordinate in a central, effective, and as efficient way as possible the electronic remission and disbursement of funds by state agencies when appropriate; to influence the state money available by monitoring the investment of state public funds and managing cash for use by the State Investment Office; to keep an accurate account of the principal and interest of outstanding REDI Fund loans; to oversee, for collection, veterinary student tuition assistance awards; to authorize, supervise, perform, and coordinate all responsibilities vested in the Office of the State Treasurer; and, to effectively carry out the duties of the State Treasurer, a statewide elected Constitutional Officer, to include serving as a member of the Board of Finance and the Public Deposit Protection Commission, and ex-officio voting member of the State Investment Council.

LEGAL CITATIONS: Election, terms of office, and general provisions, Constitution of South Dakota, Article IV. Duties, generally, SDCL Chapter 1-10. Accountability, SDCL 4-3-4.2. Accounts and accounting, SDCL 4-10-5. Custody and investment of state funds, SDCL Chapter 4-5. Related duties and references, Constitution of South Dakota, Article XI, Article XVIII, and SDCL Chapter 1-9, 1-16B, 1-27, 1-18, 1-30, 3-2, 3-4, 3-5, 3-8, 3-12, 4-1, 4-3, 4-4, 4-5, 4-6, 4-6A, 4-8, 4-9, 4-10, 4-12, Title 5, 9-22, 11-7, 12-5, 13-49-20, 13-51A, 13-39-68 to 71, 22-11, 23-3, 23A-40, 26-8A, 28-9, 28-10, 28-11, 38-6, 46A-7A, 47-7, 49-28, 50-14, 51A-4, 51A-10, 52-5-20, and 61-3. Unclaimed Property, SDCL 43-41B-1 to 43-41B-39.

| | ACTUAL FY 2010 | ACTUAL FY 2011 | BUDGETED FY 2012 | REQUESTED FY 2013 | GOVERNOR'S RECOMMENDED FY 2013 | RECOMMENDED INC/(DEC) FY 2013 |
|----------------------------|---------------------|---------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|
| FUNDING SOURCE: | | | | | | |
| General Funds | \$ 437,856 | \$ 457,852 | \$ 457,700 | \$ 457,661 | \$ 468,460 | \$ 10,760 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 2,551,910 | 2,743,148 | 2,894,415 | 2,893,503 | 2,901,275 | 6,860 |
| Total | \$ 2,989,767 | \$ 3,201,000 | \$ 3,352,115 | \$ 3,351,164 | \$ 3,369,735 | \$ 17,620 |
| EXPENDITURE DETAIL: | | | | | | |
| Personal Services | \$ 554,229 | \$ 601,639 | \$ 578,527 | \$ 578,527 | \$ 596,003 | \$ 17,476 |
| Operating Expenses | 2,435,538 | 2,599,360 | 2,773,588 | 2,772,637 | 2,773,732 | 144 |
| Total | \$ 2,989,767 | \$ 3,201,000 | \$ 3,352,115 | \$ 3,351,164 | \$ 3,369,735 | \$ 17,620 |
| Staffing Level FTE: | 8.4 | 8.7 | 9.0 | 9.0 | 9.0 | 0.0 |

STATE TREASURER

3201 Treasury Management

MISSION:

To have charge of and safely keep all public monies paid into the state treasury, and properly pay out the same as directed by law; to accurately account for the receipts and disbursements of all monies due the State Treasurer and remitted to the treasury by state officers and employees; to receipt federal payments for rent, or in lieu of taxes, and remit the same to county treasurers as directed by law; to allocate available monies entitled to various entities and agencies of state government and to political subdivisions for purposes specified by statute; and, to perform all other duties legally required of the State Treasurer.

| | ACTUAL FY 2010 | ACTUAL FY 2011 | BUDGETED FY 2012 | REQUESTED FY 2013 | GOVERNOR'S RECOMMENDED FY 2013 | RECOMMENDED INC/(DEC) FY 2013 |
|----------------------------|-------------------|-------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|
| FUNDING SOURCE: | | | | | | |
| General Funds | \$ 437,856 | \$ 457,852 | \$ 457,700 | \$ 457,661 | \$ 468,460 | \$ 10,760 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | \$ 437,856 | \$ 457,852 | \$ 457,700 | \$ 457,661 | \$ 468,460 | \$ 10,760 |
| EXPENDITURE DETAIL: | | | | | | |
| Personal Services | \$ 333,335 | \$ 338,231 | \$ 338,976 | \$ 338,976 | \$ 349,228 | \$ 10,252 |
| Operating Expenses | 104,521 | 119,622 | 118,724 | 118,685 | 119,232 | 508 |
| Total | \$ 437,856 | \$ 457,852 | \$ 457,700 | \$ 457,661 | \$ 468,460 | \$ 10,760 |
| Staffing Level FTE: | 4.9 | 4.9 | 5.5 | 5.5 | 5.5 | 0.0 |

| | ACTUAL FY 2010 | ACTUAL FY 2011 | ESTIMATED FY 2012 | ESTIMATED FY 2013 |
|---|-------------------|-------------------|----------------------|----------------------|
| PERFORMANCE INDICATORS | | | | |
| Warrants Paid from Treasurer's Account | \$984,937,669 | \$1,010,692,821 | \$1,100,000,000 | \$1,100,000,000 |
| Warrants Cleared | 447,894 | 431,695 | 450,000 | \$450,000 |
| Cash Receipts | \$4,196,084,852 | \$4,435,683,766 | \$4,400,000,000 | \$4,400,000,000 |
| Cash Receipt Vouchers Processed | 26,957 | 27,275 | 30,000 | 30,000 |
| Checks Received from State Agencies | 819,956 | 787,239 | 820,000 | 820,000 |
| Wire Transfers - In and Out | 2,020 | 1,875 | 2,200 | 2,200 |
| Returned Items | 784 | 693 | 750 | 750 |
| Interest Earned | \$2,040 | \$2,378 | \$2,000 | \$2,000 |
| ACH Out | \$3,267,669,243 | \$3,468,632,529 | \$3,400,000,000 | \$3,400,000,000 |
| ACH Volume | 1,104,509 | 1,123,263 | 1,300,000 | 1,300,000 |
| Certificates of Deposit | \$27,835,000 | \$24,262,000 | \$32,000,000 | \$32,000,000 |
| Banks/S&L/Credit Unions in CD Program | 63/2/11 | 58/2/6 | 73/2/12 | 073/2/12 |
| Public Deposits: All Current Collateral | \$1,416,665,628 | \$1,572,946,375 | \$1,420,000,000 | \$1,420,000,000 |
| Pledged Securities: On File | 5,365 | 6,672 | 5,800 | 5,800 |
| Veterinary Student Grants - Since 1995 | \$5,709,008 | \$6,137,325 | \$6,700,000 | \$6,700,000 |

STATE TREASURER

3202 Unclaimed Property - Info

MISSION:

To carry out the duties and responsibilities of the South Dakota Uniform Unclaimed Property Act; to have charge of and custodial responsibility for all property and monies received under this chapter; to maintain unclaimed property monies in a separate trust fund, and to pay rightful owners as directed by law; to keep an accurate record of the unclaimed property accounts and disbursements of the funds; and, to reimburse various entities, holders, and service providers as directed by statute.

| | ACTUAL FY 2010 | ACTUAL FY 2011 | BUDGETED FY 2012 | REQUESTED FY 2013 | GOVERNOR'S RECOMMENDED FY 2013 | RECOMMENDED INC/(DEC) FY 2013 |
|----------------------------|---------------------|---------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|
| FUNDING SOURCE: | | | | | | |
| General Funds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 2,551,910 | 2,743,148 | 2,894,415 | 2,893,503 | 2,901,275 | 6,860 |
| Total | \$ 2,551,910 | \$ 2,743,148 | \$ 2,894,415 | \$ 2,893,503 | \$ 2,901,275 | \$ 6,860 |
| EXPENDITURE DETAIL: | | | | | | |
| Personal Services | \$ 220,893 | \$ 263,409 | \$ 239,551 | \$ 239,551 | \$ 246,775 | \$ 7,224 |
| Operating Expenses | 2,331,017 | 2,479,739 | 2,654,864 | 2,653,952 | 2,654,500 | (364) |
| Total | \$ 2,551,910 | \$ 2,743,148 | \$ 2,894,415 | \$ 2,893,503 | \$ 2,901,275 | \$ 6,860 |
| Staffing Level FTE: | 3.4 | 3.7 | 3.5 | 3.5 | 3.5 | 0.0 |

| | ACTUAL FY 2010 | ACTUAL FY 2011 | ESTIMATED FY 2012 | ESTIMATED FY 2013 |
|-----------------|-------------------|-------------------|----------------------|----------------------|
| REVENUES | | | | |
| Cash Receipts | 8,640,965 | 15,961,434 | 8,500,000 | 8,500,000 |
| Total | 8,640,965 | 15,961,434 | 8,500,000 | 8,500,000 |

Cash receipts were higher than normal in FY2011 due to the Wachovia Bank merger with Wells Fargo.

| | ACTUAL FY 2010 | ACTUAL FY 2011 | ESTIMATED FY 2012 | ESTIMATED FY 2013 |
|--|-------------------|-------------------|----------------------|----------------------|
| PERFORMANCE INDICATORS | | | | |
| Amount of Claims Paid | \$2,152,101 | \$2,068,686 | \$2,400,000 | \$2,400,000 |
| Claims Paid | 7,390 | 4,619 | 7,500 | 7,500 |
| Records in Unclaimed Property Database | 273,621 | 225,238 | 350,000 | 350,000 |
| Stock Portfolio Valuation | \$1,550,991 | \$1,556,741 | \$1,300,000 | \$1,300,000 |
| Outreach Presentations | 9 | 7 | 9 | 9 |

Claims paid is lower than normal due to reciprocity with other states being processed after July 1, 2011.

STATE TREASURER

3210 Investment of State Funds

MISSION:

To professionally manage the South Dakota Retirement System and South Dakota Cement Plant Retirement Fund portfolios in order to obtain long-term maximum total returns consistent with prudent risk; to professionally manage the state's cash flow fund in order to obtain long-term maximum total returns consistent with the liquidity needs of the fund, the legal list and prudent risk; to professionally manage within the framework established by the South Dakota Investment Council the investment portfolios of the School and Public Lands Fund, the Dakota Cement Trust, the Health Care Trust and the Education Enhancement Trust to obtain the highest risk adjusted return over the long term and to provide income payouts; to oversee the Higher Education Savings Plan per SDCL 13-63-1 to 13-63-31 by establishing the program and monitoring the selected program manager, Allianz Global Investors Distributors LLC; comply with SDCL 3-13-51.2 regarding Section 457 deferred compensation plan investment options; and, to comply with the requirements of SDCL 4-5-12 to 4-5-39, "Investment of State Funds Law".

| | ACTUAL FY 2010 | ACTUAL FY 2011 | BUDGETED FY 2012 | REQUESTED FY 2013 | GOVERNOR'S RECOMMENDED FY 2013 | RECOMMENDED INC/(DEC) FY 2013 |
|----------------------------|---------------------|---------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|
| FUNDING SOURCE: | | | | | | |
| General Funds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Funds | 5,820,131 | 6,968,526 | 8,699,288 | 9,008,902 | 8,784,383 | 85,095 |
| Total | \$ 5,820,131 | \$ 6,968,526 | \$ 8,699,288 | \$ 9,008,902 | \$ 8,784,383 | \$ 85,095 |
| EXPENDITURE DETAIL: | | | | | | |
| Personal Services | \$ 4,484,995 | \$ 5,677,151 | \$ 6,890,403 | \$ 7,423,630 | \$ 7,204,966 | \$ 314,563 |
| Operating Expenses | 1,335,135 | 1,291,375 | 1,808,885 | 1,585,272 | 1,579,417 | (229,468) |
| Total | \$ 5,820,131 | \$ 6,968,526 | \$ 8,699,288 | \$ 9,008,902 | \$ 8,784,383 | \$ 85,095 |
| Staffing Level FTE: | 28.0 | 27.9 | 28.0 | 28.0 | 28.0 | 0.0 |

| | ACTUAL FY 2010 | ACTUAL FY 2011 | ESTIMATED FY 2012 | ESTIMATED FY 2013 |
|-----------------------------------|-------------------|-------------------|----------------------|----------------------|
| REVENUES | | | | |
| Investment Management Fees: | | | | |
| Retirement System (SDRS) | 4,314,676 | 5,003,384 | 5,313,252 | 7,091,808 |
| Cement Plant | 27,801 | 30,881 | 31,208 | 41,441 |
| Cash Flow Fund (CFF) | 698,813 | 800,735 | 769,329 | 1,027,015 |
| School and Public Lands (S&PL) | 108,178 | 123,076 | 126,886 | 169,367 |
| Dakota Cement Trust (DCT) | 155,655 | 169,619 | 171,454 | 228,826 |
| Education Enhancement Trust (EET) | 227,174 | 264,979 | 264,880 | 353,149 |
| Health Care Trust (HCT) | 61,125 | 72,302 | 72,923 | 97,296 |
| Total | 5,593,422 | 6,464,976 | 6,749,932 | 9,008,902 |

Estimated revenue for FY 2013 will be reduced by FY 2012's year ending cash balance (per SDCL 4-5-30, funding of Investment Office expense fund). FY 2012 budget authority totaled \$8,699,288, reduced by FY 2011 cash balance carry forward of \$1,949,356.

PERFORMANCE INDICATORS

| | | | |
|---|-----------------|-----------------|---|
| SDRS Yr-End Assets/Inv Income (Millions) | \$6,488/\$1,050 | \$7,926/\$1,654 | 0 |
| SDRS Total Fund Return | 18.73% | 25.84% | 0 |
| SDRS Capital Mkt Benchmark/Mellon Corp | 11.12%/14.49% | 22.06%/19.68% | 0 |
| CPRF Yr-End Assets/Inv Income (Millions) | \$39.1/\$7.1 | \$49.4/\$10.1 | 0 |
| CPRF Total Fund Return/Benchmark Return | 19.98%/10.83% | 24.78%/21.86% | 0 |
| CFF Average Amount Invested (Millions) | \$1,037 | \$1,070 | 0 |
| CFF Investment Income (Millions) | \$50.2 | \$36.4 | 0 |
| CFF Average Yield/Benchmark Yield | 4.8%/0.2% | 3.4%/0.08% | 0 |
| S&PL Yr-End Assets/Invest Income (Millions) | \$154.9/\$19.3 | \$184.1/\$31.8 | 0 |
| S&PL Total Fund Return/Benchmark Return | 13.9%/10.8% | 20.4%/18.4% | 0 |
| DCT Yr-End Assets/Invest Income (Millions) | \$211.0/\$28.7 | \$242.7/\$44.3 | 0 |
| DCT Total Fund Return/Benchmark Return | 14.3%/10.8% | 21.0%/18.4% | 0 |
| EET Yr-End Assets/Invest Income (Millions) | \$341.1/\$39.9 | \$391.6/\$66.6 | 0 |
| EET Total Fund Return/Benchmark Return | 13.2%/10.4% | 20.4%/18.8% | 0 |
| HCT Yr-End Assets/Invest Income (Millions) | \$93.6/\$11.5 | \$107.9/\$18.5 | 0 |
| HCT Total Fund Return/Benchmark Return | 14.0%/10.8% | 20.7%/18.4% | 0 |

