OFFICIAL STATEMENT

$ 47,240,000*

State of Nevada

General Obligation Bonds

$33,635,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Cultural Centers Bonds
Series 2016C

$13,605,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources and
Refunding Bonds
Series 2016D

* Preliminary, subject to change.

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 30, 2016

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the Bonds, assuming continuous compliance with certain covenants described herein, interest on such Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of such Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS — Federal Tax Matters" in Part I of this Official Statement. The Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of the NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of the NRS. See "TAX MATTERS — State Tax Exemption" in Part I of this Official Statement.

NEW ISSUES — BOOK-ENTRY ONLY

DAC Bond

RATINGS

Fitch	AA+
Moody's	Aa2
S&P	AA

See "RATINGS."

$33,635,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Cultural Centers Bonds
Series 2016C

$13,605,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources and
Refunding Bonds
Series 2016D

DATED: Date of Delivery **DUE: See inside of this cover page**

The Bonds may be purchased in book–entry form only, in the principal amount of $5,000 or any integral multiple thereof. See "Appendix C—BOOK-ENTRY SYSTEM" in Part I of this Official Statement.

Interest on the Bonds is payable on each May 1 and each November 1, commencing May 1, 2017.

The 2016C Bonds and 2016D Bonds or portions thereof will be subject to optional redemption prior to maturity as set forth herein. A bidder may request that the 2016C Bonds and 2016D Bonds maturing on or after the dates set forth in the Notice of Bond Sale referred to below be included in one or more term bonds and be subject to mandatory sinking fund redemption, subject to the terms and conditions set forth under the heading "Mandatory Sinking Fund Redemption" in the "OFFICIAL NOTICE OF BOND SALE" referred to below.

The Bonds are direct general obligations of the State of Nevada (the "State") to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DESCRIPTION OF THE BONDS—Security for the Bonds" in Part I of this Official Statement.

The Bonds will be sold in a competitive sale on October 18, 2016. Prices and yields will be set by the successful bidder. The "OFFICIAL NOTICE OF BOND SALE" is included as Appendix E to Part I of this Official Statement.

For maturity dates and interest rates, see the inside cover of this Official Statement.

The Bonds are offered, subject to prior sale, when, as and if issued by the State and accepted by the successful bidder, and subject to the approval of legality and certain other legal matters by Sherman & Howard L.L.C., Bond Counsel. Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, as Disclosure Counsel to the State. The Bonds are expected to be available for book–entry delivery on or about November __, 2016.

This page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Official Statement Dated: October __, 2016

____

*Preliminary, subject to change.

$33,635,000*
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and
Cultural Centers Bonds
Series 2016C

Base CUSIP†: _________

Maturity Date (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2019	$1,115,000			
2020	1,160,000			
2021	1,220,000			
2022	1,280,000			
2023	1,345,000			
2024	1,410,000			
2025	1,480,000			
2026	1,555,000			
2027	1,635,000			
2028	1,715,000			
2029	1,785,000			
2030	1,855,000			
2031	2,970,000			
2032	3,085,000			
2033	3,210,000			
2034	3,340,000			
2035	3,475,000			

* Preliminary, subject to change.

† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the applicable Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.*

$13,605,000*
State of Nevada
General Obligation (Limited Tax)
Natural Resources and
Refunding Bonds
Series 2016D

Base CUSIP†: _________

Maturity Date (May 1)	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
2018	$ 165,000			
2019	170,000			
2020	875,000			
2021	910,000			
2022	955,000			
2023	1,010,000			
2024	1,055,000			
2025	1,715,000			
2026	1,805,000			
2027	1,890,000			
2028	1,990,000			
2029	1,065,000			

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the State and are included solely for the convenience of the registered owners of the applicable Bonds. The State is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

STATE OF NEVADA

Brian Sandoval, Governor
Mark Hutchison, Lieutenant Governor
Barbara K. Cegavske, Secretary of State
Daniel M. Schwartz, State Treasurer
Ronald L. Knecht, State Controller
Adam Paul Laxalt, Attorney General

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(775) 323-1980

DISCLOSURE COUNSEL

Hawkins Delafield & Wood LLP
28 Liberty Street
New York, New York 10005
(212) 820-9300

REGISTRAR AND PAYING AGENT

U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
(800) 934-6802

ESCROW BANK
(for the Refunded Bonds Identified in Schedule I to Part I of this Official Statement)

U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003

No dealer, broker, salesperson or other person has been authorized by the State of Nevada (the "State") to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State or the successful bidders for the Bonds. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been furnished by the State and includes information obtained from other sources. Such other sources are believed to be reliable, but the information derived from such sources is not guaranteed as to accuracy or completeness. The information, estimates and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other person.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend" and "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the State's financial results could cause actual results to differ materially from those stated in the forward-looking statements. The presentation of information, including tables of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the State. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

In connection with this offering the successful bidders may over allot or effect transactions that stabilize or maintain the market prices of the Bonds offered hereby at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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PART II – INFORMATION CONCERNING THE STATE OF NEVADA

Page

TABLES

* Annual financial information of the type set forth in the table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

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SUMMARY

This summary is not a complete description of the Bonds and does not contain all of the information you should consider before making any investment decision with respect to the Bonds. Prospective purchasers of Bonds should read the more detailed information appearing in this Official Statement for a complete understanding about the offering and the terms of, security for, and sources of payment for the Bonds.

THE BONDS

Bonds Offered .... State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Centers Bonds Series 2016C ("2016C Bonds")

State of Nevada General Obligation (Limited Tax) Natural Resources and Refunding Bonds Series 2016D ("2016D Bonds")

Interest Payment Dates .... May 1 and November 1, commencing May 1, 2017

Redemption Provisions .... *Optional Redemption*

2016C Bonds

The 2016C Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2027, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2026, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

2016D Bonds

The 2016D Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2027, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2026, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

2016C Bonds

The 2016C Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

2016DBonds

The 2016D Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such Bonds to be redeemed and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

PURPOSE

Purpose .... The 2016C Bonds are being issued to finance various capital improvement projects, to award financial assistance to certain governmental entities and nonprofit organizations for the actual expenses of preserving or protecting historical buildings to be used to develop a network of cultural centers and activities, and to pay costs of issuance of the 2016C Bonds.

The 2016D Bonds are being issued to finance costs of environmental improvement projects for the Lake Tahoe Basin, to refund certain outstanding bonds and to pay costs of issuance of the 2016D Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligation of the State ...... All of the Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes.

See “DESCRIPTION OF THE BONDS—Security for the Bonds” in Part I of this Official Statement for additional information regarding the general obligation of the State and Nevada constitutional and statutory limitations on ad valorem taxes.

OFFICIAL STATEMENT

$47,240,000*

THE STATE OF NEVADA

RELATING TO THE ISSUE AND SALE OF

GENERAL OBLIGATION BONDS

$33,635,000* State of Nevada General Obligation (Limited Tax) Capital Improvement and Cultural Centers Bonds Series 2016C	$13,605,000* State of Nevada General Obligation (Limited Tax) Natural Resources and Refunding Bonds Series 2016D

INTRODUCTION

General

This Official Statement of the State of Nevada (the "State"), including the cover pages, inside cover pages, schedules, appendices and attachments, is provided for the purpose of setting forth information in connection with the sale of the bonds listed above (by series referred to herein as the "2016C Bonds" and the "2016D Bonds" and collectively referred to as the "Bonds").

The Bonds will be sold in a competitive sale on October 18, 2016, and will mature on the dates and in the principal amounts, and bear interest at the rates, set forth in the pages immediately following the cover page of this Official Statement.

This Official Statement consists of the cover pages and all prefatory material prior to this introduction, this introduction, Part I (including all Schedules and Appendices thereto) and Part II (including all Appendices and Attachments thereto).

Part I – Information Concerning the Bonds Being Offered

Part I sets forth information concerning the Bonds, including the payment and redemption provisions, the basis of their authorization and their purposes, the security for the Bonds, a description of the events of default, remedies, amendments and discharge provisions applicable to the Bonds, the federal income tax treatment of the interest on the Bonds, and certain other matters.

Part II – Information Concerning the State of Nevada

Part II sets forth certain information relating to the State, including constitutional and statutory authorizations of general obligation debt and applicable debt limitations, information related to general obligation bonds currently issued and outstanding, as well as general obligation bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information. Part II also includes as appendices (i) the Comprehensive Annual Financial Report of the State for FY 2015, (ii) History of General Fund Revenues, Expenditures and Changes in Fund Balances for FY 2011, 2012, 2013, 2014 and 2015 and (iii) the Economic Forum Forecast of general fund revenues for the 2015-2017 biennium as of May 1, 2015 (as adjusted for legislatively approved changes enacted during the 2015 Regular

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* Preliminary, subject to change.

Session of the State Legislature). The State's fiscal year (referred to herein as "FY") is the 12-month period ending on June 30.

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel for the Bonds, assuming continuous compliance with certain covenants described herein, interest on such Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS — Federal Tax Matters" in Part I of this Official Statement. The Bonds, their transfer and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of the NRS and the tax on generation skipping transfers imposed pursuant to Chapter 375B of the NRS. See "TAX MATTERS — State Tax Exemption" in Part I of this Official Statement.

Miscellaneous

Potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the State, the Bonds, and the State documents authorizing the Bonds (the "Bond Resolutions") are included in this Official Statement. All references herein to the Bonds and the Bond Resolutions and other documents referred to herein are qualified in their entirety by reference to such documents and all capitalized terms used herein, which are not defined, have the meanings given such terms as set forth in the Bond Resolutions.

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as presentations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the purchasers or subsequent owners of the Bonds.

The summaries of certain provisions of the Bonds, the Nevada statutes, the Bond Resolutions and other documents referred to in this Official Statement do not purport to be complete and reference is made to each of them for a complete statement of their provisions. The term "NRS" used herein refers to the Nevada Revised Statutes.

A wide variety of other information, including financial information, concerning the State is available from State agencies, State agency publications and State agency websites. No such information is a part of or incorporated into this Official Statement.

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PART I

INFORMATION CONCERNING THE BONDS BEING OFFERED

DESCRIPTION OF THE BONDS

General

The Bonds will be dated their date of delivery and will mature on the dates and in the principal amounts set forth on the inside cover pages of this Official Statement. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Beneficial interests in the Bonds may be purchased in book-entry form only, in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds purchased. The record date for the payment of interest on the Bonds (the "Regular Record Date") is the close of business on the 15th day of the calendar month preceding an interest payment date. Interest will be paid by U.S. Bank National Association, Paying Agent and Registrar (the "Paying Agent" and "Registrar"), on the interest payment date (or if such day is not a business day, on the next succeeding business day) to DTC or its nominee as registered owner of the Bonds. Disbursement of interest, principal and redemption payments is the responsibility of DTC. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, references in this Official Statement to the registered owners of the Bonds will mean Cede & Co., and will not mean the beneficial owners. See "APPENDIX C—BOOK-ENTRY SYSTEM" in Part I of this Official Statement.

Interest

Interest on the Bonds is payable on the dates and at the interest rates shown on the cover page of this Official Statement calculated on the basis of a 360-day year of twelve 30-day months.

Redemption of Bonds

Optional Redemptions

Optional Redemption of 2016C Bonds. The 2016C Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2027, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2026, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Optional Redemption of 2016D Bonds. The 2016D Bonds or portions thereof in Authorized Denominations, maturing on and after May 1, 2027, will be subject to optional redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2026, in whole or in part at any time from any maturities selected by the State and by lot within a maturity, at a redemption price equal to 100% of the principal amount of each such Bond or portion thereof to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemptions

Mandatory Sinking Fund Redemption of 2016C Bonds. The 2016C Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such Bonds to be redeemed, and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

Mandatory Sinking Fund Redemption of 2016D Bonds. The 2016D Bonds maturing on May 1, 20__, will be subject to mandatory sinking fund redemption (by lot in such manner as the Registrar may determine) on the dates and in the amounts set forth below, at a redemption price equal to 100% of the principal amount of any such Bonds to be redeemed, and accrued interest to the redemption date:

Redemption Date (May 1)	Principal Amount
	$

At the option of the State Treasurer, the State may: (i) deliver to the Registrar for cancellation the Bonds subject to mandatory sinking fund redemption, or portions thereof in Authorized Denominations in an aggregate amount desired by the State Treasurer; or (ii) specify a principal amount of such Bonds, or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the State Treasurer or State Board of Finance on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the State Treasurer determines.

Notice of Redemption

Notice of redemption of any Bonds will be given by the Registrar by electronic mail as long as Cede & Co. or a nominee of a successor depository is the owner of the Bonds, and otherwise by first-class, postage prepaid mail, at least 30 days but not more than 60 days prior to the redemption date, to the registered owner of the Bonds called for redemption (which will be Cede & Co., as nominee of DTC) and electronically to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access System ("MSRB"), and as otherwise provided in the Bond Resolutions. The notice will identify the Bonds or portions thereof to be redeemed, specify the redemption date and state that on the redemption date the principal amount thereof, accrued interest and premium, if any, thereon will become due and payable at the principal office of the Paying Agent or such other office as may be designated by the Paying Agent, and that after the redemption date, no further interest will accrue on the principal of any Bonds called for redemption. Actual receipt of the notice by the MSRB or the registered owner of the Bonds shall not be a condition precedent to the redemption of such Bonds. Failure to give such notice as described above to the MSRB or the registered owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Bonds called for redemption. Any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was given.

Authorization and Purposes of Bonds

2016C Bonds. The 2016C Bonds are being issued to finance various capital improvement projects, to award financial assistance to certain governmental entities and nonprofit organizations for the actual expenses of preserving or protecting historical buildings to be used to develop a network of cultural centers and activities, and to pay the costs of issuance of the 2016C Bonds. The 2016C Bonds are being issued pursuant to the Constitution and laws of the State, including Chapter 549, Statutes of Nevada, 2015 (the "Project Act"), NRS 349.150 through and including 349.364, as amended (the "Bond Act") and Chapter 348, Nevada Revised Statutes (together with all laws amendatory thereof, the "Supplemental Bond Act") and a resolution adopted by the Board of Finance of the State (the "Board of Finance") on August 9, 2016 (the "2016C Bond Resolution"). A copy of the 2016C Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

2016D Bonds. The 2016D Bonds are being issued to finance costs of environmental improvement projects for the Lake Tahoe Basin, to refund those outstanding bonds identified in Schedule I of this Part I as being refunded with proceeds of the 2016D Bonds, and to pay the costs of issuance of the 2016D Bonds. The 2016D Bonds are being issued pursuant to the Constitution and laws of the State and Section 28 of Chapter 549, Statutes of Nevada, 2015 and Chapter 437, Statutes of Nevada, 2011, as amended (collectively, the "Tahoe Project Act"), the Bond Act and the Supplemental Bond Act and a resolution adopted by the Board of Finance on August 9, 2016 (the "2016D Bond Resolution"). A copy of the 2016D Bond Resolution is on file in the office of the secretary of the Board of Finance in Carson City, Nevada for public inspection.

The 2016C Bond Resolution and the 2016D Bond Resolution are collectively referred to in this Official Statement as the "Bond Resolutions."

Plan of Refunding

A portion of the proceeds of the sale of the 2016D Bonds and other lawfully available moneys will be set aside in an escrow account, established with the U.S. Bank National Association, as escrow agent (the "Escrow Bank"), to refund the selected maturities of outstanding State general obligations bonds described in Schedule I to Part I of this Official Statement on their maturity or first redemption dates. Amounts held by the Escrow Bank will be invested in obligations of, or obligations unconditionally guaranteed by, the United States, that in each case are not callable for redemption prior to their maturities except at the option of the holder thereof.

The tables in Schedule I to Part I of this Official Statement describe the maturity date, outstanding aggregate par amount, coupon, CUSIP number, maturity or redemption date and redemption price of the State general obligation bonds all or a portion of which will be refunded (those bonds determined to be refunded are collectively referred to as the "Refunded Bonds"). The Refunded Bonds will be paid at maturity or on the redemption dates and at the redemption prices shown in the tables in Schedule I.

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Sources and Uses of Proceeds of the Bonds

The sources and proposed uses of the proceeds of the Bonds are approximately as follows:

SOURCES	2016C Bonds	2016D Bonds
Principal Amount of Bonds	$	$
Net Original Issue Premium		
Debt Service Fund Contribution		
TOTAL SOURCES	**$**	**$**
USES		
New Money Projects		
Refunding Escrow		
Costs of Issuance[1]		
TOTAL USES	**$**	**$**

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[1] Represents underwriters' discount, legal and financing fees, financial advisory fees, printing costs, rating fees, and other miscellaneous expenses relating to the issuance of the Bonds.

Security for the Bonds

The Bonds are direct general obligations of the State to which the full faith and credit of the State is pledged. The Bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—DEBT STRUCTURE—Constitutional Debt Limitation" and "—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement. The tax will be levied annually as necessary until all of the Bonds and the interest thereon are discharged, and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State will be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in Part II of this Official Statement. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, so that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness. The State has the ability to raise its levy for the general obligation bonds (including both the amount levied by the State and the applicable statutory cap) within the constraints of the Nevada constitutional cap by legislative action. See "INFORMATION CONCERNING THE STATE OF NEVADA—PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged and that any law concerning the Bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including the Bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of the Bonds to bring actions, at law or in equity, against the State, the State Board of Finance, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy ad valorem taxes to pay (a) general obligation bonds that are identified as self-supporting bonds because they are expected to be paid in full from sources other than property taxes (referred to herein as the "self-supporting bonds") or (b) that portion of general obligation bonds that are not identified as self-supporting bonds that is expected to be paid from sources other than property taxes. The currently outstanding self-supporting bonds and bonds that are not self-supporting but partially supported with revenues received from local sources are identified in Table 2 of Part II of this Official Statement. These bonds (or self-supporting portions thereof) are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to ad valorem tax receipts as other general obligation bonds of the State.

Summary of Certain Provisions of the Bond Resolutions

The Bond Resolutions include provisions defining certain rights and remedies of the holders of the Bonds and of the State. These include provisions relating to events of default, bondholder rights and remedies upon default, rights of the State to amend or supplement the Bond Resolutions, rights of bondholders to consent to such amendments or supplements, and defeasance of the Bonds, among other things. These provisions are not the same for all series of Bonds. For a summary of these provisions, and the particular series of Bonds to which the respective provisions apply, see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS" in Appendix D of Part I of this Official Statement.

Continuing Disclosure Undertakings

The State has agreed to certain covenants relating to compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended ("SEC Rule 15c2-12"). The State has designated Digital Assurance Certification, L.L.C. ("DAC") as its dissemination agent. See Appendix B of this Part I for the form of Disclosure Dissemination Agent Agreement to be entered into by the State with respect to the Bonds.

In connection with other bonds issued by the State, the State has entered into similar continuous disclosure undertakings pursuant to which the State agrees to provide and file annual financial information and notices of specified material events with respect to the applicable bonds. In addition, in connection with various current and advance refundings, the State has designated the applicable paying agent for the bonds to be defeased or redeemed as its representative for purposes of filing notices of defeasance or redemption with the MSRB.

The State became aware that an annual report filing for the fiscal year ended June 30, 2009, due by March 31, 2010, for Nevada Municipal Bond Bank Project Nos. 57-64 Series June 1, 1997B was not on file with the MSRB (the annual report filings for the prior and subsequent fiscal years were properly filed). The State made a supplemental filing to remedy the omission. The State believes that it has filed all other annual reports for that bond issue during the past five years and believes that the omission of the filing in 2010 was due to either a clerical error in the filing process or the result of a change in CUSIP number that was not properly recorded.

The State generally offers multiple series of bonds through a single official statement and enters into continuing disclosure arrangements through a single agreement that is applicable to all series of bonds offered under the applicable official statement. In certain instances, one or more series of bonds is secured by revenues that are not available as security for the other series of bonds offered pursuant to the same offering document. It has come to the State's attention that in several financings a continuing disclosure obligation may be applicable to an issue of bonds for which it is not intended, and that is not secured by the revenues with respect to which continuing disclosure information is required. The State has become aware of a limited number of instances of failure to update certain tables, none of which the State believes to be material because the tables update revenue sources that are not available for payment of the issue of bonds for which an update was not provided.

With respect to the State's Motor Vehicle Fuel Tax Revenue Bonds, the State learned that while annual reports were filed for fiscal years ended June 30, 2008 and 2009, updates of certain tables* were omitted from the annual report. The affected bonds are no longer outstanding.

With respect to the State's General Obligation (Limited Tax) Bonds (Nevada Municipal Bond Bank Project Nos. R-9A, R-9B, R-9C, R-10, R-11 and R-12), Series 2005F and General Obligation (Limited Tax) (Revenue Supported) Water Refunding Bonds, Series 2005H, notices of redemption of bonds to occur on July 1, 2015 were not on file with the MSRB until June 24, 2015 and July 9, 2015, respectively.

The Office of the State Treasurer believes that, except as set forth above, during the past five years the State has complied in all material respects with any prior written continuing disclosure undertaking pursuant to SEC Rule 15c2-12.

LEGAL MATTERS

The validity of the 2016C Bonds and the 2016D Bonds is to be approved by Sherman & Howard L.L.C. as Bond Counsel. The respective approving opinions will be delivered to the State concurrently with the delivery of the Bonds. A copy of the proposed text of the approving opinions of Bond Counsel is set forth in Appendix A to Part I of this Official Statement. Hawkins Delafield & Wood LLP is serving as Disclosure Counsel to the State with respect to the Bonds. The respective Bond Counsel and Disclosure Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

ABSENCE OF LITIGATION RELATING TO THE BONDS

No litigation is pending against the State (with service of process on the State having been accomplished) in any federal or state court, nor is the State a party in any administrative proceeding pending before any administrative body, that seeks to restrain or enjoin the sale or delivery of the Bonds or challenges the constitutionality, validity or enforceability of any document or approval necessary to the issuance of the Bonds.

TAX MATTERS

Federal Tax Matters

In the opinion of Sherman & Howard L.L.C., Bond Counsel ("Bond Counsel") with respect to the Bonds, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and such interest is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest on the Bonds is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below. For purposes of this paragraph and the succeeding discussion, "interest" includes the original issue discount on certain of the Bonds only to the extent such original issue discount is accrued as described herein.

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* These tables were regarding the Public Employees' Retirement System of Nevada ("PERS"). Such information is currently included in State general obligation bond offering documents, but not in offering documents for Highway Revenue (Motor Vehicle Fuel Tax) Bonds, which are not secured by a State general obligation pledge.

The Tax Code imposes several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the 2016C Bonds and 2016D Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The State will covenant and represent in the Bond Resolutions that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws in effect when the Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

With respect to the Bonds that may be sold in the initial offering at a discount (the "Discount 2016C and 2016D Bonds"), the difference between the stated redemption price of the Discount 2016C and 2016D Bonds at maturity and the initial offering price of those 2016C Bonds and 2016D Bonds to the public (as defined in Section 1273 of the Tax Code) will be treated as "original issue discount" for federal income tax purposes and will, to the extent accrued as described below, constitute interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs. The original issue discount on the Discount 2016C and 2016D Bonds is treated as accruing over the respective terms of such Discount 2016C and 2016D Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on May 1 and November 1 for the Bonds, with straight line interpolation between compounding dates. The amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income or alternative minimum taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner's basis in the Discount 2016C and 2016D Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount 2016C and 2016D Bonds (including sale or payment at maturity). Owners should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount 2016C and 2016D Bonds.

Owners who purchase Discount 2016C and 2016D Bonds after the initial offering or who purchase Discount Bonds in the initial offering at a price other than the initial offering price (as defined in Section 1273 of the Tax Code) should consult their own tax advisors with respect to the federal tax consequences of the ownership of the Discount 2016C and 2016D Bonds. Owners who are subject to state or local income taxation should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount 2016C and 2016D Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount 2016C and 2016D Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest (and, to the extent described above for the Discount 2016C and 2016D Bonds, original issue discount) on the Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest (and, to the extent described above for the Discount 2016C and 2016D Bonds, original issue discount) on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures the Service will treat the State as the taxpayer and the 2016C and 2016D Bond owners may have no right to participate in such procedures. The State has covenanted in the Bond Resolutions not to take any action that would cause the interest on the Bonds to lose their exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the State, the financial advisors, any initial purchaser, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any 2016C and 2016D Bond owner with respect to any audit or litigation costs relating to the Bonds.

State Tax Exemption

In the opinion of Bond Counsel, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

FINANCIAL STATEMENTS

The Comprehensive Annual Financial Report of the State for FY 2015 is included as Appendix A to Part II of this Official Statement. Eide Bailly, LLP, certified public accountants and independent auditors for the State, has consented to the inclusion of such Comprehensive Annual Financial Report in this Official Statement. The history of State General Fund Revenues, Expenditures and Changes in Fund Balance for the five fiscal years ended June 30, 2015, is included as Appendix B to Part II of this Official Statement.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "AA+", "Aa2", and "AA," respectively, to each series of Bonds. An explanation of the significance of these ratings may be obtained from Fitch at 33 Whitehall Street, New York, New York 10004, from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and from S&P at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of the rating agencies.

There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their opinion, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the marketability and market price of the Bonds to which such ratings are applicable.

UNDERWRITING

The 2016C Bonds were sold in a competitive sale on October 18, 2016. The successful bidder for the 2016C Bonds was ______________. The aggregate purchase price of the 2016C Bonds is $_____________, being the par amount of the 2016C Bonds plus/less a net reoffering premium/discount of $_____________ and less underwriter's discount of $______________.

The 2016D Bonds were sold in a competitive sale on October 18, 2016. The successful bidder for the 2016D Bonds was ______________. The aggregate purchase price of the 2016D Bonds is $_____________, being the par amount of the 2016D Bonds plus/less a net reoffering premium/discount of $_____________ and less underwriter's discount of $______________.

VERIFICATION AGENT

Upon delivery of the 2016D Bonds, Causey Demgen & Moore Inc., independent accountants, will deliver a report that the firm has verified (1) the mathematical accuracy of certain computations relating to the adequacy of the deposits to be made to the escrow accounts to pay the amounts required as described under "DESCRIPTION OF THE BONDS — Plan of Refunding" above and (2) the computations of yield of such Bonds and of the investments in the escrow account with respect to the Refunded Bonds to be refunded by the 2016D Bonds. Causey Demgen & Moore Inc. will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of interest on the Bonds.

FINANCIAL ADVISORS

Zions Public Finance and JNA Consulting Group, LLC are serving as financial advisors to the State in connection with the Bonds. The financial advisors have not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the State, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the financial advisors respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

AUTHORIZATION

This Official Statement and its use in connection with the offering and sale of the Bonds have been duly authorized by the State.

STATE OF NEVADA

____

State Treasurer

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PART I

SCHEDULE I

MATURITY SCHEDULES OF REFUNDED BONDS*

2016D Bonds. A portion of the proceeds of the 2016D Bonds will be used to [current or advance] refund all or a portion of the following bonds:

Series 2008D Bonds*

Maturity ([_________])	Outstanding Aggregate Par Amount	Coupon	CUSIP† No. ([______])	Maturity or Redemption Date	Redemption Price

Series 2009C Bonds*

Maturity ([_________])	Outstanding Aggregate Par Amount	Coupon	CUSIP† No. ([______])	Maturity or Redemption Date	Redemption Price

* Preliminary, subject to change.

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PART I

APPENDIX A

FORMS OF APPROVING OPINIONS OF BOND COUNSEL

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[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$________
State of Nevada
General Obligation (Limited Tax)
Capital Improvement and Cultural Centers Bonds
Series 2016C

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Capital Improvement and Cultural Centers Bonds, Series 2016C, in the aggregate principal amount of $________ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on August 9, 2016 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the corporate alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

[closing date]

State of Nevada
Capitol Building
101 N. Carson, No. 4
Carson City, Nevada 89701

$_______
State of Nevada
General Obligation (Limited Tax)
Natural Resources and Refunding Bonds
Series 2016D

Ladies and Gentlemen:

We have acted as bond counsel to the State of Nevada (the "State") in connection with the issuance of its General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2016D, in the aggregate principal amount of $______ (the "Bonds"), pursuant to an authorizing resolution of the Board of Finance of the State adopted on August 9, 2016 (the "Bond Resolution"). In such capacity, we have examined the State's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the State's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute valid and binding limited tax general obligations of the State.

2. All of the taxable property in the State is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.

3. As provided in the Bond Resolution and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the State (i.e., the State and each political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State) for all other purposes (subject to any exception implied by law in the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the corporate alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the State's certified proceedings and in certain other documents and certain other certifications furnished to us.

5. Under laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the State pursuant to the Bonds and the Bond Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In expressing the opinions above, we are relying in part on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing on the adequacy, accuracy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

PART I

APPENDIX B

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____________ __, 2016, is executed and delivered by the State of Nevada (the “Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Section 2(a) and Section 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice required to be, or the Voluntary Event Disclosure or Voluntary Financial Disclosure elected by the Issuer to be, submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the CUSIP numbers for all Bonds to which the document applies.

“CUSIP number” means, with respect to any Bonds the 9-character CUSIP number (the nine characters comprising a combination of digits and letters) relating to such Bonds.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Treasurer of the Issuer or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities) and who, if other than the Issuer, is identified in this Disclosure Agreement as an Obligated Person.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds listed on Exhibit A.

“Paying Agent” means the paying agent for the Bonds designated by the Issuer, and its successors and assigns.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports and Other Disclosures.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than March 31 after the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2016. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Bonds).

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 3:00 p.m. Pacific time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B (with the appropriate CUSIP numbers for the affected Bonds), without reference to the anticipated filing date for the Annual Report.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"

2. "Non-Payment related defaults, if material;"

3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"

4. “Unscheduled draws on credit enhancements reflecting financial difficulties;”

5. “Substitution of credit or liquidity providers, or their failure to perform;”

6. “Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.”

7. “Modifications to rights of securities holders, if material;”

8. “Bond calls, if material;”

9. “Defeasances;”

10. “Release, substitution, or sale of property securing repayment of the securities, if material;”

11. “Rating changes;”

12. “Tender offers;”

13. “Bankruptcy, insolvency, receivership or similar event of an Obligated Person;”

14. “Merger, consolidation, or acquisition of an Obligated Person, if material;” and

15. “Appointment of a successor or additional trustee, or the change of name of a trustee, if material;”

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement (with the appropriate CUSIP numbers for the affected Bonds) with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”

2. “change in Obligated Person;”

3. “notice to investors pursuant to bond documents;”

4. “certain communications from the Internal Revenue Service;”

5. “secondary market purchases;”

6. “bid for auction rate or other securities;”

7. “capital or other financing plan;”

8. “litigation/enforcement action;”

9. “change of tender agent, remarketing agent, or other on-going party;”

10. “derivative or other similar transaction;” and

11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”

2. “change in fiscal year/timing of annual disclosure;”

3. “change in accounting standard;”

4. “interim/additional financial information/operating data;”

5. “budget;”

6. “investment/debt/financial policy;”

7. “information provided to rating agency, credit/liquidity provider or other third party;”

8. “consultant reports;” and

9. “other financial/operating data.”

(viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(h) The Paying Agent may deliver notices of redemption or defeasance of Bonds to the Disclosure Dissemination Agent on behalf of the Issuer for filing pursuant to Section 4. Upon receipt of any such notice, the Disclosure Dissemination Agent shall promptly file the text of such notice with the MSRB in accordance with this Disclosure Agreement.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including Audited Financial Statements, if available, and information of the type included in the tables marked with an asterisk in the lists of tables set forth in the Table of Contents pages of the Official Statement.

(b) Audited Financial Statements shall be prepared in accordance with generally accepted accounting principles ("GAAP"). If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an Obligated Person, which have been previously filed with the Securities and Exchange Commission or available to the public on the MSRB Internet website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bond holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer (or the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer (or by the Paying Agent on behalf of the Issuer pursuant to Section 2(h)) as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in accordance with Section 2(e)(iv) hereof. The Disclosure Dissemination Agent shall promptly deliver to the Disclosure Representative (and Paying Agent with respect to notices filed at the Paying Agent's direction pursuant to Section 2(h)) evidence of confirmation of such filing with the MSRB.

SECTION 5. CUSIP Numbers. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Issuer shall indicate the full name of the Bonds and the CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the failure of the Disclosure Dissemination Agent to so advise the Issuer shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filings.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to an issue of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such issue, when the Issuer is no longer an Obligated Person, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable, until payment in full, for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days prior written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Disclosure Dissemination Agent consents to the jurisdiction of the Nevada district courts for enforcement of this Disclosure Agreement.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature page follows]

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: ____
Name: ____
Title: ____

STATE OF NEVADA
as Issuer

By: ____
Name: Daniel M. Schwartz
Title: State Treasurer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

$33,635,000*
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND CULTURAL CENTERS BONDS
SERIES 2016C

Base CUSIP: _________

Maturity Date (May 1)	Principal Amount	Interest Rate	CUSIP Suffix

$13,605,000*
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES AND REFUNDING BONDS
SERIES 2016D

Base CUSIP: _________

Maturity Date (May 1)	Principal Amount	Interest Rate	CUSIP Suffix

* Preliminary, subject to change.

<u>EXHIBIT B</u>

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer:	**State of Nevada**
Name of Bond Issue:	**General Obligation (Limited Tax) Capital Improvement and Cultural Centers Bonds, Series 2016C;** **General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2016D;**
Date of Issuance:	**_______________ ___, 2016**

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Dissemination Agent Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by ____________.

Dated: _______________________________

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the Issuer

cc: Issuer
Obligated Person

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PART I

APPENDIX C

BOOK-ENTRY SYSTEM

The information contained in this Appendix has been extracted from a document prepared by DTC, entitled "SAMPLE OFFICIAL STATEMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE."

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of Bonds, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying agent, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the State or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof. The information contained in the website referred to in the preceding material or in any other website referred to therein is not incorporated by reference in this Official Statement.

PART I

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTIONS

The following is a summary of certain provisions of the Bond Resolutions establishing certain of the terms and conditions of the Bonds. This summary does not purport to be complete and is qualified in its entirety by reference to the respective Bond Resolutions for a complete statement of the provisions of such Bond Resolutions.

Events of Default Remedies

The 2016C Bond Resolution and the 2016D Bond Resolution do not contain any events of default. State law authorizes holders of their Bonds to bring actions, at law or in equity, against the State, the Board of Finance, or other employees or agents of the State, to compel any action required by the State law or in any covenant with bondholders, or to take certain other enumerated actions.

Supplemental Bond Resolutions (references to a percent of Bonds refers to a Percent of Bonds of the particular Series being considered)

The Board of Finance may, from time to time, modify, amend, supplement or alter the 2016C Bond Resolution or the 2016D Bond Resolution without the consent of, or notice to any of the Owners of the applicable series of Bonds for any one or more of the following purposes: (1) to add to the agreements of the Board of Finance or the State contained in the Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Board of Finance or the State; (2) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the Board of Finance may deem necessary or desirable and not inconsistent with the Bond Resolution; (3) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds; (4) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Bond Registrar(s); or (5) to make any other change which shall not have a material adverse effect on the interests of the Owners of the Bonds.

The Board of Finance may, from time to time, modify, amend, alter, or supplement the 2016C Bond Resolution or the 2016D Bond Resolution other than as provided in the preceding paragraph; provided that the Board of Finance shall receive the written consent of the Owners of not less than 51% of the Bonds of the applicable series then Outstanding; provided, however, that no such supplemental proceedings shall: (1) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond outstanding under the applicable Bond Resolution; (2) reduce or extend the time of payment of the principal of, redemption premium or interest on any Bond outstanding under the applicable Bond Resolution ; (3) reduce any premium payable upon the redemption of any Bond outstanding, or advance the date upon which any Bond outstanding may first be called for redemption prior to its stated maturity date under the applicable Bond Resolution; (4) give to any Bond or Bonds a preference over any other Bond or Bonds; or (5) reduce the percentage of Bonds the Owners of which are required to consent to any proceedings amending or supplementing the provisions of the applicable Bond Resolution.

Defeasance

When all Bond Requirements of any Bond have been duly paid, the pledge and lien and all obligations under the applicable Bond Resolution to that Bond shall thereby be discharged and such Bond shall no longer be deemed to be Outstanding within the meaning of the applicable Bond Resolution. There shall be deemed to be such due payment of any Bond if the State has placed in irrevocable escrow an amount sufficient (including the known minimum yield available for such purpose from Federal Securities, as defined in NRS 349.174, in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the Bond, as such requirements become due to the maturity date thereof or to any Redemption Date. The principal of and the interest on the Federal Securities when due and payable shall provide sufficient money prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the State and the escrow agent at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to prior redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The State is obligated to contribute additional securities or monies to the escrow or trust if necessary to provide sufficient amounts to satisfy the payment obligations on the Bonds.

The State has generally provided in its escrow agreements for refunded or otherwise discharged bonds as described above, that if it appears to the escrow bank that the money and any interest on and principal of the Federal Securities in escrow allocable for such use will not be sufficient to make any required payment due on the discharged bonds as the same become do, the escrow bank shall notify the Treasurer of the State as soon as reasonably practicable of such fact and the amount of such deficiency. The agreement further provides that upon receipt of such notice the State shall forthwith pay to the escrow bank for deposit in the escrow account such additional moneys as may be required. No assurances can be provided that future escrow agreements will include the provisions summarized in this paragraph.

PART I

APPENDIX E

OFFICIAL NOTICE OF BOND SALE

**$33,635,000*
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
CAPITAL IMPROVEMENT AND CULTURAL CENTERS BONDS
SERIES 2016C**

**$13,605,000*
STATE OF NEVADA
GENERAL OBLIGATION (LIMITED TAX)
NATURAL RESOURCES AND REFUNDING BONDS
SERIES 2016D**

PUBLIC NOTICE IS HEREBY GIVEN that the State Treasurer of the State of Nevada, on behalf of the State Board of Finance (the "State Treasurer," the "State" and the "Board of Finance," respectively), on

Tuesday, October 18, 2016

at the hour of 8:30 a.m., Pacific Standard time for the 2016C Bonds
at the hour of 8:30 a.m., Pacific Standard time for the 2016D Bonds

in the Office of the Deputy State Treasurer of the State of Nevada
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786

will receive and publicly open and receive bids electronically through an electronic bidding service offered by Ipreo/Parity® ("PARITY") at www.newissuehome.i-deal.com, for the purchase of the above captioned bonds (collectively, the "Bonds"), particularly described below. Bids must be delivered electronically to the State Treasurer on or before the time designated above for each series of Bonds (or at such other date and time as is announced via Thomson Municipal News or Bloomberg Financial Markets ("Bloomberg") with no minimum information restrictions for any of the series of Bonds).

* Preliminary, subject to change.

BOND PROVISIONS

The Bonds

The Bonds are designated, respectively, as follows: (1) the State of Nevada, General Obligation (Limited Tax) Capital Improvement and Cultural Centers Bonds, Series 2016C, in the aggregate principal amount of $33,635,000* (the "2016C Bonds"), and (2) the State of Nevada, General Obligation (Limited Tax) Natural Resources and Refunding Bonds, Series 2016D, in the aggregate principal amount of $13,605,000* (the "2016D Bonds" and collectively with the 2016C Bonds, the "Bonds"). The Bonds will be dated as of their date of delivery. The Bonds will be issued in fully registered form in denominations of $5,000 and integral multiples thereof. The Bonds will be issued by means of a book entry system with no physical distribution of Bonds to the public. See the caption "Book Entry/Transfer and Exchange" below, and see the Preliminary Official Statement relating to the Bonds for a more complete description of the Bonds.

Maturities

Unless a bidder elects to designate one or more term bonds as provided below under "Prior Redemption – *2016C Bonds Mandatory Sinking Fund Redemption*" and "Prior Redemption – *2016D Bonds Mandatory Sinking Fund Redemption*," the 2016C Bonds and the 2016D Bonds will mature serially on May 1 of the years and in the amounts designated in the respective maturity schedules (the "Maturity Schedules") set forth in the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). The principal amounts set forth in each Maturity Schedule will be subject to adjustment as described below under the caption "Adjustment of Maturities after Determination of Best Bid."

BIDDERS ARE ADVISED THAT REVISED MATURITY SCHEDULES MAY BE RELEASED VIA THOMSON MUNICIPAL NEWS OR BLOOMBERG PRIOR TO THE BID OPENING.

Adjustment of Maturities after Determination of Best Bid

The aggregate principal amount and the principal amount of each maturity of each series of Bonds are subject to adjustment by the State, after the determination of the best bid. Changes to be made will be communicated to the successful bidder by time of the written award of the Bonds and will not reduce or increase the aggregate principal amount of each series maturing in any year from the principal amounts shown in the respective Maturity Schedules (or each maturity of each series of Bonds) by more than $100,000 or fifteen percent of such amounts, whichever is greater. The State may change the price to be paid for each series of Bonds (i.e., par plus any premium bid or less any discount bid) by a successful bidder as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of changes made within these limits. The price to be paid for the series of Bonds will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the series of Bonds to the public and the price to be paid to the State, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the series of Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the respective Maturity Schedules.

To facilitate any adjustment in the principal amounts, the successful bidder(s) is required to indicate by electronic mail to Lori Chatwood (OSTdebt@nevadatreasurer.gov), Andrew Artusa (andrew.artusa@zionsbank.com) and Martin Johnson (marty@jnaconsultinggroup.com) no later than one-half hour after the time of the bid opening, the amount of any original issue premium or discount on each maturity of the series of Bonds, the amount received from the sale of the series of Bonds to the public that will be retained by the successful bidder as its compensation, and in the case of a bid submitted with bond insurance, the amount of the insurance premium. A bidder who intends to insure a series of Bonds shall also state, in that electronic mail, whether the amount of the insurance premium will change as a result of changes in the principal amount of the series of Bonds and the method used to calculate any such change in the insurance premium.

* Preliminary, subject to change.

Prior Redemption

2016C Bonds Optional Redemption. The 2016C Bonds, or portions thereof in authorized denominations, maturing on and after May 1, 2027, will be subject to redemption prior to their respective maturities, without premium, at the option of the State, on and after May 1, 2026, in whole or in part at any time from such maturities as are selected by the State, as directed by the State Treasurer, and if less than all the 2016C Bonds of a maturity are to be redeemed, by lot within a maturity, at a price equal to the principal amount of each such 2016C Bond or portion thereof to be so redeemed, plus accrued interest thereon to the redemption date.

2016D Bonds Optional Redemption. The 2016D Bonds, or portions thereof in authorized denominations, maturing on and after May 1, 2027, will be subject to redemption prior to their respective maturities, without premium, at the option of the State, as directed by the State Treasurer, on and after May 1, 2026, in whole or in part at any time from such maturities as are selected by the State, and if less than all the 2016D Bonds of a maturity are to be redeemed, by lot within a maturity, at a price equal to the principal amount of each such 2016D Bond or portion thereof to be so redeemed, plus accrued interest thereon to the redemption date.

2016C Bonds Mandatory Sinking Fund Redemption. A bidder may request that the 2016C Bonds maturing on and after May 1, 2027, be included in one or more term bonds. Amounts included in a single term bond must consist of consecutive maturities, must bear the same rate of interest and must include the entire principal amount for any maturity included in the term bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the 2016C Bonds would have matured if they were not included in a term bond or bonds. 2016C Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the 2016C Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in applicable Bond Resolution (as defined below). Any election to designate 2016C Bonds as being included in a term bond must be made electronically. See the caption “TERMS OF SALE - Bid Proposal” herein.

2016D Bonds Mandatory Sinking Fund Redemption. A bidder may request that the 2016D Bonds maturing on and after May 1, 2027, be included in one or more term bonds. Amounts included in a single term bond must consist of consecutive maturities, must bear the same rate of interest and must include the entire principal amount for any maturity included in the term bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such term bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the 2016D Bonds would have matured if they were not included in a term bond or bonds. 2016D Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the 2016D Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in applicable Bond Resolution (as defined below). Any election to designate 2016D Bonds as being included in a term bond must be made electronically. See the caption “TERMS OF SALE - Bid Proposal” herein.

Notice of Redemption. Notice of redemption, unless waived, will be given as provided in the Bond Resolutions at least 30 days and not more than 60 days prior to the date fixed for redemption to be redeemed in the manner and upon the conditions to be provided in the Bond Resolutions.

Interest Rates and Limitations

The following interest limitations are applicable:

A. Interest on the 2016C Bonds will be payable on May 1, 2017, and semiannually thereafter on May 1 and November 1 in each year.

B. Interest on the 2016D Bonds will be payable on May 1, 2017, and semiannually thereafter on May 1 and November 1 in each year.

C. The interest rate specified for any Bond and the "true interest cost" (see "TERMS OF SALE - Basis of Award" below) for a series of Bonds may not exceed by more than 3% the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before the bids are received.

D. Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

E. Only one interest rate can be stated for any maturity of a series of Bonds, *i.e.*, all Bonds of the same series with the same maturity date must bear the same rate of interest.

F. Each Bond as initially issued will bear interest from its date to its stated maturity date at the interest rate stated in the bid. A zero (0) rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations.

Bond Insurance / Rating Letters

The Bonds may be insured at bidder's option and expense. The State will pay for the ratings on the Bonds from Moody's Investors Service, S&P Global Service and Fitch Ratings.

Book-Entry/Transfer and Exchange

The Bonds will be issued in registered form and a bond certificate for each maturity of each series will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidders, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in same day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the State nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Security and Payment

The Bonds will be limited tax general obligations of the State, payable as to principal and interest from annual general (ad valorem) taxes (the "Taxes") levied against all taxable property within the State (except to the extent any other moneys are made available therefor), subject to the limitations imposed by the statutes and the Constitution of the State.

Bond Resolutions

Copies of the resolutions of the Board of Finance authorizing the issuance of the 2016C Bonds (the "2016C Bond Resolution") and the 2016D Bonds (the "2016D Bond Resolution" and together with the 2016C Bond Resolution, the "Bond Resolutions") are available for public inspection at the office of the secretary of the State Board of Finance in Carson City, Nevada.

The Bond Resolutions provide, among other matters, the form, terms, and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment and the security therefor, and reference to the Bond Resolutions is made for further detail.

Federal and State Tax Exemption

In the opinion of Sherman & Howard L.L.C., Las Vegas and Reno, Nevada, Bond Counsel, assuming continuous compliance with certain covenants described in the Official Statement, interest on Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income for corporations.

Furthermore, in the opinion of Bond Counsel, under present law, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of Nevada Revised Statutes and the tax on generation skipping transfers imposed pursuant to Chapter 375B of Nevada Revised Statutes.

A copy of each of the proposed forms of bond counsel opinions is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix A.

TERMS OF SALE

Equal Opportunity

IT IS THE POLICY OF THE STATE TO PROVIDE MINORITY BUSINESS ENTERPRISES, WOMEN BUSINESS ENTERPRISES AND ALL OTHER BUSINESS ENTERPRISES AN EQUAL OPPORTUNITY TO PARTICIPATE IN THE PERFORMANCE OF ALL STATE CONTRACTS. BIDDERS ARE REQUESTED TO ASSIST THE STATE IN IMPLEMENTING THIS POLICY BY TAKING ALL REASONABLE STEPS TO ENSURE THAT ALL AVAILABLE BUSINESS ENTERPRISES, INCLUDING MINORITY AND WOMEN BUSINESS ENTERPRISES, HAVE AN EQUAL OPPORTUNITY TO PARTICIPATE IN STATE CONTRACTS.

Bid Proposals

Bids are required to be submitted electronically as described below. Any bidder is required to submit an unconditional and written bid for all the 2016C Bonds or all of the 2016D Bonds specifying:

(1) The lowest rate or rates of interest at which the bidder will purchase all of a series of 2016C Bonds or 2016D Bonds; and

(2) Whether the bidder intends to designate term bonds (with respect to the Bonds described above under "Prior Redemption—2016C Bonds Mandatory Sinking Fund Redemption" or "Prior Redemption—2016D Bonds Mandatory Sinking Fund Redemption") and the maturities affected thereby.

It is also requested for informational purposes only, but it is not required, that each bid disclose:

(3) The "true interest cost" (i.e., actuarial yield) on the Bonds of a series stated as a nominal annual percentage rate. See the caption " Basis of Award" below.

Solely as an accommodation to the bidders, the State Treasurer will receive bids delivered electronically through PARITY. Each bidder submitting an electronic bid is solely responsible for all arrangements with PARITY.

By submitting a bid with PARITY, an electronic bidder represents and warrants to the State that such bidder's bid for the purchase of a series of Bonds is submitted for and on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of that series of Bonds. Once the bids are communicated electronically to the State, each bid will constitute an irrevocable offer to purchase the series of Bonds on the terms provided therein and in accordance with the terms of this Official Notice of Bond Sale.

The State Treasurer does not endorse or encourage the use of PARITY, and PARITY is not acting as an agent of the State Treasurer. The State Treasurer is not responsible for ensuring or verifying bidder compliance with PARITY's procedures. The State Treasurer is not responsible for, and each bidder expressly assumes the risk of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder and is not liable for any damages caused by PARITY. Bidders must obtain instructions for submitting electronic bids from PARITY. If any provision of this Official Notice of Bond Sale conflicts with information provided by PARITY, this Official Notice of Bond Sale together with any amendments thereto issued by public wire will control.

Premium/Discount

2016C Bonds. A bidder must offer to purchase the 2016C Bonds at a minimum of par or at a premium. A discount may not be bid.

2016D Bonds. A bidder must offer to purchase the 2016D Bonds at a minimum of par or at a premium. A discount may not be bid.

Good Faith Deposit

In order to be considered, each bid must be accompanied by a good faith deposit (the "Deposit") in the form of a certified, treasurer's or cashier's check drawn on a solvent commercial bank or trust company in the United States of America, a wire transfer, made payable to

the **State of Nevada** in an amount equal to:

$350,000 with respect to the 2016C Bonds
$150,000 with respect to the 2016D Bonds

Bidders submitting a Deposit by check or wire transfer may, **but are not required to**, submit a check or wire transfer prior to the bid opening. If a check is used, it must be delivered to the State Treasurer within 90 minutes following notification to the bidder or bidders of the bid award for the applicable series of Bonds. If a wire transfer is used by any bidder, then such bidder using a wire transfer is required to submit its Deposit to the State Treasurer in the form of a wire transfer in the above amount for such applicable series of Bonds as instructed by the State Treasurer or its Financial Advisor not later than 90 minutes following such notification of the bid award. Each series of Bonds will not be officially awarded to a bidder who has not submitted a Deposit, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to the Financial Advisor.

No interest on the Deposit will accrue to any bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the applicable series of Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the State. Any investment income earned on the Deposit will not be credited to the successful bidder on the purchase price of the series of Bonds, but will be paid to the successful bidder in the event the State is unable to deliver the series of Bonds as provided under "Manner and Time of Delivery" below. Checks accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bid.

CUSIP Numbers and Other Fees

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of, and payment for, the Bonds in accordance with the terms hereof. All expenses relating to printing CUSIP numbers on the Bonds, if required, will be paid by the State, but the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the respective purchasers. The successful bidder shall also be required to pay all fees required by DTC, the Bond Market Association, the Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the execution and delivery of the Bonds.

Sale Reservations

The State reserves the privilege:

A. Of waiving any irregularity or informality in any bid;
B. Of rejecting any and all bids; and
C. Of reoffering the Bonds for sale, as provided by law.

Basis of Award

Award of the Bonds: The 2016C Bonds and 2016D Bonds, subject to such sale reservations and ratification by the State Treasurer, will be sold to the responsible bidder making the best bid for all of the 2016C Bonds and the responsible bidder making the best bid for all of the 2016D Bonds, based on the applicable Maturity Schedule, notwithstanding any change in maturities made after the bid opening as described under "Adjustment of Maturities after Determination of Best Bid " above. The best bid for each series of Bonds will be determined by computing the True Interest Cost of the Bonds (*i.e.*, using an actuarial or true interest cost method) for each bid received and an award will be made (if any is made) to the responsible bidder submitting the bid that results in the lowest True Interest Cost on a series of Bonds. "True Interest Cost" of the Bonds as used in this paragraph means that yield which if used to compute the present worth as of the dated date of the series of Bonds of all payments of principal and interest to be made on the series of Bonds from their dated date to their respective maturity dates (or, in the case of a term bond, their mandatory redemption dates), using the principal amounts set forth in the applicable Maturity Schedule and the interest rates specified in the bid, produces an amount equal to the principal amount of the series of Bonds plus the premium bid or less the discount bid. No adjustment shall be made in such calculation for accrued interest, if any, on the series of Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year and a semiannual compounding interval. If there are two or more equal bids for the Bonds of a series and such equal bids are the best bids received, the State Treasurer will determine which bid will be accepted.

Place and Time of Award

The State will cause the bids submitted for each series of Bonds to be opened at the time and place hereinabove stated unless a notice is issued via Thomson Municipal News or Bloomberg prior to the bid opening for any series of Bonds. The State will take action awarding the Bonds of a series or rejecting all bids for a series not later than 36 hours after the time herein stated for opening bids for such series, and a bidder may not withdraw its bid for such series during such period. An award may be made after the period stated herein if the bidder shall not have given to the State Treasurer notice in writing of the withdrawal of its bid. See the caption " Information" below.

Manner and Time of Delivery

The applicable series of Bonds will be delivered to the applicable winning bidder within 60 days after the date stated herein for opening bids. The State contemplates delivering the Bonds on or about November 9, 2016. The purchasers of the Bonds will be given 72 hours' notice of the time fixed by the State Treasurer for tendering the Bonds for delivery. The purchasers will not be required to accept delivery of any of the Bonds of a series if they are not made ready and are not tendered for delivery within 60 days from the date herein stated for opening bids; and if such Bonds are not so tendered within such period of time, the Deposit (with accruing interest) will be returned to the purchasers upon their request.

Payment at and Place of Delivery

The successful bidders will be required to accept delivery of the Bonds through DTC, New York, New York or through the Paying Agent via the FAST System. Payment of the balance of the purchase price due for the series of Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the State Treasurer for immediate and unconditional credit to the account of the State, as directed by the State Treasurer, at a bank or banks designated by the State so that Bond proceeds may be so deposited or invested, as the

State Treasurer may determine, simultaneously with the delivery of the Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

Successful Bidders' Reoffering Yields

Within one-half hour following each bid opening (or such other date as may be determined by the State pursuant to this Official Notice of Sale), each of the successful bidders (or manager of the purchasing account) must notify the State by electronic mail to OSTdebt@nevadatreasurer.gov, andrew.artusa@zionsbank.com and marty@jnaconsultinggroup.com of the initial offering prices and yields of the applicable series of the Bonds to the public. **The information regarding the initial offering prices and yields of each series of the Bonds shall be based on the applicable successful bidder's expectations as of the date of sale.** The electronic mail notification must be confirmed in writing in form and substance satisfactory to the State's bond counsel prior to the delivery of the series of Bonds and which shall be in substantially the following form with respect to each series of Bonds: "A bona fide public offering was made for all of the Bonds on this sale date at the initial public offering prices (or yields) shown on the cover page of the Official Statement. As of such sale date, (i) based upon our assessment of market conditions, investor demand, sale and offering prices for comparable bonds, and recent behavior of interest rates, we reasonably expected that the first prices (or yields) at which at least 10% of each maturity of the Bonds would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) would be those prices (or yields) and that none of the Bonds would be sold to the public at prices higher than or at yields less than those prices (or yields) and (ii) such initial offering prices (or yields) represented a fair market value for the Bonds."

Official Statements

The State has prepared a Preliminary Official Statement, which is deemed final by the State as of its date for the purpose of allowing bidders to comply with Rule 15c2-12 promulgated by the Securities Exchange Commission (the "Rule"), except the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendments and completion in a Final Official Statement, as defined below.

The State will prepare a supplement to the Preliminary Official Statement or will prepare a final Official Statement (in either case the "Final Official Statement"), which will be complete in all respects up to the date of delivery of the Bonds. The State will provide the winning bidder an electronic copy of the Final Official Statement on or before seven business days following the date of the award to each winning bidder.

The State authorizes the winning bidders to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period of up to the earlier of (a) 25 days following the "end of the underwriting period" (as defined in the Rule) or (b) the date when all of the Bonds have been sold by the winning bidders, if any event concerning the affairs, properties or financial condition of the State shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of a winning bidder, the State shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the State and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time. The State will presume that the "end of the underwriting period" will occur on the Closing Date and all of each series of the Bonds have been sold by the winning bidders as of the Closing Date unless notified in writing otherwise by a winning bidder on or prior to the Closing Date.

Information

This Official Notice of Bond Sale, the Preliminary Official Statement, the Bond Resolutions and other information concerning the State and the Bonds may be obtained prior to the sale from:

The State's Financial Advisor for the Bonds:

Martin Johnson
JNA Consulting Group, LLC
410 Nevada Way, Suite 200
Boulder City, Nevada 89005
(702) 294-5100
marty@jnaconsultinggroup.com

and

Andrew A. Artusa
Zions Public Finance
230 Las Vegas Boulevard South, Suite 200
Las Vegas, Nevada 89101
(702) 569-1555
andrew.artusa@zionsbank.com

or

The State Treasurer:

Daniel M. Schwartz, State Treasurer
Lori Chatwood, Deputy State Treasurer
Nevada State Treasurer's Office
Capitol Building, Number 4
101 North Carson Street
Carson City, Nevada 89701-4786
(775) 684-5600
statetreasurer@nevadatreasurer.gov
OSTdebt@nevadatreasurer.gov

Continuing Disclosure Undertaking

Pursuant to the Rule, the State will undertake in the Disclosure Dissemination Agent Agreement for the 2016C Bonds and the 2016DBonds to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrence of certain material events. A copy of the proposed form of Disclosure Dissemination Agent Agreement is attached to Part I of the Preliminary Official Statement relating to the Bonds as Appendix B.

State Represented by Independent Registered Municipal Advisor

The State has engaged, is represented by and will rely on the advice of the Financial Advisors, each an independent registered municipal advisor, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The State intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

Legal Opinions, Bonds and Transcripts

The validity and enforceability of the Bonds will be approved by:

Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
(775) 323-1980

whose final approving opinions, together with the Bonds, a certified transcript of the legal proceedings, including therefor a certificate stating that there is no litigation pending affecting the validity of the Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the purchaser of the Bonds without charge by the State.

Governing Law and Venue

This Official Notice of Bond Sale and the contract formed when the State accepts the winning bid are governed by the laws of the State of Nevada. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Carson City or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising under this Official Notice of Bond Sale. Each bidder hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

Closing Certificates

The final certificates included in the transcript of legal proceedings shall include:

(1) A certificate, dated as of the Closing Date, and signed by the Governor, the Director of the Department of Administration and the State Treasurer, in which each of them states, after reasonable investigation, that to the best of such official's knowledge, (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement for the Bonds; (b) the Final Official Statement, as it pertains to the State and the Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the State or the Bonds has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the State does not make any representations concerning pricing information contained in the Final Official Statement.

(2) A certificate, dated the Closing Date and signed by the State Controller, stating after reasonable investigation, that to the best of such official's knowledge, as of the date of the Final Official Statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the State is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement not be misleading for the purpose for which it is to be used.

Right to Modify or Amend

The State reserves the right to modify or amend this Official Notice of Bond Sale in any respect including, without limitation, the right to adjust and change the principal amortization schedule of the Bonds being offered prior to the time bids are to be received. Such modifications or amendments shall be communicated through PARITY, Thomson Municipal News or Bloomberg.

By order of the State Treasurer this September 30, 2016.

/s/ Daniel M. Schwartz
State Treasurer, State of Nevada

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PART II

INFORMATION CONCERNING THE STATE OF NEVADA

Part II of this Official Statement contains information concerning the State, including constitutional and statutory authorizations of debt and applicable debt limitations, information related to bonds currently issued and outstanding, as well as bonds authorized but unissued, information relating to State property taxes and collections, certain financial data relating to the State, and certain economic and demographic information, and supplements the information contained in the other parts of this Official Statement.

The Section in this Part II titled "FINANCIAL INFORMATION" sets forth information relating to the State's recent historical and current financial condition as well as budget information and revenue forecasts for FY 2016 and FY 2017. The Section titled "FINANCIAL INFORMATION—State General Fund Revenue Sources" identifies certain revenue enhancements and reallocations that were approved by the State Legislature in the 2015-2017 biennial session (78th Session). The Section titled "FINANCIAL INFORMATION—2015-2017 Biennium" summarizes the key tools used by the Governor and the State Legislature in adopting a balanced budget for the 2015-2017 Biennium. The Section titled "FINANCIAL INFORMATION—Budget Procedure" summarizes the process that is followed to adopt a balanced budget for each biennium.

Statewide assessed values increased in FY 2014 for the first time in several years, and increased again for FY 2015, FY 2016 and FY 2017. See Table 5 for a summary of assessed valuations for fiscal years 2013-2017.

The State adopted a balanced budget in June 2015 for the 2015-2017 Biennium. The legislatively enacted budget, which was signed by the Governor, was balanced to the amounts set forth in the Economic Forum Forecast, after adjustments for actions approved by the Legislature during the 2015 Session (78th Session) and tax credits approved in the 2013 and 2015 Regular Sessions and 28th Special Session (2014).

Table 12 in this Part II provides a summary of general fund revenues for fiscal years 2012-2015 and the May 1, 2015 Economic Forum Forecast for fiscal years 2016-2017, adjusted for measures approved by the 2015 Legislature. No assurances can be made that the projected general fund revenues in FY 2016 and FY 2017 will be predictive of a continuing or future trend, or that the assumptions and projections set forth in the Economic Forum Forecast for 2016-2017 will be predictive of actual results. The Economic Forum Forecast with statutorily enacted adjustments and revised as of May 27, 2016 is included in Appendix C to this Part II.

Nevada's economy has posted steady gains since 2011. As indicated in Tables 18 and 21 in this Part II, annual per capita personal income grew approximately 3.5% in 2015 compared to the prior year, and as of August 2016, the State's unemployment rate continued to decline to 5.8% (non-seasonally adjusted).

Following several years of serious economic downturn during which the State experienced significant declines in its major sources of revenues, economic conditions in the State have stabilized and are improving. In FY 2015, eight of the largest General Fund revenue sources – sales and use tax, gaming tax, modified business tax, insurance premium tax, cigarette tax, real property transfer tax, liquor tax and business license fees – each posted increases compared to FY 2014. A decline was seen in live entertainment tax. See Table 12 in this Part II.

In FY 2015, the General Fund ended with $63 million more in revenue than forecast by the May 1, 2015 Economic Forum after adjusting for allocated tax credits. Many revenue sources posted higher collections than initially estimated. Most notably, collections for gaming percentage fees and modified business tax exceeded their forecast by $9.5 and $8.2 million, respectively. The 2015 Legislative Session increased the cigarette tax by $1 a pack beginning on July 1, 2015. Cigarette tax experienced an unusually large jump in collections due to smokers stocking up prior to the tax hike, resulting in $13.1 million more in collections than predicted by the Economic Forum.

In FY 2016, several major revenue sources – sales and use tax, cigarette tax and live entertainment tax – brought in less revenue than forecast by the Economic Forum. The decline was offset by higher than anticipated collections in other revenue sources – insurance premium tax, real property transfer tax, unclaimed property and commerce tax. In addition, the amount of tax credits redeemed was lower than estimated. The FY 2016 General Fund ended with $39.2 million more in revenue than forecast by the Economic Forum. Audited financial statements reflecting financial performance for FY 2016 are expected to be available in December 2016.

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* Annual financial information of the type set forth in the table is to be updated annually pursuant to the Disclosure Dissemination Agreement.

GOVERNMENT STRUCTURE

Nevada's Constitution was approved in 1864 and has been amended from time to time. The Constitution provides for three branches of government: legislative, executive and judicial. The legislative branch is made up of a Senate and an Assembly. State Senators are elected for four-year terms, and members of the State Assembly are elected for two-year terms.

The State Legislature convenes biennially in odd-numbered years. The most recent regular (78^{th}) biennial legislative session convened on February 2, 2015 and adjourned on June 1, 2015. Special sessions of the State Legislature may be convened by the Governor by proclamation or by the State Legislature by a petition specifying the business to be transacted in the session and signed by two-thirds of the legislators of each house. Most recently, the State Legislature held a special session from December 16 - 19, 2015.

There are 21 Senators and 42 members of the Assembly. Nevada's elected Constitutional officers are the Governor, Lieutenant Governor, Secretary of State, Treasurer, Controller, and Attorney General, all of whom are elected for four-year terms. All Constitutional officers are limited to two terms. Supreme Court justices are elected on a non-partisan ballot for six-year terms.

Following are the State's Constitutional officers:

Office	Name	Political Party Affiliation	Term First Commenced	Term Expires
Governor	Brian Sandoval	Republican	2011	2019
Lieutenant Governor	Mark Hutchison	Republican	2015	2019
Secretary of State	Barbara K. Cegavske	Republican	2015	2019
Treasurer	Daniel M. Schwartz	Republican	2015	2019
Controller	Ronald L. Knecht	Republican	2015	2019
Attorney General	Adam Paul Laxalt	Republican	2015	2019

The Board of Finance, consisting of the Governor, the Treasurer, the Controller, and two additional members appointed by the Governor, may issue and redeem securities on behalf of the State, when authorized by law, as provided in NRS Sections 349.150 through 349.364.

County governments in Nevada are managed by boards of county commissioners or the equivalent. There are 17 counties in the State. Cities are governed by general acts, and 13 of the cities are also governed by special charters granted by the State Legislature.

Representation in the United States Congress is by two Senators and four Representatives.

As of August 1, 2016, there were approximately 17,900 permanent and non-permanent (emergency, provisional and temporary) full-time equivalent State employees excluding employees of the University System, courts and legislature. The State does not have collective bargaining agreements with employee unions. As of January 1, 2016, approximately 3,174 State employees were members of voluntary employee/labor organizations that represent the interests of their members. The State considers its relations with its employees to be satisfactory.

DEBT STRUCTURE

Constitutional Debt Limitation

The Constitution of the State (Article 9, Section 3) limits the aggregate principal amount of the State's general obligation debt to 2% of the total reported assessed valuation of the State. The limitation does not apply to general obligation debt that is incurred for the protection and preservation of any property or natural resources of the State or for the purpose of obtaining the benefits thereof. The limitation does not apply to revenue bonds or contingent liabilities, nor does it apply to lease purchase arrangements the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds, more fully described in Note 9 to the State's Comprehensive Annual Financial Report for FY 2015 included in Appendix A to this Part II (the "2015 State CAFR") and under the heading "DEBT STRUCTURE — Lease-Backed Financings" in this Part II. Such lease obligations are not considered debt under the Constitution and State law.

Subject to the State's constitutional debt limitation, the State Legislature may authorize the issuance of bonds or other securities by the State or any of its departments, divisions, agencies, political subdivisions, or other governmental agencies for any public purpose. It has been the general practice of the State Legislature to authorize the issuance of bonds and other securities by a special act in a maximum principal amount for a specified project or projects, rather than by general act for a number of general purposes.

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval.

Debt limitation information is reported in Table 1. The assessed valuation amount effective as of June 30 of a particular year is used for purposes of determining property taxes and the applicable debt limitation for the following fiscal year. The assessed valuation constitutes 35% of the taxable value of all taxable property within the State and may be adjusted from time to time during the course of a fiscal year, and if the assessed valuation is so adjusted, the debt limitation would also be adjusted. The assessed valuation effective as of June 30, 2016 set forth in Table 1 is the most current final assessed value available and will be applicable for determining the debt limitation during FY 2017, subject to adjustment as described above. See "PROPERTY TAXATION" in this Part II.

The assessed valuation set forth in Table 1 effective as of June 30 of a particular year corresponds to the assessed value set forth in Table 4 for the following fiscal year (the fiscal year to which the June 30 assessed valuations apply), adjusted for state-wide redevelopment agency assessed valuations, which are included in the assessed valuation amount in Table 1 but are excluded from the assessed value amount in Table 4.

Table 1
Constitutional Debt Limitation(1)

Effective June 30	Assessed Valuation(2)	Debt Limitation	Outstanding Debt Subject to Limitation	Remaining Constitutional Debt Capacity
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
2016	108,331,564,829(3)	2,166,631,297	1,082,845,000	1,083,786,297
2017	108,331,564,829(3)	2,166,631,297	1,070,555,000(4)	1,096,076,297

(1) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 9 to the 2015 State CAFR and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II.

(2) For purposes of calculating the State's debt limitation on June 30 of each year, the assessed valuation figures include state-wide redevelopment agency assessed valuations in the amounts of: 2013-$1,360,419,727, 2014-$1,391,049,246, 2015-$1,681,744,227 2016-$2,146,144,306, and 2017-$2,499,678,505 On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year.

(3) The assessed valuation as certified by the Nevada Tax Commission on June 27, 2016 and reported by the State Department of Taxation.

(4) Debt outstanding as of September 1, 2016.

Source: State of Nevada Controller's Office.

Outstanding General Obligation Bonds

Certain general obligation indebtedness of the State is subject to the State's constitutional debt limitation and certain general obligation indebtedness of the State is exempt from the State's constitutional debt limitation. Table 2 identifies separately those bonds that are subject to the limitation and those bonds that are exempt from the limitation. See "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II for a discussion of the State's constitutional debt limitation, and bonds included and excluded therefrom.

In addition, certain general obligation indebtedness of the State (whether or not subject to the State's constitutional debt limitation) is categorized as "self-supporting" (referred to herein as the "self-supporting bonds"). The term self-supporting bonds is used to refer to (i) general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax (referred to as "wholly self-supporting bonds") and (ii) with respect to general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax (referred to as "partially self-supporting bonds"), just the portion of such bonds expected to be paid from such other revenues. General obligation bonds that are categorized as wholly self-supporting bonds are identified by a single asterisk in Table 2 and general obligation bonds that are categorized as partially self-supporting bonds are identified by a double asterisk in Table 2. The outstanding balance of self-supporting bonds is identified in a subgroup in Table 2 under the heading "Self-Supporting Debt Outstanding".

If the revenues that are expected to be used to pay the self-supporting bonds from sources other than the state-wide property tax are insufficient, the State is obligated to pay any deficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the General Fund.

The State levies a state-wide property tax to repay its general obligation bonds (other than the self-supporting bonds). See "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II.

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Table 2 presents information as of September 1, 2016 and does not reflect the planned issuance of the 2016C Bonds or the 2016D Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See "DESCRIPTION OF THE BONDS—Plan of Refunding" in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole or in part by the above mentioned bonds.

See also "DEBT STRUCTURE—Security for State General Obligation Bonds" in this Part II.

Table 2
Outstanding General Obligation Bonds[1]
As of September 1, 2016

	Subject to Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
	Capital Improvement and Cultural Affairs Bonds	07/12/07	B	$267,270,000	$ 13,350,000
	Capital Improvement and Cultural Affairs Bonds	07/31/08	C	279,825,000	32,390,000
	Open Space, Parks, and Cultural Resources Bonds	07/31/08	E	7,500,000	4,485,000
	Capital Improvement Bonds[2]	11/17/09	A	68,000,000	68,000,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/17/09	B	34,990,000	2,585,000
	Open Space, Parks, and Cultural Resources Bonds	11/17/09	D	5,000,000	4,305,000
*	Juvenile Treatment Facility Project Refunding Certificates	12/10/09		7,900,000	1,305,000
	Capital Improvement and Refunding Bonds	12/21/10	C	121,920,000	111,855,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	11/16/11	A	65,245,000	63,740,000
	Open Space, Parks, and Cultural Resources Bonds	11/16/11	D	32,835,000	22,185,000
	Capital Improvement, Cultural Affairs, and Refunding Bonds	03/22/12	B	50,800,000	38,025,000
	Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	D-1	98,015,000	89,530,000
	Capital Improvement and Cultural Affairs Refunding Bonds	04/09/13	E	64,980,000	44,025,000
	Open Space, Parks, and Cultural Resources Refunding Bonds	04/09/13	G	3,665,000	3,170,000
	Capital Improvement and Cultural Affairs Bonds	04/22/14	A	51,385,000	51,385,000
*	University System Projects Bonds	03/10/15	A	78,335,000	78,335,000
	Capital Improvement and Cultural Affairs Refunding Bonds	03/10/15	B	192,950,000	192,950,000
**	Capital Improvement and Refunding Bonds	11/04/15	D	248,935,000	248,935,000
TOTAL SUBJECT TO CONSTITUTIONAL DEBT LIMIT					$ 1,070,555,000

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	Exempt from Constitutional Debt Limitation	Date	Series	Original Amount	Outstanding
*	Municipal Bond Bank Project Nos. R-9A, R-9B, R-9C, R-10, R-11, R-12	05/17/05	F	272,560,000	$ 312,0000
	Natural Resources and Refunding Bonds	11/29/06	F	12,665,000	165,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	11/29/06	G	3,305,000	165,000
	Natural Resources Bonds	07/12/07	A	19,500,000	1,775,000
	Open Space, Parks, and Natural Resources Bonds	07/12/07	C	4,500,000	450,000
**	Natural Resources Bonds	04/22/08	A	22,545,000	4,690,000
	Open Space, Parks, and Natural Resources Bonds	04/22/08	B	10,000,000	1,425,000
	Natural Resources Bonds	07/31/08	D	13,000,000	5,520,000
*	Safe Drinking Water Act Revolving Fund Matching Bonds	07/31/08	F	3,330,000	765,000
	Natural Resources and Refunding Bonds	11/17/09	C	14,680,000	11,435,000
	Open Space, Parks, and Natural Resources Bonds	11/17/09	E	8,240,000	7,085,000
*	Colorado River Commission Water Refunding Bonds	06/24/10	B	7,405,000	4,460,000
**	Natural Resources and Refunding Bonds	12/21/10	D	20,170,000	19,805,000
*	Water Pollution Control Revolving Fund Matching Bonds	12/21/10	G	4,535,000	2,040,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	12/21/10	H-2	3,725,000	670,000
*	Safe Drinking Water Revolving Fund Matching Bonds	12/21/10	I	6,235,000	3,930,000
*	Colorado River Commission Hoover Uprating Refunding Bonds	11/16/11	B	5,545,000	5,545,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	11/16/11	C	28,460,000	20,205,000
	Open Space, Parks, and Natural Resources Refunding Bonds	11/16/11	E	14,530,000	9,780,000
*	Municipal Bond Bank Project Nos. 80, 81, 82 and 83	03/22/12	A	25,445,000	20,695,000
**	Natural Resources Refunding Bonds	03/22/12	C	25,510,000	21,030,000
	Open Space, Parks and Natural Resources Refunding Bonds	03/22/12	D	4,245,000	4,245,000
*	Colorado River Commission Hoover Uprating Refunding Bonds	07/10/12	E	17,085,000	4,595,000
*	Municipal Bond Bank Project Nos. 84, 85, and 86	02/20/13	A	23,505,000	22,975,000
*	Water Pollution Control Revolving Fund Leveraged Refunding Bonds	02/20/13	B	17,045,000	11,145,000
**	Natural Resources Refunding Bonds	04/09/13	F-1	13,210,000	13,210,000
	Open Space, Parks, and Natural Resources Refunding Bonds	04/09/13	H-1	19,650,000	19,650,000
**	Natural Resources and Refunding Bonds	04/22/14	B	5,580,000	5,235,000
	Open Space, Parks, and Natural Resources Bonds	04/22/14	C	2,185,000	2,185,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	04/22/14	D	5,145,000	3,450,000
*	Colorado River Commission Hoover VC/Air Slots Bonds	06/24/14	E	29,475,000	29,055,000
**	Natural Resources Refunding Bonds	03/10/15	C	21,340,000	20,850,000
**	Natural Resources and Refunding Bonds	11/04/15	E	22,595,000	22,340,000
*	Municipal Bond Bank Project Nos. 87, 88, and 89	11/04/15	F	47,305,000	47,305,000
	Open Space, Parks, and Natural Resources and Refunding Bonds	11/04/15	G	9,350,000	9,350,000
*	Safe Drinking Water Revolving Fund Matching and Refunding Bonds	11/04/15	H	10,845,000	9,645,000
	Open Space, Parks and Natural Resources Bond	08/30/16	B	1,023,500	1,023,500
TOTAL EXEMPT FROM CONSTITUTIONAL DEBT LIMIT					$ 371,013,500

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GROSS GENERAL OBLIGATION BONDED DEBT (GROSS DIRECT DEBT)			$1,441,568,500
LESS:			
Self-Supporting Debt Outstanding			
*	Colorado River Commission Hoover Uprating Bonds	$39,195,000	
*	Colorado River Commission Water Refunding Bonds	4,460,000	
*	Juvenile Detention Facility	1,305,000	
*	Municipal Bond Bank Bonds	94,095,000	
*	Safe Drinking Water Act Revolving Fund Bonds	17,955,000	
*	University System Bonds	78,335,000	
*	Water Pollution Control Revolving Fund Bonds	34,060,000	
**	Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Tax	37,235,000	
TOTAL SELF-SUPPORTING DEBT			306,640,000
NET DIRECT DEBT			$1,134,928,500

* Bonds that are wholly self-supporting bonds. The State believes the program revenues will be sufficient to pay debt service on the entire outstanding amount of such bonds; if they are not, the State is obligated to pay the difference between the program revenues and the debt service requirements of the bonds from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund.

** Bonds that are partially self-supporting bonds. A portion of this bond is self-supporting and expected to be paid in part from revenues other than state-wide property taxes. If such revenues are insufficient to pay their expected portion of the debt service, the State is obligated to pay the insufficiency from state-wide property taxes or through a borrowing by the Consolidated Bond Interest and Redemption Fund from the State's General Fund. The portion of this bond which is a self-supporting bond is included in the line item "Aggregate Bonds Paid Partially From Revenues Other Than State-Wide Property Taxes" under the heading "Self-Supporting Debt Outstanding" in Table 2. The foregoing presentation convention reflects a change from the convention used by the State prior to October 1, 2015. Prior to that date the State did not separately account for the separate portions of payments for a bond that is partially paid from revenues other than state-wide property taxes and partially from state-wide property taxes. Such bonds were treated as not being self-supporting.

(1) Table does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds described in Note 9 to the 2015 State CAFR and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II.

(2) Issued as Build America Bonds.

Source: State of Nevada Treasurer.

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Debt Service on General Obligation Bonds

The following table reports the debt service requirements for all of the State's outstanding general obligation bonds, including the debt service requirements for the self-supporting bonds. This table presents information as of September 1, 2016 and does not reflect the planned issuance of the 2016C Bonds or the 2016D Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See Table 9 for the annual debt service requirements for only the State's outstanding general obligation bonds expected to be paid from state-wide property taxes.

Table 3
Annual Debt Service Requirements[1]
(As of September 1, 2016)

	General Obligation Bonds[3] (Not Self-Supporting)		General Obligation Bonds[3] (Self-Supporting)		
Fiscal Year	**Principal**	**Interest**[2]	**Principal**	**Interest**	**Grand Total**
2017	$86,046,500	$47,622,421	$11,047,000	$7,965,865	$152,681,786
2018	95,222,000	50,341,328	27,043,000	11,310,231	183,916,560
2019	93,823,000	46,110,422	20,542,000	10,279,035	170,754,457
2020	100,996,000	41,818,054	21,374,000	9,418,326	173,606,380
2021	106,048,000	36,583,930	19,797,000	8,503,230	170,932,160
2022	104,413,000	31,274,854	14,432,000	7,708,488	157,828,342
2023	97,839,000	26,013,281	15,806,000	7,051,303	146,709,583
2024	88,219,000	21,057,763	11,646,000	6,427,454	127,350,217
2025	91,652,000	16,582,677	11,723,000	5,919,966	125,877,643
2026	93,047,000	11,660,367	11,478,000	5,406,750	121,592,117
2027	93,770,000	6,950,227	14,025,000	4,916,448	119,661,675
2028	23,298,000	3,512,962	33,947,000	4,051,191	64,809,153
2029	19,560,000	2,428,688	12,725,000	3,240,373	37,954,060
2030	8,070,000	1,478,281	13,165,000	2,773,158	25,486,439
2031	9,420,000	1,166,188	13,560,000	2,354,419	26,500,606
2032	6,665,000	872,738	13,975,000	1,916,635	23,429,373
2033	6,900,000	638,963	11,285,000	1,471,179	20,295,141
2034	4,515,000	368,853	5,055,000	1,173,824	11,112,677
2035	4,685,000	194,022	5,260,000	964,689	11,103,711
2036	740,000	12,025	3,270,000	747,043	4,769,068
2037	-	-	3,415,000	617,985	4,032,985
2038	-	-	3,540,000	478,530	4,018,530
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	$1,134,928,500	$ 346,688,042	$ 306,640,000	$ 105,827,256	$1,894,083,799

(1) Table does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to appropriation and that are terminable upon a nonappropriation of funds described in Note 9 to the 2015 State CAFR and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II. Numbers may not add due to rounding.

(2) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government. See "DEBT STRUCTURE—Build America Bonds" in this Part II.

(3) Prior to October 1, 2015 the State treated bonds expected to be payable partially from state-wide property taxes and partially from revenues other than state-wide property taxes as not being self-supporting. Beginning on October 1, 2015 the State began treating such bonds as self-supporting with respect to that portion of the payments expected to be made from revenues that are not state-wide property taxes.

Source: State of Nevada Treasurer.

The following table reports statistical and debt ratio information for FY 2013, 2014, 2015, 2016 and 2017.

Table 4
Direct General Obligation Debt Ratios
(As of September 1, 2016 for the fiscal year ending June 30, 2017)

Fiscal Year Ended June 30	**2013**	**2014**	**2015**	**2016**	**2017**
Population	2,800,967(7)	2,843,301(7)	2,897,584(7)	2,926,703(7)	2,958,564(7)
Assessed Value (000) (1)(2)	$82,215,209	$83,667,128	$91,045,747	$99,268,505	$105,831,886
Taxable Value (000) (1)(2)	$234,900,597	$239,048,937	$260,130,706	$283,624,300	$302,376,817
Gross Direct GO Debt (000) (3) (5)	$1,921,545	$1,887,605	$1,729,010	$1,469,655	$1,441,569(6)
Gross GO Debt Relative to:					
Per Capita	$686.03	$663.88	$596.71	$502.15	$487.25
Percent of Assessed Value	2.34%	2.26%	1.90%	1.48%	1.36%
Percent of Taxable Value	0.82%	0.79%	0.66%	0.52%	0.48%
Net Direct GO Debt (000) (5)	$1,369,620(4)	$1,339,395(4)	$1,230,005(4)	$1,139,760(8)	$1,134,929(6) (8)
Net Direct GO Debt Relative to:					
Per Capita	$488.98	$471.07	$424.49	$389.43	$383.61
Percent of Assessed Value	1.67%	1.60%	1.35%	1.15%	1.07%
Percent of Taxable Value	0.58%	0.56%	0.47%	0.40%	0.38%

(1) The assessed value set forth in Table 4 corresponds to the assessed value set forth in Table 5.

(2) See "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" in this Part II for an explanation of Assessed Value and Taxable Value. The assessed valuation of the Redevelopment Agencies is not used in calculation of debt ratios because they are not subject to State taxation for retirement of general obligation bond debt except for debt approved by the voters after 1996.

(3) Gross Direct General Obligation Debt includes all State general obligation bonds, including the self-supporting bonds.

(4) Net Direct General Obligation Debt does not include the self-supporting bonds.

(5) Does not include revenue bonds and contingent liabilities and does not include lease purchase arrangements, the payments of which are subject to annual appropriation and that are terminable upon a nonappropriation of funds described in Note 9 to the 2015 State CAFR and "DEBT STRUCTURE—Lease-Backed Financings" in this Part II.

(6) Debt outstanding as of September 1, 2016.

(7) FY 2013 through FY 2015 estimates are from the Nevada State Demographer's Office. FY 2016 and FY 2017 projections are from the most recent Five Year Projections Based on the 2015 Estimates report on March 1, 2016.

(8) Prior to October 1, 2015 the State treated bonds expected to be payable partially from state-wide property taxes and partially from revenues other than state-wide property taxes as not being self-supporting. Beginning on October 1, 2015 the State began treating such bonds as self-supporting with respect to that portion of the payments expected to be made from revenues that are not state-wide property taxes.

Note: In a new year, the only table that reports the coming FY assessed value is Table 1. All other tables use the current fiscal year assessed value, and in the case of Table 4, the current year projected population. This is because the gross direct debt is as of a current fiscal year date.

Source: State of Nevada Controller's Office.

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Authorized but Unissued General Obligation Bonds

Authorizations for General Obligation Bonds That Are Not Categorized as Self-Supporting

Whether the issuance of bonds or other securities by the State is subject to voter approval is a matter of legislative determination and the terms of the enabling act. Historically, a majority of State securities have not been subject to voter approval. As of September 1, 2016, the State was authorized to issue the general obligation bonds described in the following paragraphs under this subheading that will be payable solely from property taxes.

Water System Projects

NRS 349.986 (AB 198) authorizes the issuance of general obligation securities for the purpose of providing grants to purveyors of water, subject to a limit of $125,000,000 in principal amount outstanding at any one time, of which $58,511,890 is currently outstanding. The amount currently available to be issued is $66,488,110.

Lake Tahoe Basin Project

The State Legislature, for the purpose of carrying out certain environmental improvement projects for the Lake Tahoe Basin provided for by the State, authorized in 2009 the issuance of general obligation bonds in the amount of $100,000,000, of which $5,875,000 has been issued. Approximately $1,500,000 of this authorization will be allocated to the 2016D Bonds.

Capital Improvement Projects

The 2015 State Legislature authorized in AB491 Sec. 6, $98,500,000 in general obligation bonds for capital improvement projects, of which $36,170,000 was issued in 2015. Of the remaining authorization of $62,330,000, approximately $38,000,000 will be allocated to the 2016C Bonds.

Cultural Centers and Historic Preservation Projects

NRS 383 authorizes the issuance of up to $3,000,000 in general obligation bonds annually to provide financial assistance to governmental entities and nonprofit corporations formed for educational or charitable purposes, including, without limitation, the preservation or promotion of cultural resources. Approximately $1,000,000 of this authorization will be allocated to the 2016C Bonds.

Open Space, Parks and Cultural and Natural Resource Projects

The registered voters of the State approved Question 1 (authorized by Assembly Bill 9 of the 17th Special Session) on November 5, 2002, authorizing general obligation bonds to be issued in an amount not to exceed $200,000,000 to preserve water quality; protect open space, lakes, rivers, wetlands, and wildlife habitat; and restore and improve parks, recreational areas, and historic and cultural resources ("Q1 Authorization"). The remaining portion of this authorization is $5,577,500 for the Division of State Parks, $2,236,500 for the Division of Wildlife, and $20,312,500 to provide grants for agencies, local governments or qualifying private nonprofit organizations.

Authorizations for General Obligation Bonds That Are Categorized as Self-Supporting

In addition to the authorizations described above, the State is authorized to issue general obligation bonds that are payable from property taxes but are expected to be paid from sources other than property taxes, including bonds payable from water and power sales and bonds payable from loan repayments by municipalities (referred to in herein as self-supporting bonds). The principal amount of self-supporting bonds outstanding is set forth in Table 2 under the heading "Self-Supporting Debt Outstanding." Substantial additional amounts of self-supporting bonds are expected to be issued in the future. Following are brief summaries of the major State programs that have authority to obligate the State's general obligation credit for revenue generating self-supporting programs.

Nevada Municipal Bond Bank

The State's Bond Bank Program (the "Bond Bank Program") was established to assist municipalities in undertaking local projects that foster and promote the protection and preservation of the property and natural resources of the State by making loans that might not be otherwise available to such municipalities or that might be available only at prohibitive interest rates. State general obligation securities issued for the Bond Bank Program are not subject to the Constitutional debt limit described under "DEBT STRUCTURE—Constitutional Debt Limitation" in this Part II. The Bond Bank Act provides a statutory limitation of $1.8 billion of State general obligation securities which may be outstanding at any time to finance loans to municipalities. This limit may be increased or decreased by the State Legislature. The Board of Finance must approve the issuance of State general obligation and revenue securities under the Bond Bank Act. The outstanding principal amount of State general obligation securities issued under the Bond Bank Act was $94,095,000 as of September 1, 2016. State general obligation bonds issued pursuant to the Bond Bank Act are considered by the State to be self-supporting, as described under the heading "DEBT STRUCTURE—Outstanding General Obligation Bonds" in this Part II. Nevertheless, if revenues from the Bond Bank payers described below are insufficient to pay amounts due with respect to such bonds, the State is obligated to pay any deficiency from state-wide property taxes or to borrow from the State's General Fund as described in this Part II under the heading "DEBT STRUCTURE—Security For State General Obligation Bonds."

The State Treasurer is the Administrator (the "Administrator") of the Bond Bank. Bond Bank Act loans are made by the Administrator by purchasing securities which are obligations of one of the State's "municipalities" (i.e., cities, counties, districts and certain water authorities organized as political subdivisions). A municipality must obtain whatever authorization is required by statute before it may issue municipal securities, including, in some cases, approval of its electorate, before it may issue municipal securities payable from taxes, and such securities are subject to all statutory restrictions, including local indebtedness limitations. The Bond Bank Act does not, in and of itself, authorize the issuance by municipalities of municipal securities payable from (i) general ad valorem property taxes or (ii) certain sales and use taxes and excise taxes imposed in a tax increment area in connection with a water project with an estimated cost in excess of $50 million that is approved by the State's Interim Finance Committee. Both State general obligation securities issued under the Bond Bank Act and municipal securities payable from such taxes purchased in connection with a lending project may, but need not be, additionally secured with other pledged revenues.

Under the Bond Bank Act, the State is also permitted to issue general obligation bonds to purchase revenue securities issued by a water authority for a purpose related to natural resources, subject to satisfying certain conditions.

The Bond Bank Act requires that the debt service payments on local government loans be held by the Bond Bank and investment income be deposited to the general fund of the Bond Bank and applied in the following order of priority:

(a) deposited into the consolidated bond interest and redemption fund created pursuant to NRS 349.090 in amounts necessary to pay the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act;

(b) deposited into any reserve account created for the payment of the principal of, interest on and any redemption premiums due in connection with State securities issued pursuant to the Bond Bank Act, in amounts and at times determined to be necessary;

(c) paid out for expenses of operation and maintenance; and

(d) on July 1 of each odd-numbered year, to the extent of any uncommitted balance in the fund, deposited in the State general fund.

The Bond Bank Act also authorizes the Bond Bank to issue revenue bonds to purchase revenue obligations issued by a municipality for any purpose permitted by law (subject to certain exceptions). Revenue bonds issued to acquire such revenue obligations issued by a municipality would not be general obligations of the State, and would be secured solely by repayments of local revenue obligations and certain revenues distributable by the State to the local governments. As of the date of this Official Statement, no such revenue bonds have been issued pursuant to this program.

Water Pollution Control Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain water pollution control projects and for related purposes authorized under the State revolving loan fund provisions of the federal Clean Water Act (the "Pollution Control Projects Account"). Funding for this program (the "Pollution Control Program") is provided primarily through federal capitalization of grant money made available to the State, receipt of which is conditioned on the State's providing approximately 20% matching funds. Funds in the Pollution Control Projects Account are generally used to make loans at or below market rates to municipal recipients for purposes of paying for costs of designing and constructing publicly owned treatment works. Funds loaned to municipal recipients for eligible projects are repaid into the Pollution Control Projects Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Pollution Control Projects Account are also permitted to be applied to pay certain costs of operating the Pollution Control Program.

The Director of the State Department of Conservation and Natural Resources, with the approval of the State Office of Finance, is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Pollution Control Projects Account. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the municipal borrowers. The State has considered bonds previously issued for purposes of the Pollution Control Program to be self-supporting because State bonds issued for purposes of the Pollution Control Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Pollution Control Program.

Safe Drinking Water Revolving Fund

The State has established an enterprise account to provide a source of funds to make loans or to provide other assistance for certain drinking water projects and for related purposes authorized under the State revolving loan fund provisions of the federal Safe Drinking Water Act (the "Revolving Fund Account"). Funding for this program (the "Public Water System Program") is provided in a manner similar to that of the Pollution Control Program. Funds in the Revolving Fund Account are generally used to make loans to municipal recipients at or below market rates for purposes of paying for costs of designing and constructing public water systems. Funds loaned to municipal recipients for eligible projects are repaid into the Revolving Fund Account and are re-used in the program, thus creating a source of funds to make payments on State bonds and a perpetual source of funding for projects. Amounts in the Revolving Fund Account are also permitted to be applied to pay certain costs of operating the Public Water System Program.

The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources is permitted to authorize the State Treasurer to issue general obligation bonds of the State to support the purposes of the Revolving Fund Account or to provide money from the State to match federal grants as required by the federal Safe Drinking Water Act. Such bonds are not subject to the constitutional limitation as to amount imposed on general obligation bonds. The loans made from the proceeds of bonds are secured by debt instruments of the borrowers. The State has considered bonds previously issued for purposes of the Public Water System Program to be self-supporting because State bonds issued for purposes of the Public Water System Program are secured by loan payments made by municipal loan recipients. There is no statutory cap on the principal amount of general obligation bonds that may be issued for the Public Water System Program.

Marlette Lake Water System

The State has established the Marlette Lake Water System, made up of water rights, easements, pipelines and related items acquired by the State and used in connection with the collection, transmission and storage of water in Carson City, Washoe County and Storey County. The Marlette Lake Water System was created to provide adequate supplies of water to the areas served, to maintain the system to assure dependable supplies of water, and to sell water under equitable and sound arrangements.

The Director of the Office of Finance may request the State Board of Finance to issue general obligation bonds of the State or revenue bonds in an aggregate principal amount not to exceed $25,000,000 to finance the capital costs of improving and modernizing the Marlette Lake Water System. The aggregate amount of bonds currently available to be issued is $15,335,000.

Nevada System of Higher Education

The 2013 State Legislature authorized in Chapters 514 and 507 the issuance of $85,000,000 of general obligation bonds to finance capital improvements at the University of Nevada, Las Vegas and University of Nevada, Reno campuses. The State imposes a $250 annual excise tax on each slot machine operated in the State. In each year 20% of the receipts of this excise tax are to be deposited in a Special Capital Construction Fund for Higher Education (after depositing the first $5,000,000 of receipts of this excise tax in a Capital Construction Fund for Higher Education). Amounts in the Special Capital Construction Fund for Higher Education are appropriated on July 31 of each year in the amount necessary (if available) to pay the principal of and interest due in that fiscal year on bonds issued pursuant to Chapters 514 and 507. The amount currently available to be issued is $6,665,000.

Colorado River Commission

The 2013 State Legislature authorized in SB 438 (Chapter 246) the issuance by the Colorado River Commission of up to $35,000,000 of bonds for the purpose of prepaying the cost of electrical capacity and energy generated by Hoover Dam, or for the purpose of paying, financing or refinancing a portion of the capital costs which contribute to the ongoing costs of electrical capacity and energy generated from Hoover Dam. The obligations may be either general obligations payable from taxes and additionally secured with pledged revenue, special obligations payable from pledged revenue, or any combination of the foregoing. The amount currently available to be issued is $5,525,000.

Capital Improvement Projects

The 2015 State Legislature authorized in AB491 Sec. 8, $22,950,650 in general obligation bonds for a DMV capital improvement project, of which $20,790,000 was issued in 2015. There is no intent to issue the remaining $2,160,650.

Economic Development Projects

During the 29th (2015) Special Session of the State Legislature, the State authorized under Senate Bill No. 1 general obligation bonds for eligible infrastructure projects, including drainage, electrical, rail, sanitary sewer, transportation, fire protection, wastewater and water projects. A local government may submit an economic development financing proposal for qualified projects to the Office of Economic Development for approval for financing under this program. On or after July 1, 2017, the State Legislature or the Interim Finance Committee must also approve the proposal. Up to $175,000,000 in bonds may be issued for each approved proposal, and the total amount of the bonds outstanding for all the projects must not exceed $200,000,000. The local government must create tax increment areas or special districts and pledge the revenue from such districts or areas for the repayment of the bonds.

Lease-Backed Financings

The Nevada Real Property Corporation is a public not-for-profit corporation that issued certificates of participation in 2004 to finance a State office building project (the "2004 Capitol Complex Building 1 Certificates"), an additional series of certificates of participation in 2004 to finance a State correctional facility (the "2004 Casa Grande Certificates") and another series of certificates of participation in 2006 to finance a State printing office building (the "2006 LCB Certificates"). In 2013, the 2013 Capitol Complex Building 1 Refunding Certificates and the 2013 Casa Grande Refunding Certificates were issued to refund the entire outstanding balance of the 2004

Capitol Complex Building 1 Certificates and the 2004 Casa Grande Certificates, and another series was issued to finance a new project for the benefit of Nevada State College (the "2013 NSC Certificates"). In 2016, the 2016 LCB Refunding Certificates were issued to refund the entire outstanding balance of the 2006 LCB Certificates. As of September 1, 2016, the 2013 Capitol Complex Building 1 Refunding Certificates are outstanding in the aggregate principal amount of $16,345,000, the 2013 Casa Grande Refunding Certificates are outstanding in the aggregate principal amount of $15,890,000, the 2013 NSC Certificates are outstanding in the aggregate principal amount of $50,445,000 and the 2016 LCB Refunding Certificates are outstanding in the aggregate principal amount of $3,730,000.

The facilities so financed (or refinanced) are being leased to the State at rents calculated to be sufficient to pay the certificates of participation. The certificates of participation (and the underlying lease purchase arrangements with the State) are not general obligations of the State and are not backed by the full faith and credit or the taxing power of the State. The State's obligations to pay base rent and make other payments under the lease purchase arrangements are subject to appropriation by the State.

Security for State General Obligation Bonds

General obligation bonds of the State are direct general obligations of the State to which the full faith and credit of the State are pledged. General obligation bonds are payable as to principal and interest from general (ad valorem) taxes levied against all taxable property within the State (except to the extent any other revenues are made available therefor), subject to Nevada constitutional and statutory limitations on the aggregate amount of such taxes. See "DEBT STRUCTURE—Constitutional Debt Limitation" and "PROPERTY TAXATION—Property Tax Limitations" in this Part II. The tax is required to be levied annually as necessary until all of the State's general obligation bonds and the interest thereon are discharged and will be levied and collected in the same manner and at the same time as other property taxes are levied and collected. All such taxes levied by the State are required to be deposited in the Consolidated Bond Interest and Redemption Fund in the State Treasury.

State law provides for payment of principal and interest on general obligation bonds from the taxes on deposit in the Consolidated Bond Interest and Redemption Fund in the State Treasury. The State is also permitted by law to apply any other funds that may be available for that purpose to make payments on general obligation bonds. State law further provides that if property tax revenues to the State are not sufficient to pay general obligation bond debt service, and if the State has not applied other available funds to such purpose, the Consolidated Bond Interest and Redemption Fund will borrow money from the General Fund to pay general obligation bond debt service, to be repaid from future available property taxes. State law includes a permanent appropriation of the taxes levied to repay general obligation bonds for the payment of such principal and interest.

Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. The combined overlapping tax rate is further limited by statute to $3.64 per $100 of assessed valuation. The State's current levy for general obligation debt is $0.17 per $100 of assessed valuation. A portion of this levy, $0.0155 per $100 of assessed valuation, must be used exclusively for bonds issued for purposes described under the heading "DEBT STRUCTURE—Authorized But Unissued General Obligation Bonds—Authorizations for General Obligation Bonds that are Not Categorized as Self-Supporting—Open Space, Parks and Cultural and Natural Resource Projects." The State Legislature has exempted $0.02 per $100 of the $0.17 per $100 levied by the State for general obligation bonded indebtedness from this statutory limitation. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in Part II of this Official Statement. The State has the ability to raise its levy for the general obligation bonds within the constraints of the State's constitutional cap by legislative action. See "PROPERTY TAXATION—Property Tax Limitations" in Part II of this Official Statement.

State law provides that the faith of the State be pledged, and that any law concerning State general obligation bonds, or other municipal securities, taxes or pledged revenues, shall not be repealed, amended or modified in such a manner as to impair adversely any outstanding municipal securities, including bonds, until all such securities have been discharged in full or provision for their payment and redemption has been fully made. State law authorizes holders of general obligation bonds of the State to bring actions, at law or in equity, against the

State, the Board of Finance, or other employees or agents of the State, to compel any action required by State law or in any covenant with bondholders, or to take certain other enumerated actions.

The State does not generally levy state-wide property taxes to pay general obligation bonds that are self-supporting bonds. Self-supporting bonds includes (i) wholly self-supporting bonds, which are general obligation bonds that are expected to be paid in whole from revenues other than the state-wide property tax and (ii) with respect to partially self-supporting bonds, which are general obligation bonds only a portion of which is expected to be paid from revenues other than the state-wide property tax, just the portion of such bonds expected to be paid from such other revenues.

These self-supporting bonds are identified in Table 2 of this Part II. Wholly self-supporting bonds are identified with a single asterisk and partially self-supporting bonds are identified with a double asterisk. The aggregate principal amount of self-supporting bonds outstanding is identified in Table 2 under the heading "Self-Supporting Debt Outstanding." Self-supporting bonds are expected to be paid from the revenues generated by the applicable program for which the bonds are issued. In the event revenues from such programs are insufficient to pay such bonds, the bonds have the same claim to state-wide property tax receipts and the State's General Fund as other general obligation bonds of the State. If ad valorem tax receipts are insufficient to make payments on all bonds as a result of a failure of self-supporting bonds to generate sufficient revenues, the State will borrow the shortfall from the General Fund as described above. The availability of borrowing from the General Fund to make payments on general obligation bonds provides time for the State Legislature to legislatively adjust the ad valorem property tax rates if needed. If an increase in the State's ad valorem property tax rate results in overlapping taxes exceeding the current statutory maximum of $3.64 per $100 of assessed valuation (which maximum can also be legislatively adjusted upward subject to the constitutional limit of $5.00 per $100 of assessed valuation), the taxes levied are given a priority for payment of general obligation bonds, and revenue shortfalls resulting from the application of the overlapping property tax cap are allocated to other purposes. See "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Build America Bonds

Certain general obligation bonds of the State (Series 2009A) in the principal amount of $68,000,000 have been designated as "Build America Bonds" ("BABs"). As part of the BAB program, the State currently expects to receive cash interest subsidy payments from the United States Treasury of approximately $1.23 million annually. Receipt of such subsidy is subject to the limits imposed by federal sequestration.

PROPERTY TAXATION

Property Tax Base and Tax Roll Collection

County assessors are responsible for assessments of all properties in the counties except for property centrally assessed by the State and except for exempted property. In 1981, the State Legislature determined that a just valuation of real property should no longer be based strictly on the full cash value of the total property. Instead, the value of real property was bifurcated into two components: full cash value of the land and replacement cost new less depreciation of the improvements, with the rate of depreciation set by statute. The resulting "taxable value" must not exceed the full cash value of the entire property (NRS 361.227). Full cash value is defined as "the most probable price which property would bring in a competitive and open market under all conditions requisite for a fair sale" (NRS 361.025).

Replacement cost new less depreciation for real property improvements is determined by reference to a national costing service or similar sources for replacement cost. Depreciation is then subtracted from the replacement cost at a set rate of 1.5% of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years. Depreciation of improvements is therefore no greater than 75% for improvements 50 years old or older (NRS 361.227(1)(b)). Assessors then add the full cash value of land to the replacement cost new less depreciation of improvements to derive a total taxable value. The full cash value of the land is determined by applying the sales comparison approach, if there are sufficient sales, or alternative methods if there are insufficient sales (Nevada Administrative Code ("NAC") 361.118; 361.119). In communities where little growth in land value is experienced, the total assessed value may go down as a result of the statutory rate of depreciation.

Replacement cost new less depreciation for personal property is based on the taxpayer's reported acquisition cost less depreciation. Depreciation is determined using tables published by the Department of Taxation and approved by the Nevada Tax Commission. Depreciation rates vary depending on the life of the asset, but in general a declining balance method of depreciation is applied with a 5% residual (NAC 361.1351; NAC 361.1375).

If the taxable value so derived exceeds the full cash value of the property as a whole, then Nevada law requires the appraiser to measure the additional obsolescence and reduce the taxable value downward (NRS 361.227(5)). The appraiser may use the comparative sales approach, the income approach, and the cost summation approach to measure the amount of obsolescence present.

Assessors apply the sales comparison approach using mass appraisal techniques to establish the land values for various classifications of property, such as residential, commercial, or industrial properties. Land values also vary by location and other market conditions. For instance, foreclosure sales can affect the values established by county assessors if they become a large proportion of the overall number of sales of comparable properties causing downward pressure on sales prices of similarly situated properties.

In Nevada, NRS 361.225 requires that all property subject to taxation be assessed at 35% of its taxable value. Restating the formula expressed in NRS 361.225: ***Taxable Value x Level of Assessment = Assessed Value***. For example, if the taxable value of a single family residence is $200,000, the assessed value is $70,000 ($200,000 x 0.35 = $70,000).

Property owned by the federal government is exempt from State taxation. In addition, the State Legislature has provided for the exemption of certain types of properties. For instance, property owned by the State and its political subdivisions, or certain enumerated religious, charitable and educational organizations, is exempt. The total land area of the State that is exempted from property tax is approximately 86.6%. In addition, certain household goods and furniture, business inventories, personal property in transit, property used for the control of air or water pollution, and unpatented mining claims, are exempt, among others.

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The following table provides a record of the change in assessed valuation by county within the State during FY 2013-2017. The total assessed valuation decrease between 2012 and 2013 was due to a variety of factors, including the real estate market, unemployment and foreclosures. As shown in Table 5, assessed valuations have continued to increase since FY 2014.

Table 5[1]
County Assessed Valuations
(35% of Taxable Value)

	Fiscal Year Ended June 30 Tax Rolls				
County	**2013**	**2014**	**2015**	**2016**	**2017[2]**
Carson City	$ 1,381,815,028	$ 1,238,756,058	$ 1,286,890,682	$ 1,373,408,853	$ 1,445,154,773
Churchill	694,365,680	695,624,777	701,513,275	734,347,493	801,051,091
Clark	54,195,268,097	55,220,637,749	62,904,942,089	69,266,468,466	74,597,622,262
Douglas	2,613,102,579	2,521,699,000	2,659,900,426	2,727,497,704	2,850,564,551
Elko	1,596,589,154	1,782,835,692	1,838,648,027	1,901,937,199	2,007,908,293
Esmeralda	61,798,225	73,996,871	80,030,559	68,967,729	80,831,115
Eureka	2,054,370,464	1,956,639,844	1,226,192,011	1,530,900,503	1,260,990,662
Humboldt	1,231,023,393	1,652,147,864	1,341,476,202	1,443,913,248	1,326,684,368
Lander	2,070,537,784	2,047,646,486	1,202,751,794	1,168,524,947	1,068,973,861
Lincoln	222,351,109	270,623,516	350,079,071	340,585,201	305,687,430
Lyon	1,220,795,178	1,193,638,395	1,421,732,302	1,524,874,295	1,566,054,910
Mineral	133,075,555	126,707,077	139,502,311	166,510,772	173,319,613
Nye	1,248,873,074	1,311,933,924	1,344,708,603	1,471,597,293	1,632,742,448
Pershing	236,436,666	325,501,979	283,724,599	253,552,819	301,128,604
Storey	516,836,997	497,587,121	517,931,276	510,697,664	558,248,599
Washoe	12,290,109,448	12,317,952,550	13,286,283,600	14,342,710,925	15,432,327,199
White Pine	447,860,920	433,198,938	459,439,835	442,009,737	422,596,545
TOTAL	$82,215,209,351	$83,667,127,841	$91,045,746,662	$99,268,504,848	105,831,886,324
Percent Change	-4.66%	1.77%	8.82%	9.03%	6.61%

(1) Includes net proceeds of minerals but excludes state-wide redevelopment agency fiscal year assessed valuation used for taxation purposes in the amounts of: 2013 - $1,360,419,727; 2014 - $1,391,049,246; 2015 - $1,681,744,227; 2016 - $2,146,144,306 and 2017 - $2,499,678,505.

(2) Assessed valuation certified June 27, 2016 and reported by the State Department of Taxation.

Source: Property Tax Rates for Nevada Local Governments – State of Nevada – Department of Taxation.

County treasurers are responsible for the collection of property taxes and for the distribution of collections to the overlapping taxing entities within the county, including the State. Counties distribute property taxes when collected. The bulk of the property taxes are collected and distributed on a quarterly basis. Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in four installments, in which case the taxes can be paid in approximately equal installments on or before the third Monday in August and the first Mondays in October, January and March. Penalties are assessed if any taxes are not paid within 10 days after the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event the taxes remain delinquent as of the first Monday in June, the county treasurer is authorized to hold the property in trust for the benefit of the State and the county for two years, subject to redemption upon payment of taxes, penalties, interest and costs. If delinquent taxes are not paid within the two-year redemption period, the county treasurer obtains a deed to the property. Upon receipt of a deed, the county treasurer may sell the property after giving notice of sale. Upon order of the board of county commissioners, the property cannot be sold for a total amount less than the amount of the taxes, costs, penalties and interest legally chargeable against the property. As an alternative remedy with respect to certain delinquencies over $1,000, the county's district attorney may, and shall when directed by the board of county commissioners, commence a judicial foreclosure action against the delinquent taxpayer before the expiration of the two-year redemption period.

The assessed valuations of the ten largest owners of taxable property in the State for FY 2016 are listed in the following table. However, the percentages listed below may not correlate to the actual amount of property tax paid by these entities due to abatement and other factors.

Table 6
Ten Largest Taxable Property Owners
(FY 2016)

	Taxpayer	Type of Business	Assessed Valuation[1] (35% of Taxable Value)	Percent of Total State Assessed Valuation[2]
1.	MGM Resorts International	Hotel/Casino	$ 3,463,940,674	3.42 %
2.	NV Energy	Utility	2,425,552,100	2.39
3.	Caesar's Entertainment Corp.[3]	Hotel/Casino	1,884,346,874	1.86
4.	Las Vegas Sands Corporation	Hotel/Casino	988,434,935	0.97
5.	Wynn Resorts Limited	Hotel/Casino	863,528,905	0.85
6.	Barrick Gold Corporation	Mining	781,128,570	0.77
7.	Newmont Mining Corporation	Mining	653,581,605	0.64
8.	Stations Casino Incorporated	Hotel/Casino	577,441,319	0.57
9.	Ruby Pipeline LLC	Utility	466,036,202	0.46
10.	Nevada Property 1 LLC	Hotel/Casino	417,970,291	0.41
		Total	**$12,521,961,475**	**12.35 %**

(1) Assessed value is based on information from all Counties and the State Department of Taxation as of December 15, 2015, for the 2015-2016 secured roll plus the 2014-2015 unsecured roll for all properties.

(2) Based on assessed valuations for the State of $101,414,649,154 (includes state-wide redevelopment agencies) as reported by the State Department of Taxation on June 25, 2015, Property Tax Rates for Nevada Local Governments, 2015-2016 (Redbook).

(3) Caesars Entertainment Corporation ("CEC") owns, directly or indirectly, numerous properties in Clark County, including but not limited to Caesars Palace Hotel and Casino, Bally's Hotel and Casino, the Forum Shops, the Cromwell Hotel, the Flamingo Hotel and Casino, Harrah's Hotel and Casino, Nobu Hotel, Paris Hotel and Casino, Planet Hollywood Hotel and Casino, The Linq Hotel and the Rio Hotel and Casino. The assessed value figure provided in this table represents the combined assessed value of all property owned directly or indirectly by CEC. On January 15, 2015, a bankruptcy petition (the "CEOC Petition") was filed in the U.S. Bankruptcy Court for the Northern District of Illinois by Caesars Entertainment Operating Company, Inc. ("CEOC"). The CEOC Petition states that on the same day, bankruptcy petitions were filed by approximately 172 other entities which are believed to be related to CEOC. The CEOC Petition states that CEC is the owner of 89.3% of CEOC; however, CEC is not one of the debtors named in the CEOC Petition and the other bankruptcy petitions. Properties located within the State that are currently listed as being included in the CEOC filing include Caesar's Palace Las Vegas, Harveys Lake Tahoe, Harrah's lake Tahoe and Harrah's Reno. It is also unclear at this time whether, or by how much, the filing of the CEOC Petition and the other bankruptcy petitions will impact the payment of property taxes by CEC or entities directly or indirectly related to it.

Source: State of Nevada – Department of Taxation; CEOC Petition and proceedings (for footnote 3).

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Clark County and Washoe County account for a significant majority of the State's real property tax collections. The following tables illustrate the ad valorem tax collection records for the two counties. While foreclosure activity is still high throughout the State, substantially all of the property taxes continue to be collected as levied.

Table 7[1]
Tax Levies, Collections and Delinquencies
Clark County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[2]	Current Tax Collections[3]	Percent of Levy Collected[4]	Delinquent Tax Collections[5]	Total Tax Collections	Total Taxes Collected as % of Current Levy[6]
2011	$1,769,849,820	$1,736,385,757	98.11%	$33,060,243	$1,769,443,682	99.98%
2012	1,600,697,212	1,576,935,410	98.52	23,344,012	1,600,279,421	99.97
2013	1,460,253,059	1,446,106,236	99.03	13,626,271	1,459,732,507	99.96
2014	1,467,853,714	1,453,556,514	99.03	13,378,073	1,466,934,587	99.94
2015	1,515,765,901	1,506,108,484	99.36	7,224,733	1,513,333,216	99.84
2016	1,582,505,358	1,572,448,659	99.36	928,513	1,573,377,172	99.42
2017[7]	1,632,611,639	34,970,999	2.14	--	34,970,999	2.14

(1) Represents the real property tax roll levies and collections as of July 31, 2016.
(2) The adjusted county tax levied for the fiscal year.
(3) The taxes collected within the fiscal year of the levy.
(4) The percentage of taxes collected within the fiscal year of the levy (calculated on the net secured roll tax levy).
(5) Tax collections in subsequent years.
(6) The percentage of total taxes collected as of July 31, 2016 (calculated on the net secured roll tax levy).
(7) Collections still in progress.

Source: Clark County Treasurer's Office.

Table 8[1]
Tax Levies, Collections and Delinquencies
Washoe County, Nevada

Fiscal Year Ending June 30	Net Secured Roll Tax Levy[2]	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Taxes Collected as % of Current Levy[3]
2011	$459,902,246	$452,301,503	98.35%	$ 8,747,048	$461,048,551	100.25%
2012	424,893,854	416,848,553	98.11	(4,822,330)[4]	412,026,224	96.97
2013	410,445,682	405,976,784	98.91	(6,474,893)[4]	399,501,891	97.33
2014	411,287,837	407,469,285	99.07	5,571,288	413,040,573	100.43
2015	423,991,386	421,124,537	99.32	4,714,586	425,839,123	100.44
2016	440,248,128	438,074,171	99.51	3,260,957	441,335,128	100.25
2017[5]	451,010,874	160,834,928	35.66	769,790	161,604,718	35.83

(1) Represents the real property tax roll levies and collections as of September 10, 2016.
(2) Includes Supplemental Real Estate billed in December of that tax year. Includes adjustments to levy.
(3) Figured on collections to net levy (actual levy less stricken taxes).
(4) Negative collection is direct result of Incline Village/Crystal Bay refunding (Court Ordered). Court ordered refunds were completed in June 2013.
(5) Collections still in progress.

Source: Washoe County Treasurer's Office.

Property Tax Limitations

Tax Relief Legislation in 2005. As of 2005, substantial increases in property values, particularly in southern Nevada, resulted in substantial increases in assessed valuation in the State (see "PROPERTY TAXATION—Property Tax Base and Tax Roll Collection" above). These increases were projected to result in substantial increases in property taxes for property owners in 2005 and subsequent years. Legislation was enacted in 2005 that caps year-to-year property tax increases by abating taxes which exceed 3% for the primary residence of homeowners. The abatement "cap" for property other than the primary residence of homeowners and certain residential rental property varies by county and is the lesser of (a) 8%; or (b) the greater of (i) the ten-year average annual percentage change of assessed values per county ending in the fiscal year the levy is made, or (ii) twice the percentage of increase in the federal Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the preceding calendar year. This abatement cap formula may also be used in lieu of the 3-percent cap for primary residences if it yields a greater reduction in the property taxes of the homeowner. These limitations applied beginning July 1, 2005 and thus affected property taxes due in July 2005 and thereafter. This legislation also provides for the recapture of previously abated property in certain limited situations.

The State levies state-wide property taxes to repay its general obligation bonds (other than self-supporting bonds) as described under "PROPERTY TAXATION—State Tax Rates for Repayment of General Obligation Bonds" in this Part II, and the caps on increases in property tax revenues could limit the State's issuance of additional general obligation bonds in the future under certain circumstances. The State does not expect the 2005 changes to adversely affect the State's ability to continue to pay all of its outstanding general obligation bonds and other obligations as and when due.

During the mid-2000's there was a significant period of growth in property values throughout the State of Nevada. The property tax limits summarized above capped property tax revenues below what they otherwise would have been. Property values in the State declined during the five year period ending with Fiscal Year 2013. Therefore, during the decline, the decrease in property tax revenues did not reflect the full rate of property value decline due to the accumulated abatement. This effect has insulated the State's property tax collections somewhat from the general assessed value declines it has experienced. In most jurisdictions within the State, most of the available abatement had been extinguished by the 2012-2013 tax year. However now that property values in many areas in the State are increasing, the effect of the abatement caps in many cases is to limit increases in property tax revenues that would otherwise occur. In general, under the abatement caps, an increase in the assessed value of real property that is a result of market conditions (rather than new construction on the property) does not typically result in a proportionate increase in property tax receipts from that parcel.

Overlapping Property Tax Caps. Article 10, Section 2, of the Constitution of the State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental entities within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5.00 per $100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation in all counties of the State with certain statutory exceptions that (a) permit a combined overlapping tax rate of up to $5.00 per $100 of assessed valuation in certain circumstances, including severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, and (b) permit $0.02 of the state-wide property tax rate per $100 of assessed valuation to repay certain general obligation bonds not to be counted against the $3.64 cap. State law provides a priority for taxes levied for the payment of general obligation bonded indebtedness, in that in any year in which the proposed tax rate to be levied by overlapping entities within a county exceeds any rate limitation, a reduction must be made by those entities for purposes other than the payment of general obligation bonded indebtedness (including interest). There are a number of express statutory exceptions to the overlapping tax rate limitations summarized in this paragraph. The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory limit. See Table 11 in this Part II.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness. This rate is generally limited as follows: the assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This formula operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property. A local government may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of the Department of Taxation will add to the allowed revenue from ad valorem taxes the amount approved by the State Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. If revenue available from the supplemental city-county relief tax to the county as determined by the Executive Director of the Department of Taxation is less than the amount of money that would be generated by applying a tax rate of $1.15 per $100 of assessed valuation to the assessed valuation of the county, except any assessed valuation attributable to the net proceeds of minerals, the governing body of each local government may levy an additional tax ad valorem for operating purposes. This calculation is known as the supplemental city-county relief tax make up rate and is further explained in NRS 354.59813.

Additional Local Government Property Tax Not Subject to Local Government Property Tax Revenue Limitation. In addition to the property taxes described above under the heading “PROPERTY TAXATION,” counties may levy an ad valorem tax on all taxable property at a maximum rate of $0.05 per $100 of assessed valuation of the county. The proceeds of the tax are to be distributed between the county and the cities and towns within the county based on a specific formula, except as described in the following paragraph.

For counties with a population of 100,000 or more (currently Clark County and Washoe County only), and in accordance with AB 595 (74th (2007) Session), the proceeds are further allocated as follows:

Fiscal Year	Portion Retained by County, Cities and Towns	Portions Deposited by State Highway Fund for Projects Within the County
2009-2010	76%(1)(2)	24%
2010-2011	64%(1)(2)	36%
2011-2012	52%	48%
2012-2013 and thereafter	40%	60%

(1) Pursuant to AB 543 (75th (2009) Session), these proceeds went to the State Treasurer for deposit in the State’s General Fund.
(2) The redirection of proceeds for FY 2010 and FY 2011 was the subject of claims by Clark and Washoe Counties. Clark and Washoe Counties have entered into settlements with the State.

An additional tax levy (outside the annual rate increase limitation) of up to $0.05 per $100 of assessed valuation is permitted for counties to cover the expenses of maintaining a county museum, art center or historical society. This levy is allowed under NRS 244.377.

School District Property Taxes. School districts levy $0.75 per $100 of assessed valuation for operating purposes. They are allowed an additional levy for voter approved general obligation bonds and capital project tax levies.

Proposed Constitutional Amendment. There is currently a proposal to amend the Nevada Constitution to limit the amount of certain property taxes which may be cumulatively levied per year on real property to 1.25% of the base value of the property. This limit does not apply to taxes ad valorem levied to pay the interest and principal of any bonded indebtedness or to pay any obligation under a contract made in connection with such bonded indebtedness. The base value is the property’s taxable value from which the assessed value for the Fiscal Year 2017-2018 was calculated. The proposal further sets forth certain further limitations and adjustments to base value, including: (i) an improvement to real property increases the base value by the cash value of the improvement, subject to certain exceptions and (ii) the base value cannot increase or decrease from year to year by more than 3%, subject to certain exceptions.

The Nevada Constitution provides that any amendment to the Constitution may be proposed in the Senate or Assembly, and if the proposed amendment is agreed to by a majority of the members of each of both houses, the proposed amendment must be referred to the then Legislature next to be chosen. If the proposed amendment is approved by a majority of the members of the legislature next chosen, the proposal must be submitted for a popular vote. If approved by such popular vote, the proposed amendment will become a part of the Constitution. The proposed amendment summarized above was initially approved during the 2015 Regular Session of the State Legislature, but still must receive the second approval prior to being submitted to a popular vote. It the proposed amendment becomes a part of the Constitution, it will provide a limit to the amount of property taxes that may be levied in any year. While this amendment would set a cap on legislatively enacted increases in property tax levies, it would not preclude further legislatively enacted limitations.

State Tax Rates for Repayment of General Obligation Bonds

The State levies a state-wide property tax on all taxable property to repay its outstanding general obligation bonds, other than self-supporting bonds, and the State's property tax rate is not calculated to cover debt service on these bonds. Table 3 identifies, among other things, the State's general obligation bonds that are not characterized as self-supporting and that currently are being repaid with state-wide property taxes. See Table 9 below for a schedule of principal and interest payment requirements for such bonds. This table presents information as of September 1, 2016 and does not reflect the planned issuance of the 2016C Bonds or the 2016D Bonds described in this Official Statement or the refunding of certain bonds with a portion of the proceeds thereof. See "DESCRIPTION OF THE BONDS—Plan of Refunding" in Part I of this Official Statement for a description of the bonds listed in Table 2 that will be refunded in whole or in part by the above mentioned bonds. All state-wide property taxes collected by the State for the purpose of repayment of the State's general obligation bonds are deposited in the Consolidated Bond Interest and Redemption Fund. See Table 10 for the amount of the current tax levied by the State for general obligation debt and for the amounts of state-wide property taxes deposited (or for FY 2016 through 2017, estimated to be deposited) in the Consolidated Bond Interest and Redemption Fund for FY 2010-2017.

Table 9
State Debt Service On Outstanding Bonds Paid With State-Wide Property Tax[(1)]
(As of September 1, 2016)

Fiscal Year	Principal	Interest[(2)]	Total Debt Service
2017	$86,046,500	$47,622,421	$133,668,921
2018	95,222,000	50,341,328	145,563,328
2019	93,823,000	46,110,422	139,933,422
2020	100,996,000	41,818,054	142,814,054
2021	106,048,000	36,583,930	142,631,930
2022	104,413,000	31,274,854	135,687,854
2023	97,839,000	26,013,281	123,852,281
2024	88,219,000	21,057,763	109,276,763
2025	91,652,000	16,582,677	108,234,677
2026	93,047,000	11,660,367	104,707,367
2027	93,770,000	6,950,227	100,720,227
2028	23,298,000	3,512,962	26,810,962
2029	19,560,000	2,428,688	21,988,688
2030	8,070,000	1,478,281	9,548,281
2031	9,420,000	1,166,188	10,586,188
2032	6,665,000	872,738	7,537,738
2033	6,900,000	638,963	7,538,963
2034	4,515,000	368,853	4,883,853
2035	4,685,000	194,022	4,879,022
2036	740,000	12,025	752,025
Total	$1,134,928,500	$346,688,042	$1,481,616,542

(1) This table excludes debt service on self-supporting bonds. Prior to October 1, 2015 the State treated bonds expected to be payable partially from state-wide property taxes and partially from revenues other than state-wide property taxes as not being self-supporting. Beginning on October 1, 2015 the State began treating such bonds as self-supporting with respect to that portion of the payments expected to be made from revenues that are not state-wide property taxes.

(2) These interest payments include the full interest payments due on the State's general obligation bonds that have been issued as Build America Bonds, including interest that is expected to be reimbursed from the federal government.

Source: State of Nevada Treasurer.

Table 10 illustrates the property tax rates levied by the State and the state-wide property tax revenues collected or estimated to be collected from such levy since 2010 to repay general obligation bonds that are not expected to be paid from other sources.

Table 10
Property Tax Rates Levied and Property Tax Revenues Collected to Repay General Obligation Bonds

Fiscal Year	Tax Rate Per $100 of Assessed Valuation	Property Tax Revenues[1]
2010	$0.17	$186,714,279
2011	0.17	158,172,271
2012	0.17	146,097,340
2013	0.17	138,178,568
2014	0.17	134,627,753
2015	0.17	139,599,461
2016	0.17	144,911,842[2]
2017[4]	0.17	142,307,299[3]

(1) Represents the amount of property taxes deposited to the Consolidated Bond Interest and Redemption Fund.
(2) Projected Total FY2016 Revenue.
(3) Estimated in the preparation of the State's 2015-2017 biennium budget.
(4) The advanced payment provision of the net proceeds of minerals tax sunsetted on June 30, 2016 as part of the S.B. 483 passed by the 2015 Legislature. As a result of this sunsetting, there is a $0 collection from Net Proceeds of Minerals Tax in FY 2017.

Source: Property Tax Rates for Nevada Local Governments, State of Nevada Department of Taxation and the State of Nevada Treasurer's Office.

The State's current debt management policy has as an objective to have a reserve within the Consolidated 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 payments on its general obligation bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues) after deducting amounts within the fund that are set aside for purposes other than payment of debt service. The projected balances are based on assumptions regarding annual property tax collections, annual debt service payments and other adjustments as warranted. Estimated for June 30, 2016 (FY2016 ending balance), the reserve amount in the Consolidated Bond Interest and Redemption Fund was $122,989,544, which amount is equal to approximately 86% of the debt service payments that are scheduled to be made on all general obligation bonds (and portions thereof) that are payable from property taxes during FY 2017. The estimated balance in the Consolidated Bond Interest and Redemption Fund as of such date was $124,075,196.

Although the State manages its general obligation debt to ensure that the State can pay its debt service within the existing property tax rate of $0.17/$100 assessed value, the State is able to increase the $0.17 rate within the constitutional limitation on the combined overlapping tax rate of $5.00 per $100 of assessed valuation through action by the State Legislature. While the statutory maximum on the combined overlapping tax rate of $3.64 per $100 of assessed valuation may be exceeded in certain jurisdictions with any increase, the State Legislature has the ability to enact a tax that exceeds that statutory maximum but is limited to the constitutional maximum of $5.00 per $100 of assessed valuation. See Table 11 and "PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps" in this Part II.

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The overlapping tax rate in all jurisdictions within the State is currently at or below the currently permitted statutory maximum. The following table shows five years of overlapping tax rates in the City of Las Vegas and the City of Reno, as well as the average state-wide rate. The overlapping rates for incorporated and unincorporated areas within the State vary, depending on the rates imposed by applicable taxing jurisdictions.

Table 11(1)
Overlapping Tax Rates: State-Wide Average, Las Vegas and Reno

Fiscal Year Ended June 30	2013	2014	2015	2016	2017
AVERAGE STATE-WIDE RATE	$3.1304	$3.1212	$3.1232	$3.1360	$3.1500
CITY OF LAS VEGAS					
Clark County	$0.6541	$0.6541	$0.6541	$0.6541	$0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Clark County Library District	0.0942	0.0942	0.0942	0.0942	0.0942
Las Vegas Metro Police	0.2850	0.2850	0.2850	0.2850	0.2850
State of Nevada(2)	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.2782	$3.2782	$3.2782	$3.2782	$3.2782
CITY OF RENO					
City of Reno	$0.9456	$0.9598	$0.9598	$0.9598	$0.9598
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
State of Nevada(2)	0.1700	0.1700	0.1700	0.1700	0.1700
TOTAL	$3.6458	$3.6600	$3.6600	$3.6600	$3.6600

(1) Per $100 of assessed valuation.
(2) $0.02 of the State rate is exempt from the $3.64 statutory cap. See "PROPERTY TAXATION—Property Tax Limitations—Overlapping Property Tax Caps" above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation.

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FINANCIAL INFORMATION

Financial Statements

The State Controller prepares a comprehensive annual financial report setting forth the financial condition of the State as of June 30 of each fiscal year. Appendix A to this Part II consists of the comprehensive annual financial report for FY 2015 (the "2015 State CAFR"). Appendix B to this Part II consists of a history of State General Fund Revenues, Expenditures and Changes in Fund Balance for FY 2011, 2012, 2013, 2014 and 2015 which is derived from the comprehensive annual financial reports for FY 2011-2015. The comprehensive annual financial report for FY 2016 is expected to be completed in December 2016.

Budget Procedure

The State is constitutionally required to maintain a balanced budget. The Nevada Constitution also requires an affirmative vote of not less than two-thirds of the members of both houses of the State Legislature to pass a measure which (a) creates, generates or increases any public revenue in any form, including, but not limited to, taxes, fees, assessments and rates, or (b) makes changes in the computation bases for taxes, fees, assessments and rates.

On or before July 1 of each even-numbered year, the Governor must impanel an economic forum (the "Economic Forum") comprising three members appointed by the Governor, one member nominated by the majority leader of the Senate, and one member nominated by the speaker of the Assembly. The Economic Forum updates projections for State revenue collections (for unrestricted uses) for the final year of the biennium in which it is impaneled and establishes revenue forecasts for the next biennium. State law requires the written report of the Economic Forum's forecasts of future State General Fund revenue to be made on or before December 3 of each even-numbered year and May 1 of each odd-numbered year. State law also requires the Economic Forum to hold additional meetings, on or before June 10 of each even-numbered year and December 10 of each odd-numbered year. At each of these meetings, the Economic Forum receives an update on the status of actual State General Fund revenue collections compared to the Economic Forum's most recent forecast. The Economic Forum also considers information on current economic indicators, such as employment, unemployment, personal income and any other indicators deemed appropriate by the Economic Forum. The Chair of the Economic Forum is required to provide a report of each meeting to the Interim Finance Committee and the information presented to the Interim Finance Committee must be made available on the website of the State Legislature. A seven-member Technical Advisory Committee (the "TAC") advises the Economic Forum as requested. See Table 12 for a summary of actual General Fund revenues for fiscal years 2012 through 2015 and the most recent Economic Forum Forecast released on May 1, 2015 of revenue estimates for fiscal years 2016 through 2017 as adjusted for legislatively approved changes enacted during the 2015 Regular Session of the State Legislature and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions. The Economic Forum Forecast is attached as Appendix C to this Part II.

The State believes that such estimates are reasonable in the aggregate as of the date of this Official Statement; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the State Department of Taxation and the Gaming Control Board. See Table 24 for recent trends in taxable transactions and Table 25 for recent trends in gaming revenues and total gaming taxes. Note that the proceeds of the state-wide property tax levied for general obligation bonds are deposited into a separate fund within the State Treasury (the Consolidated Bond Interest and Redemption Fund) and not the General Fund.

State statutes require all State Executive Branch agencies and departments to submit their two-year budgets to the Budget Division by the September 1 prior to the biennial meeting of the State Legislature. The Budget Division holds hearings in September and/or October on the submitted budgets and the Governor reviews the proposals in November. In mid-January, the two-year budget is finalized and submitted to the State Legislature at least fourteen days before the start of each biennial regular session. The Judicial and Legislative Branch agencies, as well as the Public Employees' Retirement System, submit their two-year budgets directly to the State Legislature.

The State Legislature holds hearings and approves or modifies the two-year budget. The budget is enacted through a General Appropriations Act, which authorizes expenditures from unrestricted revenues, and an Authorized Expenditures Act, which authorizes expenditures from revenues collected for a specific purpose. The General Appropriations Act must be balanced to the May Economic Forum forecast of General Fund revenues. The budget may be augmented by other appropriations included in legislation enacted by the State Legislature. The Interim Finance Committee is authorized to modify budgets to fund necessary expenditures between the legislative sessions in amounts determined by statute or as approved by the State Legislature.

The budget prepared by the Governor must provide for a reserve of not less than 5% of all proposed General Fund operating appropriations and authorizations. The State Controller is also required to deposit a portion of the unrestricted balance of the State General Fund to a reserve for the stabilization of the operation of the State. See "FINANCIAL INFORMATION—Account to Stabilize the Operation of State Government and Other Contingency Accounts" below.

General Fund

The purpose of the General Fund is to finance the ordinary operations of the State and to finance those operations not provided for by other funds. Included are all transactions pertaining to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund equity accounts. As shown in the financial statements, the State has numerous other funds, including Special Revenue Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds. Money on deposit in the Special Revenue Funds is used primarily to fund highway projects, Bond Bank Program transactions, and some of the activities of the State's regulatory agencies. Money on deposit in the Enterprise Funds is used primarily to fund housing facilities and low interest loans for first-time homebuyers with low or moderate incomes, the Water Pollution Control and Safe Drinking Water Revolving Funds, the prepaid college tuition program, and unemployment compensation.

Tables 12, 13, and 14 reflect General Fund revenues and appropriations and General Fund projections on a budgetary or cash basis. Table 12 shows actual revenues for FY 2012 through FY 2015 and the revenue forecast for FY 2016 through FY 2017 based on the May 1, 2015 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 2015 Regular Session of the State Legislature and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions. The data in Table 13 and Table 14 are taken from the Nevada Legislative Appropriations Reports for FY 2016 and FY 2017 published by the Fiscal Analysis Division of the Legislative Counsel Bureau in November 2015. Table 13 presents General Fund appropriations for various administrative divisions of State government and Table 14 depicts General Fund unappropriated balances and reflects revenue collections and State agency expenditure information. The information in the 2015 State CAFR, which also include unappropriated balances (see Appendix A to this Part II), are presented on the basis of generally accepted accounting principles ("GAAP") rather than a budgetary basis. See Note 2 in the 2015 State CAFR for reconciliation between data on a budgetary basis and a GAAP basis. Also, see the history of General Fund operations presented on a GAAP basis in the 2015 State CAFR.

As used by the State, the term "General Fund unappropriated balance" represents unobligated and unencumbered funds available for appropriation by the State Legislature. Unspent appropriated money is not reflected as part of General Fund unappropriated balance until, there being no further obligations against the appropriation, the unexpended portion is returned to the General Fund as a reversion. Reversions are reflected as income contributed to the unappropriated balances. Reversions may not take place for several years after their appropriation, although usually they occur after the appropriated amounts are available for one year. At no time are outstanding appropriations included in General Fund unappropriated balances. This format is standard procedure for both the State Budget Division and the State Legislature.

State General Fund Revenue Sources

General. The State relies upon sales and use taxes, gaming taxes, business payroll and commerce taxes, insurance premium taxes, live entertainment taxes, cigarette taxes, and real property transfer taxes for the bulk of its General Fund revenues. The State is constitutionally prohibited from having a personal income tax. Other taxes common in many states but not levied in Nevada are franchise, corporate income, special intangible, capital stock, chain store, inventory, stock transfer, and gift taxes. The proceeds of the state-wide property tax levied for general obligation bonds are not General Fund revenue.

Portions of the operating budgets for the various local taxing units in Nevada are funded with ad valorem taxes. Provisions for debt service payable with ad valorem taxes are made prior to determining operating budgets. Total ad valorem taxes levied by all overlapping units within the boundaries of any county (i.e., the State, and any county, city, town, school district, or special district) may not exceed the statutory limitation of $3.64 per $100 of assessed valuation of property being taxed (subject to the exception for $0.02 of the state-wide property tax rate per $100 of assessed valuation that need not be counted against the $3.64 statutory cap). In the case of severe financial emergency in a particular local government as determined by the State Department of Taxation and the State Tax Commission, the State Tax Commission may order the levy of a combined overlapping tax rate of not more than the constitutionally specified limit of $5.00 per $100 of assessed valuation. See also "PROPERTY TAXATION—Property Tax Limitations" in this Part II.

Certain revenue enhancements enacted during the 75th (2009) Regular and the 26th (2010) Special Sessions of the State Legislature increased collections in FY 2010 and FY 2011 but were scheduled to sunset on June 30, 2011. However, some of these enhancements were extended by the 76th (2011) and 77th (2013) Regular Sessions of the State Legislature and several of the enhancements were made permanent by the 78th (2015) Regular Session of the State Legislature. See "FINANCIAL INFORMATION—2015-2017 Biennium."

The following taxes provide the State's General Fund with its major sources of income. Table 12 sets forth the actual amounts of the various General Fund revenues described below for FY 2012, 2013, 2014 and 2015, and the revenue forecast for FY 2016 and 2017 based on the May 1, 2015 Economic Forum Forecast as adjusted for legislatively approved changes enacted during the 2015 Regular Session of the State Legislature and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions. Forecasts from the May 1, 2015 Economic Forum Forecast to the State Legislature are included in Appendix C to this Part II.

Sales and Use Taxes. The State receives a 2% sales tax on all taxable sales and taxable items of use. Certain sales are exempt from State sales taxation including, but not limited to, domestic fuel, prescription drugs, food for home consumption, most services, and aircraft and major components thereof based in Nevada. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Sales and Use Tax" in this Part II. Current State law provides for a collection allowance provided to a taxpayer for collecting and remitting sales and use taxes of 0.25%, as well as a General Fund commission retained by the Department of Taxation for collecting and distributing the sales and use taxes generated by local option taxes of 1.75%. Current sales and use tax rates for Clark County and Washoe County are 8.15% and 7.725% (inclusive of the 2.0% received by the State) respectively.

Gaming Taxes. Nevada's gaming establishments are subject to several different taxes at the State level. The most important among these is the monthly gaming percentage fee, which accounts for the majority of gaming tax revenues. Other taxes and fees levied by the State on gaming include license renewals and quarterly and annual license fees based upon the number of slot machines and operational table games, investigative fees, race wire fees, penalties, and interest. See "ECONOMIC AND DEMOGRAPHIC INFORMATION—Gaming and Tourism" in this Part II.

Modified Business Tax. The State levies a tax, known as the modified business tax, against applicable payrolls, less a deduction for employee healthcare expenses, for the privilege of conducting business in Nevada. The rate varies depending on how a business is classified. The tax rate for financial institutions is 2.0% with the 2015 Regular Session of the State Legislature adding businesses subject to the net proceeds of minerals tax to the entities required to pay the 2.0% tax effective July 1, 2015. The rate for non-financial businesses has varied over time and as of June 30, 2009 was 0.63%. The 2009 Regular Session of the State Legislature raised the tax rate for non-financial institutions to 1.17% for payroll amounts over $250,000, effective July 1, 2009 while lowering the tax rate on payroll amounts below $250,000 to 0.5%. This revenue enhancement was scheduled to expire on June 30, 2011. However, the 2011 Regular Session of the State Legislature extended the 1.17% tax rate for payroll amounts over $250,000, while eliminating the tax on payroll amounts up to $250,000. The 2013 Regular Session of the State Legislature increased the amount exempted from the payroll tax to $340,000, and extended the 1.17% tax rate for payrolls in excess of $340,000 to June 30, 2015. The 2015 Regular Session of the State Legislature made permanent changes to the modified business tax for non-financial businesses, lowering the amount exempted from the payroll tax to $200,000 and increasing the tax rate to 1.475% on taxable wages that exceed $200,000, effective July 1, 2015.

Commerce Tax. The 2015 Regular Session of the State Legislature enacted a levy on the gross revenue of a business which is earned in the State of Nevada effective July 1, 2015. The first $4,000,000 per year in gross revenues earned in the State of Nevada is exempt from the tax which is known as the commerce tax. The rate varies based on the industry in which the business is primarily engaged with the industry groupings based on the North American Industry Classification System (NAICS) codes. The rates range from 0.051% to 0.331% of the gross revenue earned in the State of Nevada exceeding $4,000,000 depending on the primary industry category (NAICS code) assigned to the business. The tax is to be computed for each state fiscal year with the tax return and payment due 45 days after the end of the fiscal year. The first tax return and payment are due by August 15, 2016 for the FY 2016 tax liability. Businesses which are required to pay the commerce tax are entitled to a credit of 50% of their commerce tax liability against their modified business tax. Businesses are required to use the credit in the same fiscal year as the commerce tax is paid.

The legislation also provides that if the combined revenues from the taxes imposed by the modified business tax and the commerce tax exceed the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the modified business tax rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4 percent more than the amount anticipated. The modified business tax rates for financial and mining and non-financial entities are then to be reduced in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both the financial and mining and non-financial modified business taxes for the preceding year. The rates determined from this calculation go into effect on July 1 of the odd-numbered year immediately following the year in which the determination is made. The revised rates are to be rounded to the nearest one-thousandth of a percent. The revised rate for the modified business tax for non-financial institutions cannot go below 1.17% and if the revised rate for the modified business tax for non-financial entities is at or below 1.17%, the calculations are no longer required and the rates for both financial and mining institution and non-financial institution entities are not to be adjusted further.

Insurance Premium Taxes. The State levies a tax on insurance companies doing business in Nevada. The tax rate is 3.5% of premiums written on policies and contracts covering property, subjects or risks located, resident or to be performed in this State. If qualified, the tax rate for Risk Retention Groups is 2%.

Live Entertainment Taxes. The State imposes a live entertainment tax on certain gaming and non-gaming establishments providing entertainment. For events that occurred prior to September 30, 2015, the tax rate was 10% of the admission charge and amounts paid for food, refreshments and merchandise when the live entertainment was provided at a facility with a maximum occupancy of less than 7,500 persons. The tax rate was 5% of the admission charge when the live entertainment was provided at a facility with a maximum occupancy equal to or greater than 7,500 persons with no tax collected on food, refreshments or merchandise. The 2015 Regular Session of the State Legislature made changes to the structure of the base for the live entertainment tax by removing the occupancy thresholds and the tax on amounts paid for food, refreshments and merchandise. The legislation also established a single tax rate of 9% on the admission charge effective October 1, 2015.

Cigarette Taxes. Through June 30, 2015, the State imposed a tax of 80 cents per package of 20 cigarettes, 70 cents of which was retained by the State. The collection allowance provided to a taxpayer for collecting and remitting cigarette taxes was 0.25%. The 2015 Regular Session of the State Legislature increased the cigarette tax from 80 cents to $1.80 per package of 20 cigarettes of which $1.70 is retained by the State, effective July 1, 2015. The collection allowance provided to a taxpayer for collecting and remitting cigarette taxes remains at 0.25%.

Real Property Transfer Taxes. The State levies a tax on the value of transfers of real property. The tax is paid quarterly based on a rate of $1.30 per $500 of value.

Liquor Taxes. The liquor tax is an excise tax that is levied upon the volume of alcoholic beverages for the privilege of importing, possessing, storing or selling liquor. The tax rate varies based on alcohol content. The collection allowance provided to a taxpayer for collecting and remitting liquor taxes is currently 0.25%.

Business Licenses. The 2009 Legislature increased the business license fee from $100 to $200 during FY 2010 and FY 2011 and broadened the categories of businesses required to submit filings and pay the fees. This revenue enhancement, which was scheduled to expire on June 30, 2011, was extended by both the 2011 and the 2013 Regular Sessions of the State Legislature. The fee was scheduled to revert to $100 on July 1, 2015. However, the 2015 Regular Session of the State Legislature made the increase in the business license fee permanent for all types of businesses, except for corporations. The fee for corporations was increased to $500 effective July 1, 2015. Entities that operate a facility where craft shows, exhibitions, trade shows, conventions, or sporting events take place may pay the Business License Fee for participants not having a business license at the rate of $1.25 times the number of unlicensed entities times the number of days of the event, or a flat annual fee of $5,000.

Net Proceeds of Minerals Taxes. The State imposes a mineral tax based on net proceeds at rates ranging from a minimum of 2% to a maximum of 5%. Local governments, school districts and the Consolidated Bond Interest and Redemption Fund receive revenue equal to the amount derived from the application of the respective property tax rate where the mine is located. Revenue above those amounts accrues to the State General Fund. The State Legislature required the advance payment on the net proceeds of minerals tax in FY 2009 based upon estimated net proceeds for the current calendar year. The advanced payment provision of the net proceeds of minerals tax was extended by the 2011, 2013 and 2015 Regular Sessions of the State Legislature. The prepayment provision sunsetted on June 30, 2016.

Room Tax. The 2009 Legislature passed Initiative Petition 1, which collects up to an additional 3% in room tax in Clark County and Washoe County. This revenue is not available to the General Fund in FY 2012 and thereafter.

Tax Credit Programs

The general purpose of a tax credit program is to encourage business growth, job creation and workforce development in the State. The 2013 and 2015 Regular Sessions and 2014 Special Session of the State Legislature authorized several tax credits programs.

Transferable Film Tax Credit Program. The 2013 Regular Session of the State Legislature authorized a four-year pilot program of transferable tax credits issued for qualified film productions completed in the State that may be used against the modified business tax, insurance premium tax and/or the gaming percentage fee tax. The legislation authorized up to $20 million per fiscal year for a total of $80 million. However, the provisions of the pilot program were amended in the 2014 Special Session of the State Legislature, reducing the total amount of credits that may be approved to $10 million.

The 2015 Regular Session of the State Legislature made the transferable film tax credit program permanent but limited the amount of transferable tax credits to the amount appropriated by the State Legislature for that purpose for that fiscal year. The 2015 Regular Session of the State Legislature did not appropriate additional funding for this program for either FY 2016 or FY 2017. The amount of tax credits that have been approved to reduce tax revenues in FY 2015 and FY 2016 are $5.2 million and $4.8 million, respectively. In FY 2015, no transferable film tax credits were taken against any General Fund revenue source. Taxpayers redeemed $4.37 million of tax credits under this program in FY 2016. The law allows any unissued tax credits to be issued in a subsequent fiscal year. Fiscal 2017 year-to-date, $3.55 million of tax credits have been redeemed against the gaming percentage fee tax, leaving $2.08 million of unused tax credits to be claimed.

Nevada New Market Jobs Act Tax Credit Program. The 2013 Regular Session of the State Legislature authorized the Nevada New Market Jobs Act which allows insurance companies to receive a credit against the insurance premium tax in exchange for a qualified equity investment in one or more community development organizations, primarily for local or minority-owned entities in under-served zones in the State.

The State Department of Business and Industry may certify up to $200 million in qualified equity investments. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the insurance premium tax in an amount equal to 58% of the total qualified equity investment certified by the Department of Business and Industry. The credits may be taken in increments beginning on the second anniversary date of the original investment as follows:

2 years after the investment is made: 12% of the qualified investment;
3 years after the investment is made: 12% of the qualified investment;
4 years after the investment is made: 12% of the qualified investment;
5 years after the investment is made: 11% of the qualified investment;
6 years after the investment is made: 11% of the qualified investment.

Under the provisions of the program, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. Based on the latest information provided by the State Department of Business and Industry and the State Department of Taxation, the amount of tax credits redeemed in FY 2015 was $12.4 million, $1.4 million below the estimated amount of $13.8 million in FY 2015. In FY 2016, $26 million of tax credits were redeemed. The estimated tax credit is $24 million in FY 2017.

Under the current law, there is no expiration date for the program. However, the State Department of Business and Industry is prohibited from certifying more than $200 million in qualified equity investments.

Economic Development Transferable Tax Credit Program. The 2014 and 2015 Special Sessions of the State Legislature required the Governor's Office of Economic Development ("GOED") to issue transferable tax credits for certain qualifying projects that may be used against the modified business tax, insurance premium tax and/or the gaming percentage fee tax.

The 2014 legislation defined a top tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least $3.5 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs.

The amount of transferable tax credits for the top tier project is equal to $12,500 for each qualified employee employed by the participants in the project (to a maximum of 6,000 employees), plus 5% of the first $1 billion and 2.8% of the next $2.5 billion in new capital investment in the State made collectively by the participants in the qualifying project.

The amount of tax credits approved by GOED for top tier projects may not exceed $45 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year), and GOED may not issue total tax credits in excess of $195 million under the program. The program will expire on June 30, 2036.

Based on the latest information provided by GOED, the amount of FY 2016 tax credits issued for the Tesla project was $20.5 million. At FY 2016 year-end, there are $24.5 million of unused tax credits that can be redeemed in the future. These unused tax credits are likely to roll into FY 2018. Tax credits are estimated to be $45 million in FY 2017. As of the date hereof, no other credits have been issued under this program.

The 2015 legislation defined a mid-tier qualifying project as one required to be located within the geographical borders of the State of Nevada, which makes a total new capital investment in the State of at least $1 billion during the 10-year period immediately following approval of the application, and employs Nevada residents in at least half of the project's construction jobs and operational jobs. An applicant can request a waiver of the resident employment requirements if it can provide proof satisfactory to the Executive Director of GOED that there are an insufficient number of Nevada residents available and qualified for such employment.

The amount of transferable tax credits for the top tier project is equal to $9,500 for each qualified employee employed by the participants in the project (to a maximum of 4,000 employees).

The amount of tax credits approved by GOED for mid-tier projects may not exceed $7.6 million per fiscal year (although any unissued credits may be issued in a subsequent fiscal year) starting in FY 2018, and GOED may not issue total tax credits in excess of $38 million under the program. The program will expire on June 30, 2025.

Based on the latest information provided by GOED, the maximum amount of credits estimated to be approved for the Faraday Future project is $7.6 million in FY 2018. As of the date hereof, no other credits have been issued under this program.

Nevada Educational Choice Scholarship Tax Credit Program. The 2015 Regular Session of the State Legislature authorized a taxpayer who makes a donation of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the modified business tax.

The total amount of tax credits that may be approved by the Department of Taxation for this program is $5 million in FY 2016, $5.5 million in FY 2017 and 110% of the total amount of credits authorized in the previous year for all subsequent fiscal years. Credits totaling $4.4 million were redeemed in FY 2016. The law allows the $0.6 million of unused credits to be carried forward for up to five years. In FY 2017, the maximum amount tax credit for this program is therefore $6.1 million.

Catalyst Account Transferable Tax Credit Program. The 2015 Regular Session of the State Legislature authorized GOED to approve transferable tax credits that may be used against the modified business tax, insurance premium tax and gaming percentage fee tax to new or expanding businesses to promote the economic development of Nevada. The 2015 Special Session of the State Legislature modified the amount of transferable tax credits that may be issued.

The total amount of transferable tax credits that may be issued is $1 million in FY 2017, $2 million in FY 2018 and 2019, $3 million in FY 2020 and $5 million in each fiscal year thereafter.

College Savings Plan Employer Matching Employee Contribution Tax Credit Program. The 2015 Regular Session of the State Legislature authorized a tax credit against the modified business tax to certain employers who match the contributions of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and/or the Nevada College Savings Program.

The provisions relating to the Nevada College Savings Program are effective January 1, 2016 and provisions relating to the Higher Education Prepaid Tuition Program are effective July 1, 2016.

The amount of the tax credit is equal to 25% of the matching contribution, not to exceed $500 per contributing employee per year, and any unused credits may be carried forward for up to 5 years.

Regulations for this program have not been adopted yet. Implementation of this program is delayed by one year. Based on enrollment and contribution estimates for the college savings plans made by the State Treasurer's Office, the credits are projected to be $69 thousand in FY 2017 and $138 thousand in FY 2018.

Home Office Tax Credit. The 1971 Regular Session of the State Legislature authorized a credit against the insurance premium tax for insurers which own and substantially occupy and use a building in this state as a home office or regional home office. The credit is equal to 50% of the aggregate insurance premium tax, but the credit must not reduce the tax payable to less than 20 percent of the tax payable under the general tax on premiums. For FY 2014, the home office credit against the insurance premium tax was approximately $34.8 million and $42.5 million in FY 2015 based on the most recent information received from the Department of Taxation.

The 2014 Special Session of the State Legislature made changes to the home office tax credit program. Effective for the calendar year beginning January 1, 2016, the credit is limited to $5,000,000 in aggregate for all insurers based on a proration of each insurer's calculated credit without the cap to the total amount of credits calculated without the cap for all insurers. The home office credit will be repealed in its entirety effective January 1, 2021.

Tax credit programs can directly reduce the tax liability of a taxpayer and thereby decrease certain General Fund revenue collections. The General Fund revenue estimates in Table 12 for FY 2016 through FY 2017 are based on the May 1, 2015 Economic Forum Forecast, as adjusted for legislatively approved changes enacted during the 2015 Regular Session of the State Legislature and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions, and show the amount projected prior to the effect of any tax credit programs as well as the amount projected after accounting for the estimated tax credits that may be taken against certain General Fund revenues based on current law. The total amount of tax credits redeemed in FY 2015 was $12.4 million and $55.2 million in FY 2016. The amount estimated to be redeemed by law in FY 2017 is $75.6 million. At FY 2016 year-end, there are $30.8 million of unused tax credits that can be carried forward to reduce certain General Fund revenues in future fiscal years. These estimates are based on the latest information available from the State agency administering the tax credit program and/or the amount of tax credits allowable based on existing law.

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Table 12[1]
General Fund Revenues
(Dollar Amounts in Thousands)

		Actual								Economic Forum Forecast[2]			
		2012		2013		2014		2015		2016		2017	
General Fund Revenue Sources	Fiscal Year Ended June 30 2015 Share of Total Fund	Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Actual Amount	Change	Forecast Amount	Change	Forecast Amount	Change
Sales Tax	31.3%	875,596	6.0%	923,199	5.4%	967,706	4.8%	1,033,454	6.8%	1,098,069	6.3%	1,158,318	5.5%
Gaming Taxes[3]	21.9%	686,450	0.4%	710,526	3.5%	718,816	1.2%	722,548	0.5%	726,808	0.6%	744,575	2.4%
Modified Business Tax[3][6]	12.5%	369,661	-3.2%	386,610	4.6%	384,886	-0.4%	411,914	7.0%	566,528	37.5%	593,290	4.7%
Insurance Taxes[3]	9.3%	237,859	0.9%	249,390	4.8%	264,522	6.1%	306,333	15.8%	325,110	6.1%	356,070	9.5%
Live Entertainment Tax	4.4%	136,982	4.9%	137,416	0.3%	154,136	12.2%	145,827	-5.4%	144,268	-1.1%	150,197	4.1%
Cigarette Tax[5]	2.8%	82,975	-3.5%	83,018	0.1%	79,629	-4.1%	92,774	16.5%	175,356	89.0%	172,675	-1.5%
Real Property Transfer Tax	1.9%	48,374	-6.2%	54,990	13.7%	60,047	9.2%	64,214	6.9%	70,402	9.6%	76,064	8.0%
Liquor Tax	1.3%	40,650	3.0%	39,884	-1.9%	41,839	4.9%	42,707	2.1%	44,411	4.0%	45,346	2.1%
Business License Fee	2.3%	64,790	19.0%	69,011	6.5%	72,166	4.6%	75,360	4.4%	103,040	36.7%	104,998	1.9%
Mining Taxes and Fees[4]	1.6%	120,425	-7.1%	111,340	-7.5%	26,222	-76.4%	51,734	97.3%	38,908	-24.8%	45	-99.9%
Commerce Tax	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	119,826	n/a	119,826	0.0%
Passenger Carrier Excise Tax	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13,685	n/a	22,936	67.6%
Other Taxes	2.5%	78,681	-59.1%	81,851	4.0%	81,679	-0.2%	82,455	1.0%	83,928	1.8%	52,979	-36.9%
Total Taxes	91.9%	2,742,443	-2.5%	2,847,234	3.8%	2,851,648	0.2%	3,029,321	6.2%	3,510,339	15.9%	3,597,319	2.5%
Licenses	3.9%	119,091	-3.0%	116,519	-2.2%	120,227	3.2%	127,453	6.0%	127,024	-0.3%	129,586	2.0%
Fees & Fines	1.9%	58,405	1.9%	67,039	14.8%	54,207	-19.1%	62,968	16.2%	55,802	-11.4%	57,051	2.2%
Interest Income	0.0%	868	-62.0%	1,087	25.2%	987	-9.2%	1,377	39.6%	2,827	105.3%	4,326	53.0%
Other Revenue	2.3%	160,961	58.0%	100,724	-37.4%	39,877	-60.4%	75,774	90.0%	37,551	-50.4%	38,569	2.7%
Subtotal	8.1%	339,325	19.4%	285,368	-15.9%	215,298	-24.6%	267,573	24.3%	223,204	-16.6%	229,532	2.8%
One-Time Revenue Enhancements	0.0%	19,113		19,219		0		0		0		0	
Total General Fund Before Tax Credits	100.0%	3,081,768	-2.9%	3,132,602	1.6%	3,066,946	-2.1%	3,296,894	7.5%	3,733,543	13.2%	3,826,851	2.5%
Tax Credits:													
Commerce Tax Credit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	(59,913)	n/a
Film Transferrable Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	(4,800)	n/a	0	n/a
Economic Development Transferrable Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	(45,000)	n/a	(45,000)	n/a
Catalyst Account Transferrable Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	0	n/a	(1,000)	n/a
Nevada New Market Jobs Act Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(12,411)	n/a	(24,000)	n/a	(24,000)	n/a
Education Choice Scholarship Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	(5,000)	n/a	(5,500)	n/a
College Savings Plan Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	(69)	n/a	(138)	n/a
Total Tax Credits	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(12,411)	n/a	(78,869)	n/a	(135,551)	n/a
Total General Fund After Tax Credits	n/a	3,081,768	-2.9%	3,132,602	1.6%	3,066,946	-2.1%	3,284,483	7.1%	3,654,674	11.3%	3,691,300	1.0%

(1) The numbers set forth in this table are prepared using a budget method of accounting and may differ from the corresponding numbers set forth in the 2015 State CAFR. Totals may not add due to rounding.
(2) May 1, 2015 Economic Forum Forecast adjusted for measures approved by the 2015 Legislature (78th Regular Session) and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions.
(3) Gaming Taxes, Modified Business Taxes and Insurance Taxes are reported as gross revenue (before tax credits).
(4) The advanced payment provision of the net proceeds of minerals tax sunsetted on June 30, 2016 as part of the S.B. 483 passed by the 2015 Legislature. As a result of this sunsetting, there is a $0 collection from Net Proceeds of Minerals Tax in FY 2017.
(5) Starting FY 2016, Cigarette Tax increased from 80 cents to $1.80 per package of 20 cigarettes.
(6) Starting FY 2016, Modified Business Tax base and rate increased.

Source: Legislative Council Bureau, General Fund Revenue Table, Economic Forum May 1, 2015 Forecast adjusted for measures approved by the 2015 Legislature (78th Regular Session) and tax credits approved in the 2013 and 2015 regular sessions and 28th and 29th special sessions

The following table reflects General Fund appropriations and estimates of appropriations for the fiscal years shown.

Table 13
General Fund Appropriations
(Dollar Amounts in Thousands)

Fiscal Year Ended	Actual Appropriations					2015 Legislatively Approved Appropriations[1]	
June 30	**2011[2]**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Constitutional Agencies	$ 94,555	$ 95,745	$ 98,018	$ 100,492	$ 102,504	$ 133,758	$ 161,825
Finance & Administration	36,243	40,836	57,217	39,333	52,966	56,288	68,632
Education	1,813,965	1,589,555	1,687,638	1,781,561	1,802,174	1,910,694	1,973,740
Human Services	945,109	977,935	986,697	997,488	1,054,158	1,044,884	1,126,661
Commerce & Industry	36,936	45,818	34,075	47,374	47,754	64,384	53,832
Public Safety	313,184	290,786	291,232	289,613	293,172	311,926	316,902
Infrastructure	27,100	22,678	22,802	23,483	21,239	30,645	31,412
Special Purpose Agencies	4,865	4,065	4,045	5,094	5,231	5,478	5,708
TOTAL[3]	$3,271,957	$3,067,420	$3,181,724	$3,284,438	$3,379,199	$3,558,057	$3,738,711

(1) Legislature approved appropriations, including supplemental appropriations approved by the State Legislature, subject to revision.
(2) Revised to reflect actions approved in Assembly Bill 6 of the 26th Special Session.
(3) Totals may not add due to rounding.

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Source: Nevada Legislative Appropriations Report November 2011, November 2012, November 2013, November 2014, and November 2015.

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Table 14[1]
General Fund Unappropriated Balances
(Dollar Amounts in Thousands)

Fiscal Year Ending June 30	2012	2013	2014	2015	2016[2]
General Fund Resources:					
Unappropriated General Fund Balance - July 1	$324,069	$335,569	$299,967	$183,544	$241,730
Unrestricted General Fund Reversions	$52,412	$160,425	$48,299	$78,843	$78,195
Unrestricted General Fund Revenue					
Actual General Fund Revenue	$3,081,768	$3,131,754	$3,066,946	$3,284,483	$3,693,843
Transfer from Fund to Stabilize the Operation of State Government	0	0	84,737	28,061	0
Transfers and Reversions from Various Accounts	0	0	0	65,155	0
Budget Reserves / Reductions	0	0	0	0	0
26th Special Session - Revenue Enhancements[3]	0	0	0	0	0
Total Unrestricted General Fund Revenue[4]	$3,081,768	$3,131,754	$3,151,683	$3,377,699	$3,693,843
Restricted General Fund Revenue					
Unclaimed Property - Millennium Scholarship	$7,600	$7,600	$7,600	$7,600	$7,600
Quarterly Slot Tax - Problem Gambling	742	722	1,411	1,393	1,358
Live Entertainment Tax – Nevada Arts Council	0	0	0	0	150
Total Restricted General Fund Revenue[4]	$8,342	$8,322	$9,011	$8,993	$9,108
General Fund Resources[4]	$3,466,591	$3,636,070	$3,508,960	$3,649,079	$4,022,876
Appropriations / Transfers					
Unrestricted Appropriations / Transfers					
Operating Appropriations	($3,104,727)	($3,115,479)	($3,277,621)	($3,319,446)	($3,558,057)
Supplemental Operating Appropriations	0	(27,528)	0	(66,405)	0
Operating Appropriations Transfers Between Fiscal Years 12 & 13	37,307	(37,307)	0	0	0
Operating Appropriations Transfers Between Fiscal Years 14 & 15	0	0	(6,310)	6,310	0
Operating Appropriations Transfers Between Fiscal Years 15 & 16	0	0	0	(2,271)	2,271
Operating Appropriations Transfers Between Fiscal Years 16 & 17	0	0	0	0	(7,435)
Operating Appropriations/Reductions-29th Special Session	0	0	0	0	(2,500)
One-Time Appropriations	(548)	(84,114)	(7,426)	(657)	(16,602)
Restoration of Fund Balances	0	0	0	0	(13,600)
Capital Improvement Program - 2007 Legislature	0	0	0	0	0
General Fund Payback - Line of Credit	(138)	(6,804)	0	0	0
Cost of Regular and Special Sessions of Legislatures	0	(18,000)	0	(18,000)	0
Total Unrestricted Appropriations / Transfers[4]	($3,068,106)	($3,289,232)	($3,291,357)	($3,400,469)	($3,595,923)
Restricted Transfers					
Millennium Scholarship	($7,600)	($7,600)	($7,600)	($7,600)	($7,600)
Problem Gambling	(742)	(722)	(1,411)	(1,393)	(1,358)
Nevada Arts Council	0	0	0	0	(150)
Disaster Relief Account	(1,000)	(2,000)	(1,500)	(1,500)	0
Fund to Stabilize the Operation of State Government	(39,237)	(45,500)	(28,061)	0	0
Total Restricted Transfers[4]	($48,579)	($55,822)	(38,572)	($10,493)	($9,108)
Adjustments to Fund Balance	($14,337)	$8,951	$4,513	$3,613	0
Total Appropriations / Transfers[4]	($3,131,022)	($3,336,103)	($3,325,416)	($3,407,349)	($3,605,031)
Unappropriated General Fund Balance June 30[4]	$335,569	$299,966	$183,544	$241,730	$417,845
5% Minimum Ending Fund Balance	**$153,371**	**$160,447**	**$164,197**	**$170,023**	**$178,286**
Difference	$182,198	$139,520	$19,348	$71,707	$239,559

(1) Revised.
(2) Unaudited results, subject to revision.
(3) Revenue enhancements include final sweeps, revisions and revenue adjustments.
(4) Totals may not add due to rounding.

Source: Nevada Legislative Appropriations Report, November 2013, November 2015 and Governor's Finance Office.

General Fund Balance

The General Fund balance presented in the preceding table represents only the unappropriated portion of the General Fund balance and is determined on the budgetary basis method of accounting. The General Fund balance as presented in the 2015 State CAFR in the Required Supplementary Information, Budgetary Comparison Schedule section is also determined on the budgetary basis of accounting, but includes both appropriated and unappropriated components. The fund balance for the General Fund in the Balance Sheet section of the 2015 State CAFR is determined on a GAAP basis. The fund balance is classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources in the fund as follows:

Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).

Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.

Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.

Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

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Budgetary basis and GAAP basis General Fund balances as of June 30, 2014 and June 30, 2015 are reconciled as follows:

Table 15[1]
General Fund Balance

	June 30, 2014	June 30, 2015
Unappropriated General Fund Balance	$ 176,442,567	$ 234,743,820
Restricted General Fund Balance, Budgetary Basis	403,539,607	398,117,032
Total General Fund Balance, Budgetary Basis	579,982,174	632,860,852
Accrued Medicaid Receivable	190,321,521	223,303,505
Receivables Recorded as Budgetary Expenditures	27,118,364	22,374,723
Encumbrances Recorded as Budgetary Expenditures	8,837,706	4,065,378
Accrued Medicaid Liability	(301,429,903)	(346,740,800)
Unearned Gaming Taxes	(102,878,007)	(115,681,389)
Unavailable Revenue-Intergovernmental	(98,743,661)	(137,672,079)
Unearned revenue-Other	(35,362,668)	(31,775,659)
Liabilities Recorded as Budgetary Revenues	(23,982,242)	(81,406,782)
Other	30,994,878	37,959,584
Total General Fund Balance, GAAP Basis	$ 274,858,162	$ 207,287,333
Fund Balances:		
Nonspendable	39,255,213	35,134,296
Restricted	65,341,718	62,113,980
Committed	306,050,398	315,130,956
Unassigned	(135,789,167)	(205,091,899)
Total General Fund Balance, GAAP Basis	$ 274,858,162	$ 207,287,333

(1) This table is prepared based on the Required Supplementary Information of the Comprehensive Annual Financial Report (CAFR). 2016 CAFR is expected in December 2016.

Source: State of Nevada Controller's Office.

Account to Stabilize the Operation of State Government and Other Contingency Accounts

The Account to Stabilize the Operation of State Government (the "Stabilization Account") is an account in the State General Fund created pursuant to NRS 353.288. Money from the Stabilization Account may be appropriated only if: (i) total actual revenue of the State falls short of the total anticipated revenue for the biennium in which the transfer will be made by 5% or more, as determined by the State Legislature, or by the Interim Finance Committee if the State Legislature is not in session; or (ii) the State Legislature, or the Interim Finance Committee if the Legislature is not in session, and the Governor declare that a fiscal emergency exists. In addition, the money in the Stabilization Account may be allocated directly by the Legislature to be used for any other purpose.

Additions to the Stabilization Account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance, budgetary basis, exceeds 7% of the General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency.

The 2009 Regular Session of the State Legislature passed legislation requiring the State Controller to transfer 1% of the total anticipated revenue projected for that fiscal year by the Economic Forum in May of odd-numbered years, as adjusted by any legislation enacted by the State Legislature that affects State revenue for that fiscal year, to the Stabilization Account at the beginning of each fiscal year. This transfer was scheduled to commence with the fiscal year beginning July 1, 2011. Due to the economic downturn, this transfer was deferred by the 2011, 2013 and 2015 Regular Sessions of the State Legislature and is now scheduled to commence with the fiscal year that begins on July 1, 2017.

The maximum balance allowed in the Stabilization Account is 20% of the total of all appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State Government and for the funding of schools and authorized expenditures from the State General Fund for the regulation of gaming for the fiscal year in which that revenue will be transferred to the Stabilization Account.

As of June 30, 2013, the Stabilization Account balance was $84,737,276. The 2013 Regular Session of the State Legislature authorized the transfer of the entire balance to the General Fund to provide for the operations of the State. The FY 2014 year-end reconciliation of the unrestricted General Fund balance triggered an addition to the Stabilization Account in the amount of $28,061,106 in FY 2015.

To make up for a significant budget shortfall during the 2013-2015 biennium created in part by the underperformance in the collection of net proceeds of minerals and gaming taxes and a larger than projected increase in K-12 student enrollment, the 2015 Regular Session of the State Legislature authorized the transfer of the remaining $28,061,106 from the Stabilization Account to the General Fund for the operations of the State.

As of June 30, 2016, the Stabilization Account balance was $0. The unaudited General Fund unrestricted fund balance, budgetary basis, for FY 2016 is projected to be $417,845,304 which is approximately 11.7% of all appropriations. If this balance is finalized as projected, it would trigger a transfer of $67,297,920 to the Stabilization Account in FY 2017. The General Fund unrestricted fund balance and the corresponding transfer are subject to change until the State Controller reconciles the General Fund in December.

The State has established five other accounts to reserve funds for various contingencies.

The Disaster Relief Account created pursuant to NRS 353.2735 may be used for any purpose authorized by the State Legislature or distributed to State agencies or local governments through grants to pay for certain disasters and emergencies. As of June 30, 2016, the Disaster Relief Account had a balance of $6,726,138.

The Emergency Account created pursuant to NRS 353.263 may be used when the Board of Examiners determines a qualifying emergency exists which requires an expenditure for which no appropriation was made, or is in excess of the appropriation available for that purpose. As of June 30, 2016, the Emergency Account had a balance of $279,841.

The Stale Claims Account created pursuant to NRS 353.097 may be used to pay for certain claims received after the date on which the appropriated balance for a previous fiscal year reverts to the fund from which it was appropriated. A stale claim must have been eligible to be paid from the money appropriated to the agency which is submitting the claim, and it may not exceed the amount of money reverted, or the authorized balance on the last day of the fiscal year, for the fiscal year in which the stale claim was incurred. As of June 30, 2016, the Stale Claims Account had a balance of $1,983,722.

The Statutory Contingency Account created pursuant to NRS 353.264 may be used for the payment of certain legal and investigation expenses; expenses related to the interstate compact for juveniles; rewards for certain cases; costs of certain ballot questions, initiatives and recounts; certain refunds; terminal leave for employees in certain circumstances; certain insurance claims if the Insurance Premiums Fund has been exhausted, and the cost of fighting forest fires. Claims may be paid from the Statutory Contingency Account only when the money otherwise appropriated for the specific purpose has been exhausted. As of June 30, 2016, the Statutory Contingency Account had a balance of $1,654,791.

The Interim Finance Committee Contingency Account created pursuant to NRS 353.266 may be used for the payment of certain expenses in excess of the amount appropriated by the Legislature for the biennium for the support of an agency or program, for circumstances for which the Legislature made no other provision, or as directed by the State Legislature. As of June 30, 2016, the Interim Finance Contingency Account had a balance of $12,227,462.

As of June 30, 2016, these five accounts had a total balance of $22,871,954 available for the purposes stated above.

2013-2015 Biennium

The State's economy has been expanding since 2011. However, when the 2013 Legislature convened, the recovery had yet to make up for losses incurred during the 2007-2009 recession. In recognition of this, Governor

Sandoval's 2013-2015 Biennium Executive Budget included provisions to extend many of the sunsets that were scheduled to occur on June 30, 2013, so that further cuts to the State's vital services would not be required. The budget bills, along with bills extending the sunsets were signed into law by the Governor in June 2013. The 2013 Legislature appropriated $6.709 billion from the State General Fund over the 2013-2015 Biennium.

During the 2013-2015 biennium, the State experienced a combination of several events that created a short-term budget shortfall. The first event was an approximately 70% shortfall in the projected net proceeds of minerals tax revenue. This was due to a combination of factors with the largest being the approximately 1/3 drop in the price of gold from the time revenue forecasts were set in May 2013 to the end of the biennium in June 2015. This lowered the overall taxes due, which when combined with credits that had accumulated due to the pre-payment of this tax, resulted in a significant shortfall in collections for both 2014 and 2015. For FY 2014, these revenues were $69 million below forecast, and for FY 2015 they were $49 million below forecast.

The second event was a shortfall in projected gaming revenues. For FY 2014, these revenues were $8 million below forecast, and for FY 2015 they were $36 million below forecast.

The third event was an increase in K-12 student enrollment that exceeded the projections used in the legislatively-approved budget. While this may be a sign of an improving Nevada economy, this resulted in enrollment-based payment obligations of the State in excess of what was budgeted. For FY 2014, these payment obligations were $15.7 million above the forecast, and for FY 2015 they were $62 million above the forecast.

Fortunately several revenues exceeded budgeted levels, which helped to offset some of the shortfalls discussed above.

The Governor's office actively monitored the situation and developed a corrective action plan for the 2013-2015 biennium, which was submitted to the Legislature. Elements of this plan included: (a) transferring $28 million from the Stabilization Account to the General Fund; (b) providing rate holidays for unemployment insurance (January through June 2015) and employer contributions to health benefit premiums for May and June 2015, which were available due to excess reserves in these fringe benefit funds (see "FINANCIAL INFORMATION—Active Employee Group Insurance Holiday"); (c) transferring savings in agency budget accounts to the appropriate funding source, which resulted in $20.7 million in general fund revenues; (d) recoveries from various budgets including billing Medicaid for newly eligible services, which resulted in $13.3 million in general fund revenues; and (e) transferring available reserves from various accounts, which resulted in $42.1 million in general fund revenues.

While the funds discussed in the preceding paragraph had been planned for future needs, the actions discussed in the preceding paragraph were deemed preferable to making operating budget reductions during the second half of the second year of the biennium. Many of the reserve transfers are from settlement fund accounts received at the end of the recession that allow for transfer to the General Fund after three years (which has expired).

Along with the combination of additional revenues, extra reversions and unredeemed tax credits, the unappropriated General Fund ending balance was $71.7 million, greater than the 5% reserve.

These actions, which were approved by the Legislature during the 2015 Regular Session, brought the ending fund balance for FY 2015 to $241.7 million, or 7.1%.

2015-2017 Biennium

Despite the continued improvement in the Nevada economy, the current revenue structure was not keeping up with the changing economy and population growth. The level of General Fund tax revenue forecast by the Economic Forum for the 2015-2017 biennium is slightly up from the level in the 2005-2007 biennium. Yet, population and K-12 enrollment have increased by 8% and 9%, respectively and the number of Nevadans in the Supplemental Nutrition Assistance Program and Medicaid have more than tripled over the last eight years.

In addition to addressing the short-term solution for the 2013-2015 biennium, the Governor's office applied the lessons learned to the proposed 2015-2017 biennium budget. Governor Sandoval's Recommended Executive

Budget included $7.4 billion in General Fund appropriations, an increase of $1.2 billion over the previous biennium. The Governor's Executive Budget proposed making some of the revenues scheduled to sunset on June 30, 2015 permanent in order to provide for an increase in social service needs of Nevadans, and to support the Governor's goal of improving the state education system. Furthermore, the Governor's 2015-2017 proposed budget included $550 million in new or revised revenues that serve as a step towards aligning Nevada's state revenue streams with the new Nevada economy.

The 78th (2015) Regular Session of the State Legislature began on February 2, 2015 and adjourned on June 1, 2015. The State Legislature agreed with many of the proposals put forth in the Governor's Recommended budget and passed several bills designed to improve the fiscal performance of the State and support the Governor's K-12 education initiatives.

Senate Bill 483, the major tax bill of the 2015 Regular Session, fundamentally restructured taxes by broadening the base and creating new revenue streams. The bill made most of the revenue enhancements enacted over the past three biennia permanent, instead of extending them two years at a time, while extending a few others. Senate Bill 483 made changes to the business license fee, the modified business tax and the cigarette tax, and also created the commerce tax. The elements of Senate Bill 483 include:

- Making the $100 increase in the initial application and annual renewal of a business license from $100 to $200, which was first enacted in FY 2010, permanent for businesses other than corporations. The initial application and annual renewal of a business license fee for corporations is increased to $500. These changes were effective July 1, 2015 and generated $103 million in FY 2016 and are estimated to generate $105 million in FY 2017.

- Making the 0.35% increase in the local school support tax, from 2.25% to 2.60%, permanent. This rate was increased temporarily from FY 2010 through FY 2015. General Fund commission assessed against local school support tax proceeds was $10 million in FY 2016 and is estimated to generate $11 million in FY 2017.

- Increasing the modified business tax rate for non-financial institutions permanently to 1.475% and lowering the exempted wages from $85,000 to $50,000 per quarter effective July 1, 2015. In FY 2010 and FY 2011, the rate was 0.5% on taxable wages up to $62,500 per quarter and 1.17% on taxable wages above $62,500. In FY 2012 and FY 2013, taxable wages up to $62,500 per quarter were not taxed, while those above $62,500 were taxed at 1.17%. In FY 2014 and FY 2015, taxable wages up to $85,000 per quarter were not taxed, while those above $85,000 were taxed at 1.17%. The modified business tax for non-financial institutions produced $512.7 million in FY 2016 and is project to generate $551 million in FY 2017.

- Increasing the modified business tax for entities subject to the net proceeds of minerals tax to 2.0%, the same rate paid by financial institutions, effective July 1, 2015. The modified business tax for businesses that are subject to the net proceeds of minerals tax generated $21.9 million in both FY 2016 and is estimated to be $17 million FY 2017. The modified business tax for financial institutions brought in $27.2 million in FY 2016 and is estimated to generate $25 million in FY 2017.

- Extending the prepayment of the net proceeds of minerals tax and the elimination of the health insurance deduction to June 30, 2016. Prior to FY 2010, the net proceeds of minerals tax was collected on net proceeds from the calendar year ending in December of the given fiscal year. From FY 2010 through FY 2015, these taxes were collected in advance based on an estimate of the net proceeds for the calendar year beginning in January of the given fiscal year and ending six months after the close of the given fiscal year, with a "true-up" to account for actual net proceeds due in the following fiscal year. From FY 2012 through FY 2015, the deduction for health and industrial insurance expenses were also eliminated. The prepayment and health insurance deduction provisions are scheduled to revert back to the FY 2009 methodology on January 1, 2017. In FY 2016, the net proceeds of minerals tax generated $34.7 million. In 2017, when the prepayment provision is eliminated, no revenue is projected to be received.

- Extending the allocation to the General Fund of the additional revenue generated from the 10% increase in the depreciation rate schedules for autos and trucks used to determine the value of a vehicle for the purpose of calculating the governmental services tax. In the 2009 Regular Session of the State Legislature, the depreciation schedules were changed by 10% and the revenue generated from the change in the governmental services tax was required to be allocated to the General Fund until FY 2013 and then deposited in the Highway Fund. This revenue enhancement was extended by the 2013 Legislative Session, continuing the allocation of revenue generated from the depreciation schedule change to the General Fund until FY 2015 with the revenue deposited in the Highway Fund starting FY 2016. Senate Bill 483 requires the full amount of the revenue from the depreciation schedule change to be deposited in the General Fund in FY 2016. In FY 2017, 50% of the revenue from the depreciation schedule change is to be allocated to the General Fund and 50% to the Highway Fund. In FY 2018 and beyond, the proceeds from the depreciation schedule change are required to be deposited in the Highway Fund. The governmental services tax reached $66.7 million in FY 2016 and is estimated to generate $32 million in FY 2017.

- Increasing the cigarette tax per pack of 20 by $1.00 from 80 cents per pack to $1.80 per pack, of which $1.70 is retained by the State, effective July 1, 2015. Cigarette tax revenue generated $153 million in FY 2016 and is estimated to bring in $173 million in FY 2017. FY 2016 collections are $22 million below the forecast amount. Cigarette tax experienced an unusually large jump in collections due to smokers stocking up prior to the tax hike, resulting in $13.1 million more in collections in FY 2015 than predicted by the Economic Forum, a reason for the large shortfall in FY 2016.

- Establishing the commerce tax as an annual levy on a business whose Nevada based gross revenue in a fiscal year exceeds $4,000,000. The tax rate is based on the industry in which the business entity is primarily engaged as determined by the North American Industry Classification System (NAICS) code provided by the company. The annual tax is calculated on the State's fiscal year and the return and payment are due within 45 days of the end of the fiscal year in which the tax was incurred. The commerce tax became effective July 1, 2015 with the first return and payments due in August 2016. Businesses subject to the commerce tax are provided a credit toward their modified business tax liability equal to 50% of their commerce tax payment. The credit toward the modified business tax may only be used in the fiscal year immediately following the period for which the commerce tax is paid. The State collected $143.5 million in revenue from the Commerce Tax in FY 2016 and the Commerce Tax is estimated to generate $120 million in FY 2017.

- Providing that if the combined revenues from the taxes imposed by the modified business tax and the commerce tax exceed the anticipated revenues for those taxes projected by the Economic Forum by more than 4%, as adjusted by any legislation enacted by the Legislature that affects state revenue for that fiscal year, the Department of Taxation shall determine the modified business tax rate for both financial and mining and non-financial entities which would have generated a combined revenue of 4 percent more than the amount anticipated. The modified business tax rates for financial and mining and non-financial entities are then to be reduced in the proportion that the actual amount collected from each tax for the preceding fiscal year bears to the total combined amount collected from both the financial and mining and non-financial modified business taxes for the preceding year. The rates determined from this calculation go into effect on July 1 of the odd-numbered year immediately following the year in which the determination is made. The revised rates are to be rounded to the nearest one-thousandth of a percent. The revised rate for the modified business tax for non-financial institutions cannot go below 1.17% and if the revised rate for the modified business tax for non-financial entities is at or below 1.17%, the calculations are no longer required and the rates for both financial and mining institution and non-financial institution entities are not to be adjusted further.

- Increasing the commercial recording fee by $25, effective July 1, 2015. Commercial recording fee revenue brought in $73.7 million in FY 2016 and is estimated to generate $72 million in FY 2017.

The 2015 Regular Session of the State Legislature also passed various other bills that have an impact on General Fund revenues.

- Assembly Bill 175 implemented a 3% passenger carrier excise tax on fares of transportation network companies, common carriers, and taxicabs. The tax is collected monthly. The provisions for transportation network companies are effective upon the companies receiving authority to operate in Nevada from the Nevada Transportation Authority. For motor carriers and taxicabs, the provisions were effective August 28, 2015. The bill requires the first $5,000,000 collected in each biennium to be deposited to the Highway Fund with the remainder deposited to the General Fund. The passenger carrier excise tax provided $11.9 million in FY 2016 and is estimated to generate $23 million in FY 2017.

- Senate Bill 266 changed the structure and tax rate for the live entertainment tax administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment at all non-gaming establishments. The provisions establish a single 9% tax rate for all venues over 200 people and eliminate the tax on food, beverages and merchandise. The bill makes outdoor entertainment on gaming and non-gaming properties subject to the live entertainment tax and includes legal escort services as live entertainment subject to the tax. The tax also applies to non-profit organizations that sell over 7,500 tickets per event and non-profits in which patrons provide the entertainment if the non-profit sells over 15,000 tickets to such an event. The changes became effective October 1, 2015. The live entertainment tax generated $128.5 million in FY 2016 and is estimated to bring in $150 million in FY 2017.

- Assembly Bill 490 amended Assembly Bill 491 (2013) which specified that the governmental services tax proceeds from commissions and penalties transferred to the General Fund cannot exceed $20,813,716 and $4,097,964 respectively. Assembly Bill 490 amended the commission amount to $23,724,000 and the penalties amount to $5,037,000. These transfers to the General Fund are for FY 2015 only.

The budget bills along with the bills mentioned above were passed by the 2015 Regular Session of the State Legislature and signed into law by the Governor in June 2015. The 2015 Legislature appropriated approximately $7.3 billion from the State General Fund over the 2015-2017 Biennium.

A detailed summary of all budgetary and taxation actions approved by the 2015 Regular Session of the State Legislature are available from the Legislative Counsel Bureau Fiscal Analysis Division at http://www.leg.state.nv.us/Division/Fiscal/Appropriation%20Reports/.

The State believes the estimates in the aggregate as of the date of this Official Statement are reasonable; however, estimates and projections must not be construed as statements of fact. The assumptions may be affected by numerous factors, including future economic conditions in the State and the nation, and there can be no assurance that the estimates will be achieved. Periodic reports on certain revenues during the fiscal year are issued by the Department of Taxation and the Gaming Control Board.

Education Support Grant Program

Public schools in Nevada are funded primarily from local sources and a per pupil payment by the State. Senate Bill 302 enacted by the 2015 Legislature establishes a program by which a child enrolled in a private school may receive a grant of money in an amount equal to 90% (or, for pupils with a disability or for households below a certain income level, 100%) of the statewide average basic support per pupil. The child will receive the grant in the form of funds deposited into an education savings account. In order for a child to qualify for the grant, the child must have attended a public school for 100 consecutive school days. The grant is made pursuant to an agreement between the parent and the State Treasurer, which will require the child to receive instruction from certain qualified entities, such as schools or tutors. Each agreement is valid for one school year, but may be terminated early or renewed for any subsequent school year. Rules and regulations for the program have not yet been adopted.

The State at this time is unable to accurately determine the level of demand that this program will generate, the levels at which applicants for the grants are primarily currently enrolled in public schools or are currently being educated at private schools or home schooled, or the impact this program may have on funding for the public school system. The Program is currently suspended via a preliminary injunction from state court. The Nevada Supreme Court heard oral arguments on July 29, 2016 regarding two legal challenges and, on September 29, 2016, rendered a decision upholding all provisions of SB 302 against constitutional challenges but remanding one of the challenges to the district court for it to enjoin deduction of funds from the State's Distributive School Account for the Program because of the lack of an appropriation of funds. Assuming the decision becomes final in its current form (there remains a possibility of reconsideration), the State cannot predict at this time whether legislative action will be taken to identify and authorize alternative sources of funding.

Pension Plans

The following is a brief summary of the State's disclosure relating to the State's pension systems and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment I to this Part II.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2005 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. It should be noted that PERS is a multiple employer retirement system and the State's responsibility to make contributions to PERS relates only to State employees who constitute approximately 17.2% of total active employees covered by PERS as of June 30, 2015. Under GASB Statement No. 68 accounting rules, as of that date the State's employer allocation percentage was 16.4% of the net pension liability of PERS. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2015 State CAFR included in this Official Statement as Appendix A to this Part II, and the Pension Plan Information of PERS, LRS, and JRS is included in the Required Supplementary Information to the 2015 State CAFR. The most recent valuation reports for PERS, LRS, and JRS were prepared as of June 30, 2015 and are described in Attachment I to this Part II.

The largest State pension system is PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees' Retirement Fund (the "PERS Retirement Fund"). PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. Employers that participate in PERS as of June 30, 2015 include the State, 20 State-related boards and agencies and 174 local governments and related districts and agencies. As of June 30, 2015, the entire PERS (of which the State participation relates to approximately 17.2% of PERS employees) includes 103,108 active members (of whom 91,124 are Regular employees and 11,984 are Police/Fire employees; 15,032 are vested inactive members; and 58,159 are retirees and beneficiaries (of whom 50,877 are Regular retirees, survivors or disability recipients and 7,282 are Police/Fire retirees, survivors or disability recipients).

Measured by the number of active covered employees, the State was the second-largest PERS employer as of June 30, 2015, representing approximately 17.2% of employees covered by PERS. With respect to State employees participating in PERS on a pre-tax contribution basis (the majority of State employees), half of the amount paid by the State to PERS is offset by corresponding salary reductions of those employees. With respect to State employees participating in PERS on an after-tax contribution basis, for each dollar the State pays to PERS for such employees, the employees pay a like amount directly to PERS. Legislation was enacted in 2010 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The State's contribution to PERS in FY 2015 was $176,579,000. The State's contribution requirement for FY 2016 was $190,528,000. Approximately 50% of this amount was paid by State employees through payroll deductions or salary reductions. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase.

For FY 2012, 2013, 2014, 2015 and 2016, the State contributed $163,219,000, $162,484,000, $174,712,000, $176,579,000 and $190,528,000 respectively, to PERS (relating to the State's employee members).

As of June 30, 2015, PERS had a total net position (based on market value) of approximately $34.61 billion, compared to $33.58 billion as of June 30, 2014. As of June 30, 2015, the actuarial value of PERS assets was $33.72 billion (approximately 97.42% of market value), PERS was 73.2% funded (on an actuarial value basis) and PERS' unfunded accrued actuarial liability (the "UAAL") was $ 12.35 billion. These values are for the entire PERS, of which the State is one of numerous participants.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

In conjunction with GASB Statement No. 67, pension plan participating public employers implemented GASB No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27, effective for fiscal years beginning after June 15, 2014. This Statement establishes accounting and financial reporting requirements for contributing employers related to the recognition of pension expense and pension liabilities.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the System reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position in the System's Comprehensive Annual Financial Report beginning with the fiscal year ended June 30, 2014. The Total Pension Liability for financial reporting was determined on the same basis as the System's Actuarial Accrued Liability measure for funding. The Fiduciary Net Position is equal to the market value of assets. The Net Pension Liability is equal to the difference between the Total Pension Liability and the Fiduciary Net Position.

The System's Net Pension Liability as of June 30, 2015 was $11.46 billion as compared to $10.42 billion as of June 30, 2014, when measured in accordance with GASB 67. The Plan Fiduciary Net Position as a percentage of the Total Pension Liability is 75.1% as of June 30, 2015, as compared to 76.3% as of June 30, 2014.

See Attachment I to this Part II.

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Public Employees' Benefits Program

The following is a brief summary of the State's disclosure relating to the State's Public Employees Benefits Program and is qualified in its entirety by reference to the complete discussion of the State's pension systems that is attached as Attachment II to this Part II.

The State's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of ten members, including the Director of the Governor's Office of Finance (or his designee) and nine members appointed by the Governor and administers PEBP.

PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured preferred provider organization ("PPO Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the PPO Plan, (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 52% of PEBP participants participate in the PPO Plan, 21% participate in one of the HMOs and 27% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets.

Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracted with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction of certain eligibility requirements set forth in the Nevada statutes. As of June 30, 2016, the State, the Nevada System of Higher Education and 110 local government agencies are billed for retiree subsidies.

PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State subsidy from participating State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The PEBP Board determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board, through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the PPO or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the

State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2013, 2014, 2015 and 2016, the State and its component units contributed $227,620,765, $239,789,209, $223,800,759 and $246,994,433 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2017 is $250,633,515. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Office of Finance (Budget Division) provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to health benefits for plan participants including changes to the subsidization of retiree premiums. Had these changes not occurred, the State's aggregate employee and retiree subsidies for the 2009-2011 and 2011-2013 biennia would have cost an additional $53 million and $83 million, respectively. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference was paid through monthly reductions to the Retirees' Fund balance.

The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2015, the Retirees' Fund had total assets of $7,888,806, of which $1,296,388 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $4,971,859 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2015, after deducting $2,892,614 in liabilities, the Retirees' Fund had net assets of $4,996,192. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

In November 2014, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2014 (the "2014 Valuation"). The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2014, the present value of the benefits of the Plan was $2,025,895,000 according to the 2014 Valuation. Of this amount, 68% was allocable to currently active employees (future retirees). As of June 30, 2014, the actuarial accrued liability was $1,271,752,000.

Active Employee Group Insurance Holiday

In order to help address significant shortfalls in projected revenues during the 2013-2015 Biennium (see "FINANCIAL INFORMATION—2013-2015 Biennium"), the Governor proposed and the Legislature approved rate holidays for unemployment insurance (January through June 2015) and employer contributions to health benefit premiums (the "AEGIS suspension") for May and June 2015. This was deemed reasonable due to excess reserves in these fringe benefit funds that were available for the reasons set forth in the following paragraph and was deemed preferable to spending reductions that would otherwise have been necessary to help close the State budget gap for the 2013-2015 Biennium.

In recent years the premiums for the self-funded consumer driven health plan has been lower than originally projected. PEBP is able to adjust the rates and lower premiums paid by employees in subsequent years. The State's share of the cost of premiums for group insurance for each employee is fixed by the Legislature. However, there is currently no way for the State to take advantage of lower premiums without additional legislative action. The AEGIS suspension provides a mechanism for the State to take advantage of the lower premiums experienced by the plan.

See Attachment II to this Part II.

Insurance Premium Trust Fund

The State is self-insured for general, civil and vehicle liability. The statutory limit on the State's negligence or tort liability is $50,000 per claim for causes of action arising before October 1, 2007; $75,000 per claim effective for causes of action arising on or after October 1, 2007 but before October 1, 2011; and $100,000 for causes of action arising on or after October 1, 2011. The State is also self-insured for comprehensive and collision loss to automobiles and self-insured to $100,000 for property loss with commercial insurance purchased to cover the excess above this amount. The State currently carries commercial insurance for aircraft liability, crime, excess liability and workers' compensation. The State is contingently liable for the cost of post retirement heart disease benefits payable under the Nevada Occupational Disease Act. The range of estimated losses from $5,101,500 to $18,117,600 has been determined using standard actuarial techniques.

The State pays these claims from the Insurance Premium Trust Fund that is funded from amounts charged to each State agency. The Insurance Premium Trust Fund is shared by both the Nevada Attorney General's Office and the Nevada Risk Management Division as claims administration is split between the two agencies. The Attorney General's Office is responsible for administering tort claims (including general, civil, vehicle liability), while the Risk Management Division administers auto (comprehensive and collision), property and workers' compensation programs.

At June 30, 2015 and June 30, 2014, total liabilities exceeded total assets by $50,818,771 and $54,176,807, respectively. According to figures derived from actuarial estimates, this Fund is liable for approximately $51,000,000 and $54,000,000 as of June 30, 2015 and June 30, 2014, respectively, in potential claims settlements, which have yet to be funded through premium contributions. NRS Section 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities. See Note 11B to the 2015 State CAFR attached as Appendix A to this Part II for more information about the Insurance Premium Trust Fund.

Unemployment Insurance Benefit Fund

The State maintains an unemployment insurance benefit fund which is funded by an unemployment tax on businesses. Due to unusually high unemployment as a result of the 2007-2009 recession, this fund was depleted in October 2009. Through 2013, the State borrowed substantial amounts to pay unemployment benefits from the federal government. The federal loan balances peaked at approximately $846 million in the second quarter of 2012, and thereafter diminished steadily on a year over year basis. The 2013 Legislature adopted a new law which authorized the State to issue bonds secured by special bond contributions payable by employers to, among other things, repay the federal loans summarized above and to make deposits to the unemployment insurance fund. In November 2013, the State issued $548,900,000 of Unemployment Compensation Fund Special Revenue Bonds secured by such special bond contributions of which $279,145,000 remains outstanding as of October 1, 2016. The proceeds were applied to repay all then-outstanding advances made by the federal government to the unemployment benefit fund. Alongside the repayment of these bonds, the State has begun rebuilding the unemployment insurance benefit fund. As of September 16, 2016, the balance was $675 million, an increase of $255 million on a year-over-year basis.

STATE LITIGATION

The staff attorneys of the State Attorney General's Office reported that the State or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State and based on the information provided by the staff attorneys, the State Attorney General is of the opinion that the State's ability to pay its general obligation bonds will not be materially affected by this litigation, based on information known at the time this Official Statement was prepared.

Several of the actions pending against the State are based upon the State's (or its agents') negligence or tort liability in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of $50,000 per claim for causes of action arising before October 1, 2007, which has increased to $75,000 per claim effective for causes of action arising on or after October 1, 2007 and to $100,000 for causes of action arising on or after October 1, 2011. Buildings and contents are self-insured to $100,000 for property loss with commercial insurance purchased to cover excess above this amount.

The State and/or its officers and employees are parties to a number of lawsuits that have been filed under the federal civil rights statutes. The State is statutorily required to indemnify its officers and employees held liable for damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several causes of action may be filed against the State based on alleged civil rights violations by its officers and employees. The statutory limit of tort liability (discussed above) does not apply in federal civil rights, federal discrimination and certain employment cases. Accordingly, the potential liability of the State is unascertainable at the present time.

2003 Non-Participating Manufacturers Adjustment arbitration proceeding relating to nationwide Tobacco Master Settlement Agreement (MSA). The State is involved in a nationwide arbitration with a group of tobacco companies, the Participating Manufacturers, over the tobacco Master Settlement Agreement ("MSA"), which the State signed along with 46 other states in 1998. The Participating Manufacturers have alleged that the State has failed to diligently enforce the provisions of NRS 370A (Qualifying Statute) as contemplated by the MSA. As a result, in January 2009, the Nevada Supreme Court ordered the State to arbitrate its dispute with the Participating Manufacturers. The State's potential liability is up to the total amount of the MSA payment for calendar year 2003 which is approximately $44 million. Additional arbitrations for the succeeding calendar years were anticipated with a similar dollar amount at risk. The State entered into a settlement with the Participating Manufacturers, reflected in an agreed term sheet, in December 2012. The agreement has not yet been finalized in a formal settlement agreement, but it is anticipated that the settlement will be duly formalized. The settlement resolves the dispute for calendar 2003 and reaches subsequent years through 2014. Although not yet finalized in a formal agreement, the settlement has resulted in a release of funds by the Participating Manufacturers that increased revenue received by the state under the MSA for 2013. The settlement terms will reduce revenue from the MSA for years 2014 through 2018.

K-Kel, Inc., dba Spearmint Rhino Gentlemen's Club, et al. v. Dept. of Taxation, et al., Case No. A648894, is a State district court action, through a petition for judicial review, challenging application of the statute imposing Nevada's Live Entertainment statute on grounds of constitutionality and seeking a refund of taxes paid, plus interest. In prior proceedings, the Nevada Supreme Court affirmed district court's rulings finding Nevada's Live Entertainment Tax facially valid and determining that an as-applied challenge could only be brought through a petition for judicial review. Taxpayers' petition for certiorari to the United States Supreme Court was denied. What remains is Taxpayers' petition for judicial review of the denial of its as-applied challenge by the Nevada Tax Commission, which is pending before the Eighth Judicial District Court of the State of Nevada. That challenge contends the Live Entertainment Tax is unconstitutional as it is applied to the particular Taxpayers. It is estimated that, if Taxpayers prevail, the refund claim alone could exceed $87 million.

Southern California Edison v. State, Department of Taxation. Southern California Edison sought a $36 million refund of use taxes paid arguing that coal used to produce electricity was not taxable. The issue in this matter is similar to an earlier proceeding involving another utility, Sierra Pacific Power which was resolved in the State's favor. Since the initial request, the refund sought in this matter, including interest has increased to in excess of $111 million. At the hearing that was held in late 2008, Southern California Edison's refund request was denied by the Nevada Tax Commission. Trial de novo was held in the First Judicial District on January 21-31, 2014. On December 15, 2014, based on the Nevada Supreme Court's decision in Sierra Pacific Power, 338 P.3d 1244, the District Court determined that Southern California Edison was not entitled to a refund. The District Court's Decision has been appealed to the Nevada Supreme Court. The appeal has been fully briefed, was argued on June 7, 2016, and is under submission for decision.

Village League v. State Board, CV-03-06922. Pursuant to an order of the Nevada Supreme Court that the State Board of Equalization provide taxpayers statewide the opportunity to testify regarding equalization, the State Board has made a decision denying certain Incline Village residential property owners' request that values for the properties receive a rollback to 2002 values for tax years 2003-2004, 2004-2005 and 2005-2006, ordering instead that the Washoe County Assessor reappraise said properties without using certain disapproved methodologies. The property owners sought and were denied judicial review and have appealed to the Nevada Supreme Court. If the property owners were to prevail on appeal, it would be anticipated that they would be granted a refund in excess of $10 million.

Nassiri, Fred, adv. NDOT. NDOT previously settled an eminent domain action with Nassiri. Settlement included transfer by NDOT of other property to Nassiri. Nassiri has filed an action asserting inverse condemnation, breach of contract, breach of the implied covenant of good faith and fair dealing, and rescission, based on actions (subsequently taken) by NDOT, specifically development of an overpass that blocked view of the property from the freeway, thereby allegedly impairing the property. The inverse condemnation claim has been dismissed. Nassiri's claim is in excess of $40 million.

Wykoff Newberg Corp., adv. State of Nevada (NDOT). The State, through NDOT, brought a condemnation proceeding against Wykoff to acquire property for widening I-15 between Tropicana and Blue Diamond. NDOT initially valued compensation due Wykoff at $1,290,000, but Wykoff demanded $10 million. The parties reached a tentative settlement for the amount of $2,990,000 (NDOT's initial valuation plus $1,700,000), but a dispute over the conditions of the settlement has prevented it from being finalized. NDOT has brought a pending motion to enforce the settlement.

Morrison v. Quest et al. The widow of deceased former boxer Tommy Morrison is suing the Nevada State Athletic Commission, the former Executive Director Marc Ratner and the former Chairman of the Medical Advisory Board, Dr. Margaret Goodman (along with a lab and its director who are represented by a private attorney) for $110 million for alleged negligence surrounding a lab test performed in order for him to participate in a 1996 bout, and alleged statements made in 2007.

This matter was filed in July 2014 in the Federal District Court in Las Vegas, Nevada. An initial motion to dismiss was granted in part and denied in part. Plaintiff then filed an amended complaint, which the State has moved to dismiss and which is awaiting a hearing or decision. In June 2016, the State filed a motion for summary judgment, which has been briefed and awaits hearing or other further action by the district court.

Walden et al. v. Nevada Department of Corrections. This is a Fair Labor Standard Act collective action on behalf of all State of Nevada Department of Corrections correctional officers (1,729 officers) under sections 206 and 207 of 29 U.S.C. § 201 et seq. for alleged failure to pay for preliminary and postliminary duties leading to pay and overtime violations. It also includes a pendant contract and Nevada Constitution claim for the same. It is styled as a class action. Plaintiffs seek to recover straight time and overtime for up to one hour each day worked for each officer for the statutory period of two years, plus an additional year and double damages for alleged intentional violation of the federal law. The contract claim seeks to recover 6 years of damages. The preliminary and postliminary activities alleged to be non-compensated include checking in with the shift supervisor, obtaining keys or handcuffs, walking to the post within the prison, relieving the employee already at the post including exchange of pertinent information, and then the reverse at the end of the shift. The collective class has been conditionally certified, with 3,075 eligible members, and approximately 502 joining the lawsuit. As of March 2016, Plaintiffs calculate their damages to be approximately $58,345,050 not including interest, costs, and attorneys' fees. Plaintiffs estimate costs to be $90,000. The litigation is stayed awaiting the court's decision on the Nevada Department of Corrections' motion for judgment on the pleadings.

Custom Landco LL (Walker Furniture) adv. State of Nevada (NDOT). The State, through NDOT, brought a condemnation proceeding against the landowner to acquire property for Project NEON. This is a partial taking of 1.87 acres from a 10.22 acre parcel that was improved with various buildings comprising the Walker Furniture campus. The acquisition required the demolition of the business's 52,000 sf warehouse. The Department's expert opined that the just compensation owed for the taking and any damages totaled $5,136,900. Walker claimed over $75,000,000 was owed as just compensation based upon an assumption that the taking would result in the closure of the business. NDOT is attempting to finalize a settlement with the Walker entities in connection with eminent domain property acquisition for Project NEON. Settlement funds are included in the overall project budget and a significant portion of those funds are eligible for federal reimbursement.

There are a number of other actions affecting the State, but the State estimates that its potential liability for any single action not described above will not exceed $10 million.

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General

This portion of Part II of this Official Statement contains general information concerning the economic and demographic conditions in the State. It is provided so that prospective investors will be aware of factors that may affect future development and growth within the State. The information presented was obtained from the sources indicated, and the State does not guarantee or make any representation as to the accuracy or completeness of the data presented.

Population and Age Distribution

Nevada's population increased from 1,201,833 residents in 1990 to 1,998,257 residents in 2000 and to 2,724,634 residents in 2010, an increase of approximately 66% between 1990 and 2000 and approximately 127% between 1990 and 2010. In 2015, Nevada's population increased by 1.9% from the previous year. Historical and estimated State population figures, by county, are shown in the following table:

Table 16
Nevada Population by County

	1990	2000	2010	2012	2013	2014	2015
Carson City	40,443	52,457	55,850	55,441	54,668	53,969	54,273
Churchill	17,938	23,982	26,360	25,238	25,322	25,103	25,126
Clark	741,459	1,375,765	1,968,831	1,988,195	2,031,723	2,069,450	2,118,353
Douglas	27,637	41,259	49,242	48,015	48,478	48,553	48,223
Elko	33,530	45,291	52,097	51,771	53,384	53,358	53,551
Esmeralda	1,344	971	1,145	860	858	926	923
Eureka	1,547	1,651	1,609	2,011	2,024	1,903	1,862
Humboldt	12,844	16,106	18,364	17,384	17,457	17,388	17,057
Lander	6,266	5,794	5,992	6,221	6,343	6,560	6,247
Lincoln	3,775	4,165	4,631	5,100	5,020	5,004	5,088
Lyon	20,001	34,501	52,334	52,245	52,960	53,344	53,277
Mineral	6,475	5,071	4,471	4,679	4,662	4,584	4,539
Nye	17,781	32,485	45,459	44,292	44,749	45,456	46,050
Pershing	4,336	6,693	7,133	7,013	6,882	6,714	6,750
Storey	2,526	3,399	4,234	4,103	4,017	3,974	3,984
Washoe	254,667	339,486	417,379	442,704	432,324	436,797	441,946
White Pine	9,264	9,181	9,503	9,945	10,095	10,218	10,336
Nevada Total	1,201,833	1,998,257	2,724,634	2,750,217	2,800,967	2,843,301	2,897,584

Source: 1990 and 2000: U.S. Bureau of the Census; 2010 and 2012-2015: Nevada State Demographer.

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The following table sets forth a comparative age distribution profile for Clark County, Washoe County, the State and the United States:

Table 17
Age Distribution

Percent of Population				
Age	**Clark County**	**Washoe County**	**State**	**United States**
14 and under	19.9%	18.5%	19.4%	19.1%
15-24	12.9	13.6	13.0	13.8
25-34	14.8	14.4	14.3	13.5
35-54	27.7	25.7	27.1	26.4
55 and older	24.9	27.8	26.2	27.1

Source: U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates.

Income

The following table sets forth annual per capita personal income levels of the Las Vegas-Paradise MSA (which consists of Clark County), the Reno-Sparks MSA (which consists of Washoe County and Storey County), the State and the United States:

Table 18
Per Capita Personal Income Groups

Year	**Las Vegas-Paradise MSA**	**Reno-Sparks MSA**	**State**	**United States**
2011	$36,488	$43,030	$37,745	$42,453
2012	38,713	43,048	39,436	44,266
2013	38,091	44,280	39,223	44,438
2014	39,533	46,120	40,742	46,049
2015	*	*	42,185	47,669

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
*Data not available.

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The following tables depict Median Household Income and Percent of Households by Income Groups for Clark County, Washoe County, the State and the United States.

Table 19
Median Household Income

Year	Clark County	Washoe County	State	United States
2010	$51,437	$50,556	$51,001	$50,046
2011	48,215	50,733	48,927	50,502
2012	49,546	49,026	49,760	51,371
2013	51,057	53,588	51,230	52,250
2014	51,214	52,618	51,450	53,657

Source: U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates.

Table 20
Percent of Households by Income Groups

Income Group	Clark County Households	Washoe County Households	State Households	United States Households
Under $25,000	22.1%	23.7%	22.3%	23.1%
$25,000-$34,999	11.4	9.6	11.2	10.0
$35,000-$49,999	15.1	13.8	15.0	13.5
$50,000 and Over	51.3	52.8	51.5	53.4

Source: U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates.

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Employment

The following tables set forth labor force and employment statistics for the State. The State experienced high rates of unemployment beginning in 2008 and continuing through 2012. In July 2010, the State's unemployment rate reached a high of 13.7%.

Table 21[1]
Average Annual Labor Force Summary

Calendar Year	2011	2012	2013	2014	2015	2016 YTD
Total Labor Force	1,373,115	1,378,093	1,385,312	1,401,800	1,425,711	1,433,579
Unemployed	178,851	153,779	132,440	110,761	96,159	88,620
Unemployment Rate[2]	13.0%	11.2%	9.6%	7.9%	6.7%	6.2%
Total Employment[3]	1,194,264	1,224,315	1,252,872	1,291,040	1,329,552	1,344,959

(1) Based on non-seasonally adjusted information as of August 2016. Subject to revision as additional information becomes available.
(2) According to the U.S. Department of Labor, Bureau of Labor Statistics, the U.S. average unemployment rates for the years 2011 through 2015 were 9.0%, 8.1%, 7.4%, 6.2% and 5.3% respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.

Source: State of Nevada - Department of Employment, Training and Rehabilitation.

Table 22[1]
Average Establishment-Based Industrial Employment by Calendar Year
(Estimates in Thousands)

NAICS Classification[2]	2011	2012	2013	2014	2015	2016 YTD[3]
Natural Resources and Mining	14.0	15.5	15.2	14.4	14.3	13.6
Construction	52.2	52.0	56.8	63.3	69.6	74.6
Manufacturing	38.3	39.2	40.5	41.5	42.0	42.4
Trade (wholesale and retail)	160.6	164.0	167.2	172.4	178.0	181.8
Transportation, Warehousing and Utilities	52.1	54.0	54.9	58.0	60.7	63.1
Information	12.6	12.7	12.9	13.7	13.8	13.3
Financial Activities	52.5	54.4	56.6	57.1	59.5	60.2
Professional and Business Services	139.7	144.7	149.9	156.5	166.2	169.2
Education and Health Services	105.4	108.5	111.6	116.3	121.9	125.9
Leisure and Hospitality (casinos excluded)	126.8	130.7	137.5	144.5	151.5	157.4
Casino Hotels and Gaming	188.8	186.5	186.4	191.1	189.2	187.7
Other Services	32.4	33.3	33.7	35.6	36.1	36.4
Government	150.3	149.4	151.0	152.5	155.0	156.0
Total all industries	1,125.7	1,144.8	1,174.3	1,216.9	1,257.6	1,281.3

(1) Based on non-seasonally adjusted CES information as of August 2016. Subject to revision as additional information becomes available. Totals may not add due to rounding.
(2) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple jobholders.
(3) Reflects an average of employment year-to-date; however, August 2016 employment numbers are preliminary.

Source: State of Nevada - Department of Employment, Training and Rehabilitation.

Educational Attainment

The following table sets forth educational attainment statistics for the State.

Table 23
Educational Attainment
(Civilian Labor Force Aged 25 and Older)

Nevada state-wide Educational Attainment Level	Male	Female	Total[1]
Total population	49.7%	50.3%	100.0%
Not a high school graduate	15.1	14.7	14.9
High school graduate (including equivalency)	28.5	27.8	28.2
Some college or associate degree	33.0	34.7	33.8
Bachelor's degree	15.1	15.3	15.2
Graduate or Professional Degree	8.3	7.5	7.9

(1) Totals may not add exactly due to rounding.

Source: U.S. Census, 2014 American Community Survey 1-Year Estimates.

Sales and Use Tax

Aggregate sales and use taxes imposed in Nevada's counties range from 6.85% to 8.15% (Clark County and Elko County). The State General Fund's share (2%) is a major source of revenue for the State's General Fund. See "FINANCIAL INFORMATION—State General Fund Revenue Sources." Clark County and Washoe County are the major sources of taxable sales revenue in the State. The following table presents a record of taxable sales in the State:

Table 24[1]
Transactions Taxable Under the Nevada Sales and Use Tax Laws

Fiscal Year Ended June 30	Taxable Sales	Percentage Change
2012	$ 42,954,750,131	--
2013	45,203,408,413	5.23%
2014	47,440,345,167	4.95
2015	50,347,535,951	6.13
2016	52,788,295,421	4.85

(1) Subject to change.

Source: State of Nevada - Department of Taxation.

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Gaming and Tourism

The economy of Nevada is largely dependent upon a tourism industry based upon legalized gaming and related forms of entertainment. The industry represents a significant source of revenues to the State, county and local jurisdictions in which gaming companies operate. For three of the past four fiscal years (2013 to 2016), gross taxable gaming revenue has increased. During prior fiscal years, the increases in gaming win have been driven primarily by increased convention attendance and visitation on the Las Vegas Strip in addition to record win amounts in baccarat. However, in Fiscal Years 2015 and 2016, the increases in gaming win were driven by markets outside of the Las Vegas Strip. Although gaming collections from all sources have increased during four of the past six fiscal years (2011 to 2016), during the past two fiscal years (2015 and 2016), state gaming collections from all sources have experienced decreases. It should be noted that the primary reason for the decrease in gaming collections during FY 2016 were the result of by $24.7 million in tax credits applied against Percentage Fees. Furthermore, legislative changes made during the 2015 session to the Live Entertainment Tax further reduced collections during FY 2016. The following table represents a record of gross taxable gaming revenues in the State and total State gaming taxes and fees collected.

Table 25[(1)]
Gross Taxable Gaming Revenues and Total Gaming Taxes

Fiscal Year	Gross Taxable Gaming Revenue[(2)]		State Gaming Collection[(3)]	
Ended June 30	State Total	% Change	State Total	% Change
2012	$ 9,764,332,506	--	$ 864,621,791	--
2013	10,208,528,371	4.49%	892,106,457	3.18%
2014	10,208,211,093	-0.003	912,371,316	2.27
2015	10,511,527,575	2.97	909,857,085	-0.28
2016	10,612,567,883	0.96	876,040,147	-3.72

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Based upon the taxable revenues generated in the previous month. Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada - Gaming Control Board.

Gaming Is a Highly Regulated Industry. The five-member Nevada Gaming Commission and the three-member Nevada Gaming Control Board, both appointed by the Governor, investigate and approve all licenses, establish operating rules, monitor the activities of licensed establishments and collect State gaming fees and taxes. In addition to the State, local governments also license, levy taxes and regulate gaming establishments and licensees. The laws, regulations and ordinances of both state and local governments regulate the licensing, operations and financial stability of the businesses as well as the background and character of the owners, managers, and persons with financial interests in the gaming.

The Gaming Industry Is Highly Competitive. Prior to the 1980s, Nevada was the only state with legalized casino gaming, although some forms of gaming, such as pari-mutuel horse, dog and jai alai betting, existed in other states. A significant proliferation of casino and other forms of gaming has occurred outside of Nevada, both nationally and internationally, in recent years. According to the American Gaming Association, today there are 40 states that have some form of legalized electronic gaming device, including traditional slot machines, video poker and bingo at Indian casinos, commercial casinos, racetrack casinos, and/or bars, restaurants or other licensed establishments ("non-casino devices"). These include 24 states with commercial casinos, 14 with racetrack casinos, and 28 with tribal casinos, and seven have non-casino devices. Additionally, tribal gaming in the State of California accounts for the highest Native American gaming revenue of any state within the United States. Gaming continues to expand into foreign countries as well. Nevada no longer enjoys a near-monopoly on the United States gaming market as it did historically. Competition from casino gaming, state-run lotteries and other forms of gaming will likely continue to increase in the future. The impact of such expansion and proliferation upon Nevada's gaming economy is uncertain.

Information relating to the occupancy rates of hotels is not available on a state-wide basis. This information is generally only available for Clark County (Las Vegas) and for Washoe County (Reno and Sparks) as provided in the following tables:

Table 26
Visitor Volume and Room Occupancy Rate
Las Vegas Metropolitan Area, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[(1)]	National Occupancy Rate[(2)]
2011	38,928,708	150,161	83.8	60.1%
2012	39,727,022	150,481	84.4	61.4
2013	39,668,221	150,593	84.3	62.3
2014	41,126,512	150,544	86.8	--
2015	42,312,216	149,213	87.7	--
Jan – Jul 2015	24,743,578	149,071	88.1	--
Jan – Jul 2016	25,174,749 [(3)]	149,262	89.8	--

(1) The sample size for this survey represents approximately 75% of the total hotel/motel rooms available.
(2) Source: PwC Hospitality Directions: May 2015.
(3) Represents a 1.7% increase from the January – July 2015 period.

Source: Las Vegas Convention and Visitors Authority.

Table 27
Visitor Volume and Room Occupancy Rate
Washoe County, Nevada

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate[(1)]	National Occupancy Rate[(2)]
2011	4,345,141	24,872	60.5%	60.1%
2012	4,536,415	24,741	60.0	61.4
2013	4,664,514	23,957	63.2	62.3
2014	4,631,195	23,972	63.6	--
2015	4,746,207	23,535	65.7	--
Jan – Jul 2015	2,706,371	22,472	63.2	--
Jan – Jul 2016	2,812,182 [(3)]	23,657	65.4	--

(1) The rooms and units in all types of accommodation (with three or more rooms/units) licensed with the Reno-Sparks Convention and Visitors Authority to rent rooms/units on a short-term basis.
(2) Source: PwC Hospitality Directions: May 2015.
(3) Represents a 3.9% increase from the January – July 2015 period.

Source: Reno-Sparks Convention and Visitors Authority.

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Table 28
Convention and Visitors Authority Room Tax Revenue

Fiscal Year	Las Vegas Convention and Visitors Authority Revenue[1]	% Change	Fiscal Year	Reno Sparks Convention and Visitors Authority Revenue[1]	% Change
2011	$178,869,442	--	2011	$15,628,489	--
2012	200,701,137	12.21%	2012	15,378,063	-1.60%
2013	203,602,271	1.45	2013	16,724,281	8.75
2014	223,709,496	9.88	2014	16,954,518	1.38
2015	240,140,940	7.34	2015	18,060,419	6.52
2016	263,207,145	9.61	2016	21,029,848	16.44

(1) The Room Tax Revenue is retained locally and is not part of the State's room tax revenue.

Source: Las Vegas Convention and Visitors Authority; Reno-Sparks Convention and Visitors Authority.

Transportation

Las Vegas and Reno, the State's two major population centers, are 400 miles apart. Both cities have airports designated as international ports of entry and are served by scheduled airlines and supplemental charter carriers.

McCarran International Airport in Las Vegas reported having a total of 45.38 million commercial and charter passengers enplaned and deplaned in 2015, making the year the third busiest year in the airport's 67-year history. This reflects an increase from 42.86 million in 2014, an increase of 2.51 million passengers or 5.9 percent over the period.

The Reno/Tahoe International Airport reported having a total of 3.43 million commercial and charter passengers enplaned and deplaned in 2015, an increase from 3.30 million in 2014. This reflects an increase of approximately 127,500 passengers or 3.9 percent over the period.

Two major railroads cross Nevada, while short lines serve as feeders. Several national bus lines and trucking lines serve the State.

There are nine federal highways in Nevada, three of which are part of the interstate system. Interstate 15, connecting Salt Lake City and San Diego, passes through Las Vegas and provides convenient access to the Los Angeles area. Interstate 80 connects with the San Francisco Bay area and the Reno-Sparks area. Interstate 580 connects Reno and Carson City. NDOT is partnering with Arizona Department of Transportation to plan an interstate (Interstate 11) link between Las Vegas and Phoenix, with the potential of extending north to Canada and south to Mexico.

U.S. Highways 95 and 93 are major routes north from Las Vegas, through Fallon and Ely, Nevada, respectively. South of Las Vegas, U.S. 95 extends to the Mexican border, generally following the Colorado River, and U.S. 93 crosses into Arizona.

Nevada is less than one day's drive to more than 40 million consumers and five major U.S. ports serving the Pacific Rim. Northern Nevada is at the center of the western region, with 11 states and 53 million people only one day's drive away. Southern Nevada is just hours away from the Southern California markets and within 2-day delivery of nearly every state west of the Mississippi River.

Economic Development

The Nevada Governor's Office of Economic Development ("GOED") promotes a robust, diversified and prosperous economy in Nevada, stimulates business expansion and retention, encourages entrepreneurial enterprise, attracts new businesses, and facilitates community development. GOED is assisted by Regional Development Authorities across the State when a business chooses to locate or expand within their respective region.

GOED has seven industry focal areas:

- Aerospace & Defense
- Health & Medical Services
- Information Technology
- Manufacturing & Logistics
- Mining
- Natural Resource Technologies
- Tourism, Hospitality & Gaming

Additionally, GOED is advancing the development of emerging industry clusters that center on water technology innovation, unmanned aerial systems, and advanced manufacturing. Nevada's ability to grow its industries is dependent upon a trained workforce, and GOED plays an important role in ensuring that industry demand is matched with an educated, skilled, and available workforce.

GOED is able to offer incentives to qualifying companies, following Board approval, to create jobs and alleviate some costs associated with expanding or relocating in the State. GOED's incentives include: Sales and Use Tax Abatement; Modified Business Tax Abatement; Personal Property Tax Abatement; Real Property Tax Abatement for Recycling; Data Center Abatement; Aviation Parts Abatement; Train Employees Now grant; and the Silver State Works Hiring Incentive.

GOED's International Trade Division facilitates export growth, increases foreign direct investment, recruits foreign expansion, and expands higher education partnerships. Nevada has established high-level partnerships with government officials and industry associations in the People's Republic of China, the Republic of Korea, Mexico, Brazil, Canada, Israel, Poland, Germany, United Kingdom, Ireland, and Italy.

GOED is the umbrella organization for the Nevada Film Office which provides assistance to the local and national television and film production community.

The Procurement Technical Assistance Center Procurement Outreach Program is housed in GOED and works to simplify the process of contracting with all levels of government.

The Rural Community and Economic Development Division in GOED promotes and facilitates community development throughout rural Nevada. The Division administers the State and Small Cities Community Development Block Grant Program which aids in the development of suitable living conditions, increases the supply of decent housing, and helps create economic opportunities in the rural parts of the State.

In 2014, the State's economic development efforts resulted in approximately $12 billion of recently or anticipated business investment in the State, 14,700 new jobs, and the arrival or expansion of 97 companies. Among the most noteworthy of these is the Tesla Gigafactory.

The Tesla Gigafactory is currently under construction and is expected to be completed in 2017, at a cost of approximately $5 billion. The factory is being built to construct the lithium-ion batteries that are used to power Tesla electric motor cars at reduced production costs. Employment is estimated to reach approximately 6,500 employees when the facility is in full operation.

Notable economic development activity in 2015 includes the Switch Data Center. Switch is a developer and operator of colocation data centers, most of which are located in the State. Switch has committed to invest approximately $3 billion in constructing a new 3 million square foot data center campus on approximately 1,000 acres of land near Reno. This facility is part of an expanding data center presence in the State that includes Rackspace, eBay and Apple.

Faraday Future is a next-generation electric car manufacturing company that has committed to build a $1.4 billion, 3 million square foot manufacturing plant in North Las Vegas. This facility is expected to result in 4,500 full-time jobs when fully built-out and employ 3,000 construction and installation workers until that time. Production is expected to begin in 2017.

Among its other economic development activities, the GOED created and also oversees the Battle Born Growth Escalator, Nevada's State venture capital program (under the auspices of State Small Business Credit Initiative). This program invests in early stage, high-growth Nevada enterprises in the following sectors: aerospace and defense, agriculture, energy, health care, IT, logistics and operations, manufacturing, mining, tourism and gaming and water.

The State was selected by the FAA as one of six test site locations for flying Unmanned Aerial Systems.

Federal Activities

Operations and facilities of the federal government in the State have been significant, beginning with Hoover Dam in the 1930s, an Army Air Force gunnery school (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada National Security Site (formerly the Nevada Test Site). Currently, the following major federal activities are located in the State.

Hoover Dam. Hoover Dam, operated by the Bureau of Reclamation, is a multiple-purpose development. The dam controls floods and stores water for irrigation, municipal and industrial uses, hydroelectric power generation, and recreation. Hoover Dam is one of the world's largest hydroelectric installations with a capacity of more than 2,000 megawatts. Hoover Dam also is a major tourist attraction in Clark County.

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its ranges is over three million acres. The base hosts numerous military programs as well as civilian workers. It is the home base of the "Thunderbirds," the world famous air demonstration squadron.

Nevada National Security Site. The Nevada National Security Site ("NNSS") was established in 1950 as the nation's proving ground for nuclear weapons testing. In recent years, under the direction of the Nevada Site Office of the U.S. Department of Energy ("DOE"), NNSS use has diversified into many other areas such as hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects that can best be conducted in this remote desert area. NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles north of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center. NNSS comprises approximately 1,350 square miles, surrounded by thousands of additional acres of land withdrawn from the public domain for use as a protected wildlife range and for a military gunnery range, creating an unpopulated area of approximately 5,470 square miles. Federal employees and independent contractors are employed at NNSS.

Yucca Mountain. The federal government formerly planned to use Yucca Mountain (located approximately 90 miles northwest of Las Vegas in Nye County) as a national nuclear repository for high-level waste and spent fuel from nuclear power plants around the country. The U.S. Department of Energy submitted in 2008 a license application to the U.S. Nuclear Regulatory Commission (the "NRC") seeking authorization to construct the nuclear waste and spent fuel repository, but the NRC suspended its review. Following various challenges, in 2013 the D.C. Circuit Court of Appeals ordered the NRC to resume the statutory license review process unless Congress declares otherwise through legislation or until appropriated funds are depleted. While NRC review of the Yucca Mountain application continues, there are significant hurdles to its approval, strong opposition to the project, and lack of federal funding. The status of the proposed nuclear repository at Yucca Mountain remains uncertain.

Mining

Nevada is called the "Silver State" because of the vast quantities of silver mined from the Comstock Lode in the 19th Century. Today, Nevada's mining industry production consists of metals, industrial minerals, oil and gas, and geothermal energy. The total value of mineral production (excluding oil, gas and geothermal) in Nevada reached $7.1 billion in 2015. Gold is the primary source of mining revenue which reached $6.2 billion in 2015. Nevada leads the nation in gold production and has the only operating lithium mine in the U.S.

Oil and natural gas exploration activity continues in Nevada. During 2015, the total net oil produced was 281,875 barrels. There are no commercial sales of natural gas in Nevada; however, small quantities are produced and used to fuel oil production facilities on leased sites.

Gross geothermal energy production totaled 3.1 million megawatt-hours in 2015 from 24 electrical generating plants.

According to the Department of Employment, Training and Rehabilitation, in 2015, there was an average of 14,196 people employed in the mining industry at an average annual salary of $92,077.

According to the Division of Minerals, gold and silver currently account for 88% of total value of metal and non-metal mine production in the Nevada mining industry. The following table compares the calculated value of mineral production for the periods indicated:

Table 29[(1)]
Mineral Production

Calendar Year Ending	Millions of Dollars	% Change
2011	9,600	--
2012	10,244	6.7
2013	8,820	-13.7
2014	7,126	-19.2
2015	7,118	-0.1

(1) Estimates. Does not include oil, gas and geothermal energy.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

The following table presents the amount of selected mineral commodities produced in the State during the periods indicated:

Table 30
Mineral Production
(By Weight)
(In Thousands)

	2011	2012	2013	2014	2015
Gold	5,536 ozs	5,615 ozs	5,441 ozs	4,941 ozs	5,339 ozs
Copper	123,791 lbs	145,319 lbs	137,715 lbs	132,616 lbs	177,638 lbs
Silver	7,141 ozs	8,527 ozs	8,679 ozs	10,934 ozs	9,498 ozs
Gypsum	996 tons	1,482 tons	1,804 tons	2,804 tons	3,398 tons
Barite [(1)]	698 tons	745 tons	811 tons	808 tons	516 tons

(1) Shipped.

Source: State of Nevada - Commission on Mineral Resources-Division of Minerals.

In September 2015, the U.S. Bureau of Land Management ("BLM") and the U.S. Forest Service ("USFS") finalized land use plan amendments ("LUPs") to provide further protection to the greater sage-grouse habitat in the Western United States, including creating three new habitat management areas in Nevada. Certain Nevada counties and mining companies filed a lawsuit, which the Nevada Attorney General later joined, seeking judicial review of BLM's and USFS' actions. The plaintiffs contend that the LUPs will negatively impact, among other things, the mining industry in the State. At this time, the State cannot predict the effects of the LUPs on mining or other matters in the State.

Electric Utilities

NV Energy, Inc. ("NV Energy"), formerly Sierra Pacific Resources, was acquired by Berkshire Hathaway Energy in 2013. Through its subsidiaries, which include Sierra Pacific Power Company and Nevada Power Company (each doing business as NV Energy), NV Energy supplies electric service to Las Vegas and surrounding Clark County, and to northern Nevada. NV Energy through its subsidiaries provides electric and natural gas services to a range of over one million residential, commercial, industrial and public sector customers.

Water

Nevada is one of the eight mountain states, bordered by California, Oregon, Idaho, Utah, and Arizona. The State lies in the Great Basin, an arid region east of the Sierra Nevada Mountains, where annual rainfall averages less than ten inches. The availability of water is important to continued growth and development in the State, particularly in its two most populous counties, Clark County and Washoe County. The water providers for those two counties are briefly discussed below.

On January 16, 2014, the U.S. Department of Agriculture ("USDA") announced the designation of nine counties in Nevada, including Clark County and Washoe County, as primary natural disaster areas due to ongoing drought conditions. Qualified farm operators in these areas and certain contiguous areas may be eligible for low-interest emergency loans from the USDA. The State cannot predict the duration of the drought or the effects of the drought on the State.

Clark County

The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District ("LVVWD"); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas, the unincorporated urban areas of Clark County, Jean, Kyle Canyon, Blue Diamond, and Searchlight. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the Coyote Springs Water Resources District, operated by the LVVWD, serves the community within the Coyote Spring valley. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa and Glendale.

The Southern Nevada Water Authority ("SNWA") was established to address water issues on a regional basis rather than an individual purveyor basis. The members of the SNWA include the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; address water resource management and water conservation on a regional basis; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA.

In addition to aggressive water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to the Las Vegas Valley. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to quickly respond to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada's 300,000 acre-foot per year ("AFY") Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; flood control, domestic and intentionally created surplus water (intentionally created surplus water is divided into four categories: tributary, imported, system efficiency and extraordinary conservation); water resources banked in the Las Vegas Valley and the states of Arizona and California; wastewater reuse; and other current and future supplies.

While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with expected conservation gains, are designated to enable the SNWA to meet current and projected water demands over the long-term planning horizon. In 2015, the SNWA updated its Water Resource Plan to outline the SNWA's approach to meeting demands during declared shortages in light of new rules and agreements. Response measures include the use of Intentionally Created Surplus, banked resources, shortage-sharing agreements and heightened conservation measures. The SNWA also continues to work with the other Colorado River Basin states to identify and explore options for long-term augmentation of Colorado River resources.

Washoe County

The primary source of water for Washoe County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of Washoe County.

Regional planning of water resources in certain portions of Washoe County is the responsibility of the Northern Nevada Water Planning Commission (the "Planning Commission") and the Western Regional Water Commission (the "Regional Commission"). The Regional Commission is governed by a Board of Trustees comprising representatives of the City of Reno, the City of Sparks, Washoe County, the Truckee Meadows Water Authority, the Truckee Meadows Water Reclamation Facility, and the Sun Valley General Improvement District. The Planning Commission is comprised of members from Public Works for the City of Reno, Public Works for the City of Sparks, Community Services Department for Washoe County, Truckee Meadows Water Reclamation Facility, Pyramid Lake Paiute Tribe, The Nature Conservancy and Truckee Meadows Flood Management, the General Manager of the Sun Valley General Improvement District, two representatives from the Truckee Meadows Water Authority, and various other members.

On January 14, 2011, the Regional Commission adopted the 2011-2030 Comprehensive Regional Water Management Plan (the "Comprehensive Plan") developed by the Planning Commission for the relevant planning area, covering such matters as supply of municipal and industrial water; quality of water; sanitary sewerage; treatment of sewage; drainage of storm waters and control of floods. The Comprehensive Plan addresses such matters as the problems and needs of the planning area; the providers of service; alternatives to reduce demand or increase water supply; identifying and providing for existing and future sources of water needed to meet present and future needs; priorities and general location for additional major facilities needed to provide services; programs to mitigate drought, conserve water and otherwise manage water; and other matters related to water supply, planning and conservation. Any facility of "regional significance" associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Comprehensive Plan or presented for review by the Planning Commission and possible amendment to the Comprehensive Plan by approval of the Regional Commission.

The Truckee Meadows Water Authority ("TMWA"), a joint powers authority composed of the City of Reno, the City of Sparks and Washoe County, provides water service to the cities of Reno and Sparks, and Washoe County. On January 1, 2015, TMWA merged with the Washoe County water utility and the South Truckee Meadows General Improvement District ("STMGID"). Total services increased from approximately 94,000 to 120,000 water services. Portions of Washoe County are served either by special districts, private companies and/or private wells. TMWA has developed a Water Resource Plan and Water Facility Plan to address the water needs of its service area through 2030.

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PART II

ATTACHMENT I

SUMMARY OF STATE OF NEVADA PENSION SYSTEMS

The information relating to the retirement systems summarized in this Attachment I is derived from a number of sources, including the respective comprehensive annual financial statements and actuarial valuations referred to herein. A number of these sources make and rely on assumptions and projections which may or may not be realized. No representation is made that such projections or assumptions will be realized. The obligation of the State to the retirement systems, in particular the Public Employees' Retirement System of Nevada ("PERS"), represent significant financial obligations of the State. No assurances are made that the past or present contribution levels applicable to the State will not change. It should be noted that references to the financial condition of PERS and the contribution requirements of its employer members, when referred to in its entirety, refers solely to PERS and not to the State. PERS is a multiple employer system, of which State employees comprise approximately 17.2% of total active employees as of June 30, 2015. The State's responsibility to make contributions is limited to its allocable share attributable to the State employee members, of which the State employees themselves contribute 50% (under the Employee/Employer Contribution Plan). Under the Employer-Pay Contribution Plan the contributions are paid on the employee's behalf by the State, with the employee's 50% share accounted for through salary reduction.

The State Legislature has created three retirement systems to provide benefits to qualified employees and to certain elected officials. The largest retirement system, the Public Employees' Retirement System of Nevada ("PERS"), was created in 1947 to provide retirement, disability and survivor benefits to eligible State employees and to eligible employees of participating local government entities in the State. A second retirement system, the Legislators' Retirement System of Nevada ("LRS"), was created in 1967 to provide pension benefits and death benefits to State legislators. The Judicial Retirement System of Nevada ("JRS") was created in 2001 to provide pension, disability and death benefits to State judges and was amended in 2001 to include judges of local jurisdictions that elect to participate in JRS. Conditions for membership, eligibility for retirement, benefits and employer and employee contributions are set forth in statutes enacted by the State Legislature, and a seven-member Public Employees' Retirement Board appointed by the Governor (the "Retirement Board") administers, and governs investments for, all three systems. Under Article 9 Section 2 of the Nevada Constitution, PERS is created as a trust fund and is prohibited from lending money to the State and from purchasing obligations of the State. Article 9 Section 2 also requires PERS to be governed by the Retirement Board and the Retirement Board to hire an independent actuary and an executive officer.

The independent actuary appointed by the Retirement Board provides annual valuation reports for PERS, LRS, and JRS setting forth the contribution rates required to fund the retirement systems on an actuarial reserve basis. The Retirement Board is required to adopt tables and formulas recommended by the actuary in a valuation report prepared for each even-numbered year and for LRS and JRS to adopt the contribution rates recommended by the actuary biennially. For PERS, contribution rates are also determined based upon actuarially-determined rates but as described below are adjusted every other year, and then only if the increases or decreases recommended by the actuary exceed the percentages set forth in Nevada statutes, as described herein in "PERS Contribution Rates." Depending upon the assumptions used in calculating rates, actuarial and statutory contribution rates may differ from rates calculated for purposes of financial disclosure set by the Governmental Accounting Standards Board ("GASB"). Currently, the independent actuary for each of the three systems is Segal Consulting, San Francisco California.

All three retirement systems are defined-benefit plans in which member benefits are specified in advance and are payable from assets, including investment income, set aside in the retirement fund. Unlike a defined contribution plan, where the employer's liability is limited to making its specified contribution and the employee takes the risk that the contributions and investment income thereon will generate sufficient retirement income, in a defined benefit plan the employers take the risk that contributions and investment income will be sufficient to pay the promised benefits in the future. Employers are not liable directly for the obligations of the retirement systems, but the employers' and employees' contribution rates may be increased if assets are not sufficient to pay promised benefits.

The assets and liabilities of PERS, LRS and JRS are included in the financial statements of the State as fiduciary funds. A summary description of PERS, LRS and JRS is set forth in Note 10 to the 2015 State CAFR included in this Official Statement as Appendix A to this Part II, and the State's proportionate share of PERS and JRS net pension liability is set forth in the 2015 State CAFR under the heading "Pension Plan Information." LRS is a single employer plan for which the State has 100% funding responsibility.

PERS. PERS is a defined benefit, cost-sharing, multiple-employer retirement system and is funded from contributions from members and participating employers and from investment income deposited or transferred to the Public Employees' Retirement Fund (the "PERS Retirement Fund"). The PERS Retirement Fund comprises two subfunds. The Regular subfund was established to provide retirement, disability and survivor benefits for public employees other than police officers and firefighters. The Police/Fire subfund was established to segregate accounting for retirement and survivor benefits related to members who are police officers or firefighters. Assets accounted for in one subfund, however, may be used to pay benefits accounted for in the other subfund.

PERS is governed by NRS Chapter 286 (the "Public Employees' Retirement Act"), which provides that with some exceptions all public employers must participate in PERS and that all employees must participate if the employee serves in an eligible position. As of June 30, 2015, PERS includes 103,108 active members, of whom 91,124 are Regular employees and 11,984 are Police/Fire employees; 15,032 vested inactive members; and 58,159 retirees and beneficiaries, of whom 50,877 are Regular retirees, survivors or disability recipients and 7,282 are Police/Fire retirees, survivors or disability recipients. Retirement benefits include cost-of-living increases that can range from 2% per year to 5% per year (up to 4% for employees first hired on or after January 1, 2010, up to 3% for employees first hired on or after July 1, 2015), depending upon increases in the Consumer Price Index. Employers that participate in PERS as of June 30, 2015 include the State, 20 State-related boards and agencies and 174 local governments and related districts and agencies. The Board of Regents of the University of Nevada, a component unit of the State, provides a separate retirement program for its professional staff.

Measured by the number of covered employees, the State was the second-largest PERS employer as of June 30, 2015, representing approximately 17.2% of the current active employees covered by PERS.

Benefits. Benefits, as required by the State statute, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed at 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or age 55 with thirty years of service and at any age with thirty-three and a third years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Police/Fire members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty-three and a third years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

PERS Funding. PERS is funded with a combination of investment income and contributions from employees and employers. The State is one of many employer participants in PERS, and has funding responsibilities relating to State employee participants only. Upon becoming a member, most State employees and some local government employees choose either an employer-pay plan or an employee/employer-pay plan. Under the employer-pay provisions, which can be revised by the State Legislature for new employees, the employer pays the entire contribution on behalf of the employees. Contributions made by the employer on behalf of the employee are not credited to the member's account and are not refunded upon termination. Although the employer-pay plan does not require an employee payment, the employee does share in the cost either through a direct reduction to salary or by agreeing to give up pay increases equivalent to one-half of the contribution rate. Under employee/employer pay provisions, each employee pays half of the required contribution on an after-tax basis (calculated as a percentage of the employee's covered salary) and the amounts contributed by the employee are credited to the employee's account and may be refunded to the employee upon termination, with the result that employee/employer contribution rates are higher than they would be if there were no guaranteed return. As of June 30, 2015, 20.4% of Regular employees and 13.1% Police/Fire employees are covered under this employee/employer pay program. See "PERS Contribution Rates" below.

The State's actual annual contribution to PERS (relating to the State's employee members) for FY 2012 through FY 2016 are set forth in the table below.

STATE CONTRIBUTIONS TO PERS
FISCAL YEARS ENDING JUNE 30

Year	***Contribution***
2012	$163,219,000
2013	162,484,000
2014	174,712,000
2015	176,579,000
2016	190,528,000

PERS Actuarial Valuations, Reports and Methods. The Public Employees' Retirement Act requires the Retirement Board to arrange for actuarial valuations every two years and, subject to certain limitations described below, requires contribution rates to be adjusted as of July 1 of every odd-numbered year, based in part upon the valuation report for the preceding even-numbered year. In practice, however, the Board requests that actuarial valuations be prepared annually for PERS and that reports reviewing PERS' actual experience be prepared every four to six years. Experience reports are used to evaluate how realistic the long-term assumptions have been and may be in the future. The most recent valuation report for PERS was prepared as of June 30, 2015 (the "2015 PERS Valuation Report"), and the most recent experience report was prepared for the valuation as of June 30, 2013. The 2014 PERS Valuation Report was used to determine contribution rates for the 2015-2017 biennium. The 2015 PERS Valuation Report is the most recent assessment of PERS actuarial assets and liabilities and funding status, and along with the GASB Statement No. 67 Actuarial Valuation as of June 30, 2015, was the basis for PERS audited financial statements for FY2015. The actuarial information included in the PERS 2015 State CAFR is based upon the PERS valuations as of June 30, 2015. The 2016 PERS Valuation Report will be the basis for contribution rates for the 2017-2019 biennium, effective July 1, 2017. Subsequent to the foregoing, a GASB Statement No. 68 Schedule of Employer Allocations, Schedule of Pension Amounts by Employer and Related Notes was completed. This report applies revised accounting rules intended to provide useful information, support assessments of accountability and create additional transparency for PERS participating employers. The GASB Statement No. 68 identifies the State's employer allocation percentage of PERS liabilities with respect to total liabilities. As of June 30, 2015, the State's employer allocation percentage was 16.4% of the net pension liability of PERS.

A primary purpose of the valuation report is to determine the health of PERS and the contribution rates that will be required in the future. Valuations are based upon historical and current information provided by PERS staff and the methods and assumptions recommended by the actuary and adopted by the Retirement Board. The actuary recommended and the Retirement Board adopted the use of the Entry Age Normal Cost method as the funding method of calculating contribution rates. Under this method, the total actuarially determined contribution rates consist of (i) the "normal cost," (ii) an administrative expense allowance and (iii) the amount required to amortize PERS' UAAL over the period established by the Retirement Board for amortizing the UAAL. Normal cost is the cost of the accumulation of one year's benefit for each member or the present value of current year's future benefits. "Entry age" refers to the member's age at the time the member commenced employment. Administrative expense (currently 0.15% of covered payroll) is the assumed cost of administering PERS.

The use of appropriate assumptions is important in maintaining adequate funding. To ensure the assumptions remain appropriate, the Retirement Board conducts an experience study, through its independent actuary, at least every four to six years. In September 2013, Segal Consulting performed an experience study in order to review the economic and demographic actuarial assumptions during the six year period from July 2006 through June 30, 2012. Based on trends in the data, the actuary recommended modifications to certain actuarial assumptions which the Board adopted at their September 18, 2013 meeting. These assumptions were utilized in preparing the actuarial valuations for June 30, 2013, June 30, 2014, and June 30, 2015. The next experience study is scheduled to be performed during calendar year 2017.

The demographic assumptions that were modified in the 2013 experience study include retirement rates, percent of participants with survivor benefits, mortality, withdrawal, and disability. Economic assumptions that were modified include individual salary increases and active member payroll. The modification to salary assumptions were an increasing factor to actuarial contribution rates in the regular fund and a decreasing factor to actuarial contribution rates in the police/fire fund. Mortality table modifications were an increasing factor for actuarial contribution rates for both funds. Overall, the adjustments to the actuarial assumptions resulted in increased actuarial contribution rates in the regular fund, decreased actuarial rates in the police/fire fund, and an increase in the overall UAAL.

Actuarial Assets and Liabilities; Investment Return Assumptions and Calculations. In addition to the normal cost and administrative expense components described above, the third component of the contribution rate is the amount required to amortize the UAAL, the difference between the actuarial accrued liability (the "AAL") and the actuarial value of assets. The total AAL under the Entry Age Normal Cost Method represents the amount that would have been accumulated as of the valuation date if contributions sufficient to meet the normal costs had been made each year in the past, net of accumulated past benefit payments. The UAAL is the amount obtained by subtracting valuation assets from total actuarial accrued liability. PERS amortizes each year's change in the UAAL over a period set at the truncated average of all prior amortization layers until the average remaining period is less than 20 years (at the point the average remaining period is less than 20 years, amortization periods of 20 years will be used), adding or subtracting the current year's change to or from the previous years' amortizations, using a level-percentage-of-payroll method of amortizing the UAAL. The economic assumptions and actuarial methods used in these calculations are summarized below in Table 1A.

In calculating the actuarial value of assets, contributions for the past year are added to the actuarial value of assets at the end of the prior year; benefits and expenses are subtracted; an assumed return of 8% is added; and then a portion of market value gains and losses are added or subtracted. Actual market returns are taken into account, but to reduce rate volatility, actual market gains and losses are spread or "smoothed" over a five-year period. Until 2009, such smoothing was further limited by a "corridor" so that the actuarial value for one year would not be more than 120% or less than 80% of the value in the previous year. In 2009, in response to the significant investment losses at the time, this corridor was changed to provide that the actuarial value will not be less than 70% or more than 130% of the previous year's actuarial value. The actuary noted in the 2009 PERS Valuation Report that the effect of this corridor change in 2009 would have been to reduce the contribution rate by approximately 1% of payroll in 2009.

The assumed investment rate of return on the actuarial value of PERS assets, 8% per year, is based in part upon an assumed, long-term inflation rate of 3.5% per year. Actual returns on the actuarial value of assets vary year by year, however, and also vary when compared to the return on the market value of PERS assets. The return on the actuarial value of PERS assets (on a "smoothed" basis) for FY 2015 was 8.36% and for FY 2014 was 9.15%, compared to the investment return assumption for each year of 8%. As a result, PERS experienced an investment gain on an actuarial value basis of approximately $78 million for Regular employees and $34 million for Police/Fire employees in FY 2015 as compared to an investment gain of $251 million for Regular employees and $82 million for Police/Fire employees in FY2014. The return on the market value of PERS assets, however, was 4.2% in FY 2015 and 17.6% for FY2014, resulting in an investment gain not yet recognized as of June 30, 2015 of $893 million ($698 million for Regular employees and $195 million for Police/Fire employees) or 2.6% of PERS' market value of assets. By comparison, the unrecognized investment gain as of June 30, 2014 was $2,110 million or 6.3% of the market value of assets. In the 2015 PERS Valuation Report the ratio of the actuarial value of PERS assets to the market value of PERS assets is 97.41% for Regular members and 97.45% for Police/fire members (compared to 93.76% for Regular members and 93.57% for Police/fire members at June 30, 2014). For the June 30, 2012 Valuation, the Board adopted an adjustment to the asset smoothing method that combines the net deferred losses from the June 30, 2011 Valuation into a single four year smoothing layer. Those net deferred losses were recognized over the four year period starting with the 2012 Valuation in level amounts of $129 million for Regular and $25 million for Police/Fire each year. This reduced the volatility associated with the pattern of deferred losses and resulted in more stable funded ratios on an actuarial basis and more level actuarially determined contribution rates. The actuary also calculated that if 2015 deferred gains were recognized immediately instead of being smoothed over five years, PERS' actuarial funded percentage described below would increase from 72.4% to 74.3% for Regular members and from 76.3% to 78.3% for Police/fire members and that actuarially determined contribution rates would decrease.

PERS Contribution Rates. The following tables summarize the covered payroll, statutory contribution rates and actuarially determined contribution rates for PERS for 2013-2015 and for 2015-2017, and some of the primary economic assumptions and actuarial methods upon which these calculations are based. Legislation was enacted in 2009 modifying benefits for members first hired on or after January 1, 2010. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015. The level of contributions that will be required in the future will depend on a variety of other factors, including future investment portfolio performance, actuarial assumptions and additional potential changes in retirement benefits. There can be no assurances that the required annual contribution to PERS will not continue to increase, despite the statutory changes to benefits for members hired on or after January 1, 2010 and on or after July 1, 2015.

The Public Employees' Retirement Act requires an adjustment in the statutory contribution rates on July 1 of each odd-numbered year based on the actuarially determined rates indicated in the actuarial valuation report for the immediately preceding year. Rates are only adjusted upward if the new rates are more than 0.50% higher than the existing rate for employer-pay and more than 0.25% higher for employee/employer. Rates are only adjusted downward if the new rates are more than 2.00% lower than the existing rate for employer-pay (and adjusted only by the amount in excess of 2.00%) and more than 1.00% lower than the existing rate for employee/employer (and adjusted only by the amount in excess of 1.00%). Rates are rounded to the nearest 0.25% of payroll. Since the 2015 valuation is for an odd-numbered year, this valuation does not establish contribution rates. The 2014 valuation established contribution rates for the 2015-2017 biennium and the 2016 valuation will determine whether a change to the contribution rates is required for the 2017-2019 biennium in accordance with the statutory contribution rate change mechanism described above.

Table 1A
PERS 2015 Economic Assumptions and Actuarial Methods

Inflation	3.5% per year
Investment Return	8.0% per year, assuming inflation at 3.5% per year
Salary Increases	Assumed annual salary increases include inflation at 3.5% per year and range from 9.75% for Regular employees with less than one year of service to 4.6% for Regular employees with 13 or more years of service and from 14.5% for Police/Fire employees with less than one year of service to 5.25% for employees with 13 or more years of service. For members hired after January 1, 2010, the maximum increase in compensation that can be taken into account in calculating benefits is 10% per year (unless promoted or assignment related).

Rate Payroll	The payroll for the coming year is based on actual annualized payroll for the actives as of the valuation date and projected by the salary scale.
Payroll Growth Funding	6.5% per year for Regular employees and 7.5% for Police/Fire employees (assuming inflation at 3.5% per year). For GASB disclosure, this rate is 5% for Regular employees and for Police/Fire employees.
Post-retirement Benefit Increases	For current retirees and beneficiaries, future Post-Retirement Benefit Increases reflect actual changes in historical CPI and are assumed to follow the formulas described below. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year. For members with an effective date of membership before January 1, 2010: The lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) The annual benefit increase is equal to the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member's benefit must be increased by the percentages in paragraph (a) if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010: Same as above, except the increases do not exceed 4% per year.
Asset Valuation Method	The total of the prior year's actuarial value of assets, plus contributions, less benefit payments and expenses, an adjustment for net transfers, plus expected investment return and 20% of each of the previous five years' gain or loss due to investment return greater or less than expected, further limited to not less than 70% (80% before 2009) or greater than 130% (120% before 2009) of the market value of assets.
Actuarial Funding Method	Entry Age Normal Cost Method assuming the current benefit accrual rate had always been in effect.
Amortization of the UAAL	The UAAL is amortized over a year-by-year closed amortization period, where each amortization period for each year is set at a period of the truncated average remaining period of all prior amortization layers until the average remaining period is less than 20 years. At the point the average remaining period is less than 20 years, amortization periods of 20 years will be used. For GASB disclosure purposes, however, the UAAL is amortized over an open (non-declining) amortization period of 30 years.

Source: State of Nevada, compiled from the 2014 PERS Valuation Report.

Table 2A
PERS Contribution Rates 2013-2015 and 2015-2017

Contribution Rates (as a percentage of payroll)	**Regular Employees**	**Police/Fire Employees**
Employer-Pay Actuarial Rate [(1)]		
Normal Cost	16.72%	26.76%
Amortization Percentage	11.12	12.74
Administrative Expenses	0.15	0.15
Employer-Pay Total Rate [(2)]	27.99	39.65
Employer-Pay 2013-15 Statutory Rate [(3)]	25.75	40.50
Employer-Pay 2015-17 Statutory Rate [(4)]	28.00	40.50
Employee/Employer Pay Actuarial Rate [(1)]		
Normal Cost	17.68	27.91
Amortization Percentage	11.12	12.74
Administrative Expenses	0.15	0.15
Employee/Employer Total Rate[(5)]	28.95	40.80
Employee/Employer 2013-15 Statutory Rate[(3)]	26.50	41.50
Employee/Employer 2015-17 Statutory Rate[(4)]	29.00	41.50

(1) These actuarial rates are based upon the 2014 PERS Valuation Report as of June 30, 2014. The actuarial rates based on the 2015 valuation are 27.80% (regular employer-pay), 39.50% (police/fire employer-pay), 28.90% (regular employee/employer pay) and 40.67% (police/fire employee/employer pay).

(2) The 2014 actuarial employer-pay contribution rate would have been 26.14% for regular employees and 37.11% for police/fire employees if the deferred investment gains had not been smoothed over five years.

(3) These statutory rates apply for July 1, 2013 through June 30, 2015.

(4) These statutory rates apply for July 1, 2015 through June 30, 2017. Statutory rates are rounded to the nearest 0.25% and are adjusted only if the increase or decrease exceeds the percentage set forth in the Public Employees' Retirement Act.

(5) One half of this rate is paid by the employee. The actuarial employee/employer pay contribution rate would have been 27.10% for regular employees and 38.26% for police/fire employees if the deferred investment gains had not been smoothed over five years.

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Source: State of Nevada, compiled from the 2014 PERS Valuation Report.

Information about the actuarial value of assets, AAL, UAAL, funded ratio, annual covered payroll, UAAL as a percentage of annual covered payroll, contributions and funding for PERS as a whole, derived from PERS' comprehensive annual financial report for FY 2015 (the "2015 PERS Financial Report") and from the 2015 PERS Valuation Report, is summarized in Tables 3A and 4A. The ratio of UAAL to covered payroll is a measure of the significance of the UAAL relative to the capacity to pay it. The trend in the ratio provides information as to whether the financial strength of the pension plan is improving or deteriorating over time. The financial strength of a pension plan is generally improving if the ratio of UAAL to covered payroll is decreasing. The actuary notes in the 2015 PERS Valuation Report that using the methods, assumptions and results of the June 30, 2015 valuation, payments required to amortize the UAAL represent 11.09% of projected payroll for Regular employees and 12.70% of projected payroll for Police/fire employees and that the average length of payment of the entire UAAL will be approximately 20.8 years for Regular employees and 20.1 years for Police/fire employees.

PERS notes in the 2015 PERS Financial Report that in addition to changes in benefits and actuarial methods and assumptions, trends such as those shown in the tables below are affected by investment experience (favorable and unfavorable), salary experience, changes in demographic characteristics and employees and retirement experience, among other factors. Recent experience in overall payroll growth and active membership has impacted both the actuarial contribution rates and the UAAL. Less than expected payroll growth since 2009 has negatively affected the amount of contributions collected as the contributions are collected as a percentage of payroll. This may continue to impact contribution rates and the UAAL. PERS and the actuary note that the number of active employees increased in 2015 in the regular fund and in the Police/Fire fund. Between 2006 and 2015, the ratio of active PERS Regular members to retirees decreased from 3.4 to 2.0 and that the ratio of active PERS

Police/Fire members to retirees decreased from 3.0 to 1.9 during the same period. In FY2015, the number of PERS benefit recipients (excluding survivors and beneficiaries) increased 5.5% from FY2014.

The PERS actuary does not calculate actuarial assets and liabilities by employer for funding purposes, but the State expects the State's contribution rates to increase in the future. Measured by the number of active covered employees, the State was the second-largest PERS employer in FY 2015 representing approximately 17.2% of active PERS employees.

Table 3A
PERS Schedule of Funding Progress[1]
2011 to 2015
(in millions)

Actuarial Valuation Date June 30	Actuarial Value of Assets (AVA)	Market Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Ratio of AVA to AAL	Annual Covered Payroll	UAAL as a % of Annual Covered Payroll
2011	25,871.1	25,255.3	36,876.2	11,005.1	70.2	5,214.6	211.0
2012	27,399.0	25,899.8	38,604.9	11,205.9	71.0	5,087.8	220.3
2013	29,108.5	28,834.7	41,984.5	12,875.9	69.3	5,100.2	252.5
2014	31,465.6	33,575.1	43,997.1	12,531.5	71.5	5,113.5	245.1
2015	33,717.9	34,610.7	46,070.1	12,352.2	73.2	5,227.2	236.3

(1) Table reflects the entire PERS, of which the State is a participant.

Source: State of Nevada, compiled from the 2015 PERS Financial Report and 2015 PERS Valuation Report.

Table 4A is derived from the Schedule of Employer Contributions included in the 2015 PERS Financial Report. Due to the implementation of GASB Statement No. 67 in fiscal year 2014, the Schedule of Employer Contributions includes different information from previous schedules of the same name. The current Schedule of Employer Contributions was first developed in 2014 and includes information for prior years. The schedule no longer includes the concept of the annual required contribution but rather includes the actuarially determined contribution and contributions in relation to the actuarially required contributions.

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The contributions in relation to the actuarially determined contributions can be greater or less than the actuarially determined contributions due to the fact that the actuarially determined contributions are set annually pursuant to the annual actuarial valuation, and as described above the contribution rates (stated as a percentage of payroll) are set biennially. In addition, actual salary increases and payroll growth has been less than the actuarial assumed rates. Since actual contributions are based on payroll, lower than expected growth in salary increases and payroll growth will contribute to actual contributions being lower than the actuarially required contribution. Table 4A reflects all PERS, of which the State is a participant.

Table 4A
PERS Schedule of Employer Contributions
2011 to 2015
(in millions)

Year Ended June 30	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions[1]	Contribution Deficiency (Excess)	Covered Employee Payroll[2]	Contributions as a Percentage of Covered Employee Payroll
2011	1,326.8	1,264.8	62.0	5,911.9	21.39
2012	1,425.8	1,332.3	93.5	5,817.6	22.90
2013	1,370.0	1,310.1	59.9	5,574.6	23.50
2014	1,508.8	1,405.0	103.8	5,715.3	24.58
2015	1,499.8	1,436.7	63.1	5,753.1	24.97

(1) Includes employer contributions towards administrative expenses.
(2) Measurement as of beginning of year.

Source: 2015 PERS Financial Report.

All contributions shown in Table 4A reflect employer-paid contributions only. Member contributions are excluded. Actuarially Determined Contributions in Table 4A are based on actuarially determined contribution rates (employer portion only) from most recent rate-setting year prior to year shown, applied to covered payroll for year shown.

Pursuant to GASB Statement No. 67, the System provided information on the Net Pension Liability in the 2015 PERS Financial Report. The components of the Net Pension Liability at June 30, 2015 were as follows:

Total Pension Liability	$46,070,157,029
Plan Fiduciary Net Position	(34,610,720,184)
Net Pension Liability	$11,459,436,845
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.1%

The discount rate used to measure the Total Pension Liability was 8.0% as of June 30, 2015. The projection of cash flows used to determine the discount rate assume plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

The 2015 PERS Financial Report also contains the sensitivity of the net pension liability to changes in the discount rate pursuant to GASB Statement No. 67. The following presents the Net Pension Liability using the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.0%) or 1% higher (9.0%) than the current rate.

1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
$17,461,886,995	$11,459,436,845	$6,467,980,371

LRS. All State Legislators, unless they have elected not to participate, are members of LRS, which is a defined benefit, single-employer public employees' retirement system administered by the same Retirement Board that administers PERS. LRS was established by the State Legislature in 1967. The State (in this case, the State Legislature) is the only LRS employer and is required to make all of the statutorily required employer contributions. LRS benefits are established by the Legislators Retirement Law (the "LRS Act"), which provides expressly that the Retirement Board may not change the actuarial assumptions used in computing the benefits provided to a member of LRS and that the employer contributions will be the amounts actuarially determined to be sufficient to fund LRS. The 2015 State CAFR, in Note 10, under the heading "Financial Section – Required Supplementary Information – Pension Plan Information" and under the heading "Financial Section – Fiduciary Funds," includes a description of the actuarial methods and significant assumptions used in actuarial valuations of LRS, the changes in the net pension liability and the State's contribution to LRS. The most recent valuation report for LRS (the "2015 LRS Valuation Report") is the Valuation and Review dated June 30, 2015.

As of July 1, 2015, LRS had 35 active legislators, 13 inactive members entitled to future benefits, 78 retirees and beneficiaries and 26 inactive non-vested members. LRS had a total net position (at market value) of $4,734,814 as of June 30, 2015 (compared to $4,873,000 as of June 30, 2014), and as of June 30, 2015, the actuarial value of LRS assets was $4,505,001 (compared to $4,302,952 as of June 30, 2014) and reflected in Appendix A to this Part II. LRS actuarial value of assets as of June 30, 2015 was 95% of market value. As of June 30, 2015, LRS was 83.5% funded on an actuarial basis compared to 77.5% funded as of July 1, 2014. The unfunded actuarial accrued liability was $888,951 as of June 30, 2015 as compared to $1,247,220 as of July 1, 2014. The State's annual contribution to LRS was $213,351 in FY2014. The annual contribution calculated as of June 30, 2014 for the 2015-2017 biennium required to meet the normal cost of LRS and to amortize LRS' UAAL over 20 years from July 1, 2014 is $155,855. Legislation was enacted in 2015 modifying benefits for members with an effective date of membership on or after July 1, 2015.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the LRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with the fiscal year ended June 30, 2014. The components of the Net Pension Liability of the LRS at June 30, 2015, were as follows:

Total pension liability	$ 5,389,639
Plan fiduciary net position	(4,734,814)
Net pension liability	$ 654,825
Plan fiduciary net position as a percentage of the total pension liability	87.9%

JRS. JRS was created in 2001 for State judges elected or appointed after November 2002 and for those who were elected or appointed earlier and chose to withdraw from PERS. In 2005, JRS was amended to allow justices of the peace and municipal judges to participate if their jurisdiction opts to allow participation. JRS is an agent multiple-employer, defined benefit pension system that provides retirement, disability and death benefits. For all members with an effective date of membership prior to July 1, 2015, the JRS is an employer-paid plan, and active members are not required to make contributions. Legislation was enacted in 2015 modifying benefits for members first hired on or after July 1, 2015, including requiring those members to pay a portion of the contribution rate through payroll deduction.

As of June 30, 2015, the date as of the most recent annual valuation report (the "2015 JRS Valuation Report"), the State and 11 local jurisdictions participate in JRS. As of June 30, 2015, JRS has 115 active members (of whom 94 are State judges), four vested, inactive members (two of whom are attributed to the State), 53 retirees (of whom 45 are State judges) and 16 beneficiaries (of whom 15 are attributed to the State).

Like PERS and LRS, JRS is administered by the Retirement Board, and JRS assets are invested identically with the assets of the LRS. Unlike PERS, however, the UAAL and UAAL amortization periods for State judges are calculated differently than for non-State judges, and the actuary calculates State and non-State employer contributions separately. In general, the State portion of JRS expected payroll as of June 30, 2015 (approximately $19.9 million) is 86.0% (approximately $17.1 million).

As of June 30, 2015, JRS as a whole had market value of assets of $100,760,561, an actuarial value of $97,989,811, an accrued actuarial liability of $119,287,467 and a UAAL of $21,297,656. The return on market value of assets for FY 2015 was 3.38% and the return on the actuarial value of assets as of June 30, 2015 was 10.42%, as compared to the actuarially assumed return of 8%. Taking into account market gains and losses from earlier years, the JRS Fund as a whole experienced a gain on an actuarial value basis of approximately $2.1 million in FY 2015. Taking into account smoothing over a 5-year period, the total net investment gain not yet recognized as of June 30, 2015 is approximately $2.8 million. The ratio of actuarial value of assets to the market value of assets is 97% as of June 30, 2015. The actuary noted in the 2015 JRS Valuation Report that if the deferred gains were recognized immediately in the actuarial value of JRS assets, the JRS funded percentage as a whole at June 30, 2015 would increase from 82.1% to 84.5% and that the contribution requirement for the State alone would decrease from 31.77% of State covered payroll to 30.92% of the State covered payroll.

As of June 30, 2015, the State portion of JRS had a total net position at market value assets of $80,556,674, an actuarial value of $78,341,497, an accrued actuarial liability of $101,584,101 and a UAAL of $23,242,604. Annual payments required to fund the State's normal costs and administrative expenses (approximately $3.6 million or 21.26% of covered payroll) and to amortize the State portion of the UAAL (approximately $1.8 million or 10.51% of covered payroll) are calculated to be a total of $5.4 million or 31.77% of the State's 2015 expected JRS payroll of approximately $17.1 million.

The State's annual contribution to JRS was $5,546,000 in FY 2012, $5,606,000 in FY 2013, $5,444,000 in FY 2014, $5,535,000 in FY 2015 and $5,227,000 in FY 2016. See the 2015 State CAFR, Note 10, under the heading "Financial Section – Required Supplementary Information – Pension Plan Information" and under the heading "Financial Section – Fiduciary Funds" for additional information on JRS, including a description of the actuarial methods and significant assumptions used in the June 30, 2015 actuarial valuation of JRS, the net pension liability and the State's contributions as of June 30, 2015.

For the year ended June 30, 2014, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25. This GASB replaces the requirement of GASB 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, the JRS reported the Net Pension Liability, Total Pension Liability, and Fiduciary Net Position beginning with the fiscal year ended June 30, 2014. The components of the Net Pension Liability of the JRS at June 30, 2015, were as follows:

Total pension liability	$ 119,810,260
Plan fiduciary net position	(98,944,699)
Net pension liability	$ 20,865,561
Plan fiduciary net position as a percentage of the total pension liability	82.6%

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PART II

ATTACHMENT II

SUMMARY OF STATE OF NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

General. The State of Nevada's group health insurance program was created in 1963. In 1983, the State Legislature established a group health plan to provide certain benefits (described below) to plan participants and established the Self Insurance Trust Fund to pay for such benefits. In 1999, the group health plan was renamed the State of Nevada Public Employees' Benefits Program ("PEBP"). The Public Employees' Benefits Program Board (the "PEBP Board") is composed of ten members, including the Director of the Governor's Office of Finance (or his designee) and nine members appointed by the Governor and administers PEBP.

Benefits and Eligibility. PEBP administers a variety of multiple-employer, cost-sharing defined benefit programs providing benefits other than pensions to employees and retirees of participating State agencies and participating local government agencies. PEBP offers medical, dental, vision, mental health and substance abuse benefits through (i) a self-insured consumer driven preferred provider organization high deductible health plan ("CDHP Plan"), for which PEBP assumes all risk and responsibility for paying the claims by participants in the CDHP Plan, (ii) Health Maintenance Organizations ("HMO Plans") that are fully insured by outside insurance carriers and for which PEBP is responsible for paying the insurance premiums, and (iii) for retirees and dependents who are eligible for Medicare Parts A and B, an Individual Market Medicare Exchange ("Exchange") that offers medical, vision and dental products that are fully insured by outside insurance carriers, paid for by the insured and partially subsidized by PEBP. Approximately 52% of PEBP participants participate in the CDHP Plan, 21% participate in one of the HMOs and 27% participate in the Exchange. PEBP also offers long-term disability and life insurance benefits fully insured by outside carriers. Nevada statutes provide that no officer, employee or retiree of the State has any inherent right to the benefits provided by PEBP, and coverage and benefits are subject to change. For example, to address state-wide budget concerns, the 2009 and 2011 Legislatures made several changes to retirement and health benefits for public employees and retirees to satisfy subsidy targets. See "—Contributions" below.

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Every State officer and employee, certain professional employees of the Nevada System of Higher Education, every member of the State Legislature and the officers and employees of local governmental agencies contracting with PEBP to provide such benefits to its employees and officers (a "participating local government agency") are eligible to participate in PEBP. State and participating local government agency retirees, as well as their eligible dependents and survivors, are eligible to enroll in PEBP upon their retirement, subject to the satisfaction certain eligibility requirements set forth in the Nevada statutes. Certain retirees from non-participating local government agencies, as well as their eligible dependents and survivors, are eligible to continue participation in the PEBP as long as they enrolled prior to November 1, 2008 and have been continuously covered by the PEBP since that date. As of June 30, 2016, the State, the Nevada System of Higher Education and 110 local government agencies are billed for retiree subsidies. Primary insured ("Participant") enrollment as of July 1, 2016 is shown in Table 2A below. The figures below do not include approximately 26,449 dependent spouses, domestic partners and children.

Table 2A

	PPO	HMO	Exchange	Total
State				
Employees	17,784	7,325	0	25,109
Retirees-NonMedicare	2,483	809	0	3,292
Retirees-Medicare	580	113	6,149	6,842
Total Retirees	3,063	922	6,149	10,134
Total	20,847	8,247	6,149	35,243
Local Government				
Employees	4	4	0	8
Retirees-Non Medicare	859	667	0	1,526
Retirees-Medicare	214	163	5,103	5,480
Total Retirees	1,073	830	5,103	7,006
Total	1,077	834	5,103	7,014
Total				
Employees	17,788	7,329	0	25,117
Retirees-Non Medicare	3,342	1,476	0	4,818
Retirees-Medicare	794	276	11,252	12,322
Total Retirees	4,136	1,752	11,252	17,140
Total	21,924	9,081	11,252	42,257

Contributions. PEBP is funded through a combination of contributions from employers, employees and retirees. The Nevada statutes require the PEBP Board to determine for each plan year the rates and coverage for plan participants based on actuarial reports. The PEBP Board establishes claims liability based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damages awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are computed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are incurred.

Each participating State agency is required to pay to PEBP for every participating active employee an amount determined by the State Legislature (currently a dollar amount per month per active employee) to pay costs of contributions for the PPO Plan or premiums for the HMO Plans. The State subsidy from participating State agencies is deposited into the Active Employees' Group Insurance Subsidy Account in the Agency Fund for the Payroll of the State ("Payroll Fund"). The PEBP Board determines the allocation of the State subsidy to the required contribution or premium based on the coverage plan and dependent tier selected by each State employee. The State subsidy amount determined by the PEBP Board is transferred from the Payroll Fund to the Self Insurance

Trust Fund monthly. The State employee is responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board through deductions in their compensation. Members of the State Legislature are required to pay the entire premium or contribution. All contributions and premiums are deposited into the Self Insurance Trust Fund.

The State subsidizes a portion of the costs of PEBP contributions or premiums for eligible State retirees who are covered under the CDHP or HMO plans. For Medicare eligible retirees covered through the Exchange, the State provides a reduced monthly dollar amount in a Health Reimbursement Arrangement that the retiree may use to receive reimbursement for premiums or other qualified medical expenses. As with the subsidy for active employees, the amount contributed by the State to fund a portion of the PEBP contributions, premiums or qualified medical expenses for each person who retired with State service and continues to participate in PEBP is determined by the State Legislature. The State subsidy is funded through an assessment, which is deposited into the State Retirees' Health and Welfare Benefits Fund ("Retirees' Fund"), in an amount equal to a percentage of actual payroll paid by each State entity and is based on the amount established by the State Legislature. Retirees who are covered under the PPO or HMO plans are responsible for paying to PEBP the difference between the required contribution or premium and the amount subsidized by the State, as determined by the PEBP Board. Retirees covered through the Exchange are responsible for paying their monthly premiums and other qualified medical expenses to the insurance organization under which they are covered or their provider, as appropriate, and must then submit claims for reimbursement from PEBP.

For FY 2013, 2014, 2015 and 2016, the State and its component units contributed $227,620,765, $239,789,209, $223,800,759 and $246,994,433 respectively, to PEBP for employee and retiree benefits. The expected contribution for FY 2017 is $250,633,515. The level of future required contributions depends on a variety of other factors, including actuarial assumptions, additional potential changes in benefits, and, for retiree benefit contributions, the future portfolio performance of investments in the Retirees' Fund, if any. There can be no assurances that the required annual contribution to PEBP will not continue to increase.

Significant financial deficits in 1997, 1998 and 2002 required two additional appropriations from the State Legislature in 1999 and 2002 totaling $44 million. The participating employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies. In July 2006, 2007 and 2008, premium holidays were awarded to draw down excess reserves created by changes in plan design in 2004 and 2005. During the budget building process in 2008 and 2010, the Office of Finance (Budget Division) provided specific limits to PEBP in the amount of the State subsidy that would be provided in the subsequent biennium. Such limits resulted in reduction to benefits, reductions to employer contributions and increases to participant contributions. For example, to address budget concerns, the PEBP Board made several changes to health benefits for plan participants including changes to the subsidization of retiree premiums. Had these changes not occurred, the State's aggregate employee and retiree subsidies for the 2009-2011 and 2011-2013 biennia would have cost an additional $53 million and $83 million respectively. In addition, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for FY 2011. The difference was paid through monthly reductions to the Retirees' Fund balance.

Self Insurance Trust Fund. Nevada statutes require that all amounts received by PEBP for the payment of contributions for the PPO Plan or premiums for the HMO plans, including employer subsidies and participant contributions, be deposited with the State Treasurer for credit to the Self Insurance Trust Fund. Amounts are held in the Self Insurance Trust Fund until applied to pay approved claims or premiums for the HMO Plans on a "pay-as-you-go" basis or to pay other administrative and contract costs. There is no stop loss or excess liability insurance. As of June 30, 2015, the Self Insurance Trust Fund had an actuarially determined fully funded incurred but not reported claims reserve of $31,087,000 a fully funded reserve for Health Reimbursement Arrangement contributions made by PEBP but not spent by participants of $29,571,342, and net assets of $80,009,985 which includes a $23,900,000 catastrophic reserve actuarially determined to provide a 95% probability that the PEBP will maintain long-term solvency and approximately $52,204,673 in excess reserves. See the Audited Annual Financial Statements of the Self Insurance Trust Fund at www.pebp.state.nv.us/fiscalutilization.htm for more information about the Self Insurance Trust Fund as of June 30, 2015.

Retiree's Fund. The State Legislature established the Retirees' Fund in 2007 as an irrevocable trust fund to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of eligible State retirees and their dependents through the payment of the State retiree subsidies. The Retirees' Fund is administered by the PEBP Board. Nevada statutes require that all money appropriated by the State Legislature to the Retirees' Fund, all amounts derived from the State assessment, all money accruing to the Retirees' Fund from all other sources and any other money provided to PEBP for the payment of health and welfare benefits for current and future State retirees be deposited in the Retirees' Fund. Such amounts remain in the Retirees' Fund until they are transferred to the Self Insurance Trust Fund as required for the purpose of offsetting a portion of the costs of providing health and welfare benefits for State retirees or to pay other authorized costs. The money in the Retirees' Fund belongs to the officers, employees and retirees of the State in aggregate. Neither the State nor the governing body of any local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money the in the Retirees' Fund. See the Audited Annual Financial Statements of the State Retirees' Health and Welfare Benefits Fund at www.pebp.state.nv.us/fiscalutilization.htm for more information about the Retirees' Fund as of June 30, 2015.

For FY 2013, 2014, 2015, and 2016 the State and its component units contributed to the Retirees' Fund $35,827,124, $33,571,881, $37,758,981 and $32,213,079, respectively. For FY 2013, 2014 2015, and 2016 $33,609,882, $35,867,060, $34,362,539, and $35,931,986 were transferred to the Self Insurance Trust Fund to fund health and welfare benefits for current State retirees for such fiscal years.

For FY 2008 and 2009, the Retirees' Fund invested $19,672,376 and $6,426,399, respectively, in the Retirees' Benefits Investment Fund to prefund such benefits. Due to state-wide revenue shortfalls, Assembly Bill 3 of the 26th Special Session of the State Legislature (2010) directed State agencies to reduce their contributions for retiree health insurance by $24.7 million for the year ending June 30, 2011. The reduced contributions required that PEBP withdraw $24.7 million from the Retirees' Benefits Investment Fund to cover retiree subsidies. As of June 30, 2015, the Retirees' Fund had total assets of $7,888,806, of which $1,296,388 were held by the Retirees' Benefits Investment Fund administered by the Public Employees' Retirement System and $4,971,859 were held by the State's General Portfolio administered by the Nevada State Treasurer. As of June 30, 2015, after deducting $2,892,614 in liabilities, the Retirees' Fund had net assets of $4,996,192. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

GASB 43 and GASB 45. Compliance with GASB 43 and GASB 45 requires that the State report its other post-employment benefit ("OPEB") liability and its annual required contribution, effective July 1, 2007. Like the pension liability, the OPEB liability calculated in accordance with GAAP can differ from the actuarial accrued liability. However, unlike the pension liability for which the State is putting money aside, the State pays the OPEB liability on a pay-as-you-go basis and is not prefunding the OPEB liability, other than the amounts set aside in the Retirees' Fund. In November 2014, AON Hewitt Consulting (the "Actuary") released its Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final for the year ending June 30, 2014 (the "2014 Valuation"). The 2014 Valuation considered the medical, prescription drug, dental and life insurance coverage provided by PEBP.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and trends in healthcare costs. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In preparing the 2014 Valuation, the Actuary made certain assumptions, including current claim cost, projected increases in health insurance costs, mortality, turnover, retirement, disability and discount rate. For more information, see the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/fiscalutilization.htm.

The State is required to report the present value of the benefits of the Plan, as determined in accordance with GAAP. The present value of all benefits is the total present value of all expected future benefits (defined as paid claims and expenses from the Plan, net of retiree contributions) for retirees (both currently retired and active employees), based upon certain actuarial assumptions. As of June 30, 2014, the present value of the benefits of the Plan was $2,025,895,000 according to the 2014 Valuation. Of this amount, 68% was allocable to currently active employees (future retirees).

Table 2B below sets forth the present value of the State's benefits, actuarial accrued liability, annual required contribution and annual OPEB cost, as determined in accordance with GAAP, for the three fiscal years ended June 30, 2014 (a valuation was not completed for the fiscal year ending June 30, 2012).

Table 2B

GASB 43 and GASB 45 Statistics

	June 30, 2011	**June 30, 2013**	**June 30, 2014**
Present Value of Benefits	$1,768,710,000	$1,951,424,000	$ 2,025,895,000
Actuarial Accrued Liability (AAL)	$ 977,045,000	$1,182,766,000	$ 1,271,752,000
Annual Required Contribution (ARC)	$ 119,959,000	$ 142,455,000	$ 140,846,000
Annual OPEB Cost	$ 109,802,000	$ 130,049,000	$ 127,019,000

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2011 (the "2011 Valuation") and the 2014 Valuation. These reports can be found under the Actuarial Report for Other Post-Employment Benefits at www.pebp.state.nv.us/fiscalutilization.htm.

The actuarial accrued liability (the "AAL") is the State's liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The annual required contribution (the "ARC") is the amount actuarially determined in accordance with GASB 43 and represents the level of funding that, if paid on an on-going basis, is projected to cover "normal costs" for each year and amortize any unfunded accrued actuarial liabilities (the "UAAL") over a period of 30 years. The UAAL is the difference between the AAL and the actuarial value of the Plan assets. The "normal cost" is the value of the benefits expected to be earned during the year, based on certain actuarial methods and assumptions.

The Table 2C below sets forth the schedule of funding progress as of the last three valuation dates. As described above, actions by the State Legislature resulted in a decrease in the amount of money invested for pre-funding the State's OPEB liability from over $25 million in Fiscal Year 2010 to $1,253,459 as of June 30, 2014. The State does not currently have any plans to contribute any additional amounts to the Retirees' Fund to prefund benefits.

Table 2C
OPEB Funding Progress
(In Thousands)

Actuarial Valuation Date	**Actuarial Value of Assets**	**Actuarial Accrued Liability (AAL)**	**Unfunded Actuarial Accrued Liability (UAAL)**	**Funded Ratio (Value of Assets/AAL)**	**Covered Payroll**	**UAAL as a Percentage of Covered Payroll**
7/1/2010	$ 29,895	$ 977,045	$ 947,150	3.1%	$1,398,963	67.7%
7/1/2012	$ 1,278	$ 1,182,766	$ 1,181,488	0.1%	$1,414,681	83.5%
7/1/2013	$ 1,061	$ 1,271,752	$ 1,270,691	0.1%	$1,374,462	92.5%

Source: State of Nevada, compiled from Nevada Public Employees' Benefits Program's Retiree Health and Life Insurance Plans Actuarial Report for GASB OPEB Valuation – Final, for FY 2014.

PEBP uses a number of economic and demographic assumptions in establishing contribution rates. Those assumptions that are generally applicable (not employee or claim-specific) are similar to those used by PERS. PERS has recently had an actuarial experience study done which, among other things, recommended that certain assumptions be modified. PEBP intends to follow those recommendations with respect to those categories of assumptions that are generally applicable.

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PART II

APPENDIX A

STATE OF NEVADA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2015

[Note: Page numbers in Appendix A correspond to the
actual page numbers in the Comprehensive Annual Financial Report.]

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STATE OF NEVADA

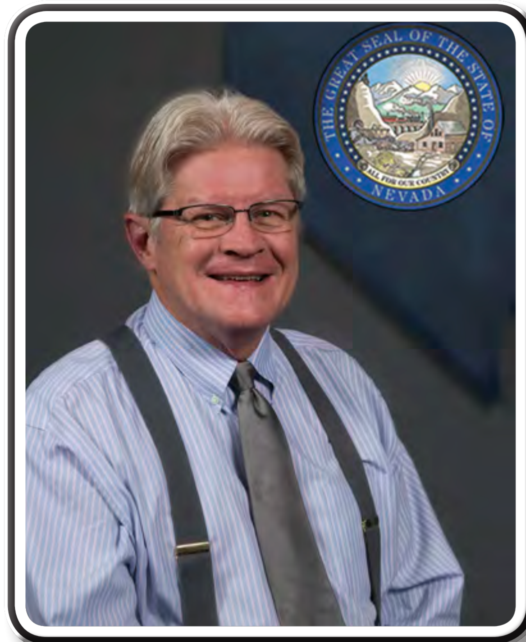
Comprehensive
Annual
Financial
Report

for the Fiscal Year
Ended June 30, 2015

Ron Knecht, MS, JD, PE(CA)
State Controller

PHOTO. 7/24/55

Ron Knecht, MS, JD & PE(CA)
State Controller



Ron Knecht, an economist, financial and policy analyst, Professional Mechanical Engineer (registered in California), and law-school graduate, became Controller January 5, 2015. As Controller, he also serves on Nevada's Board of Finance, Executive Branch Audit Committee and Department of Transportation Board of Directors.

Before being elected Controller, he divided 44 working years between public service and entrepreneurial small business, all in managerial and senior professional positions. He's been a founder, executive or director for 12 firms, charities, community-service and public-interest groups.

In previous jobs, he testified extensively as an expert witness. In 2012-14, 1986-2001 and 1976-78, he was a consultant and business executive. In 2001-12, he was a senior economist at Nevada's Public Utilities Commission. He held principal economics, finance, technology and policy positions in 1978-86 at California's Energy and Public Utilities Commissions.

In 2009-13 he co-taught about ten two-day seminars for SNL Financial on utility finance, cost of capital, and economic and policy issues for regulators, professionals, managers, executives and securities analysts. In 1973-77, he was a Research Associate and Research Engineer at the University of Illinois. In 1972-73 he was Assistant City Engineer in Urbana, Illinois.

Ron was elected to the Board of Regents of the Nevada System of Higher Education in 2006 and re-elected in 2012. For two years, he chaired the Budget & Finance Committee and was Vice-chair another year; he chaired the Audit Committee for two years; and for seven years he was very active on the Investment and Major Projects Committee, which oversees $1-billion of endowment and operating funds. He served on four other committees and on institutional presidential selection and performance-review committees, chairing two of them. Ron was elected to the Nevada Assembly for 2002-04, representing Carson City and Washoe City.

With some scholarship support, he worked his way through undergraduate and early graduate studies at the University of Illinois (BA, Liberal Arts & Sciences; mathematics major; physics & chemistry minor; 1971). Spending most of his working career in San Francisco and Silicon Valley, he paid his way at Stanford University (MS, Engineering Economic Systems; 1989) and the University of San Francisco (JD; 1995) by working full time. He's been a columnist for various print and on-line papers, and has taught part-time at two colleges.

The most important things in Ron's life are his wife, Kathy, their teenage daughter Karyn, and Ron and Kathy's mothers and families. Raised in a small Midwestern town, he's always been active in a wide range of athletics and outdoor activities -- a competitive distance runner in high school and college. He enjoys ballet, modern dance, symphony, opera, rock & roll, country & western, theater and film, and he collects baseball cards and pursues other hobbies.

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SEAL OF THE STATE CONTROLLER OF
ALL FOR OUR COUNTRY
NEVADA

RON KNECHT,
MS, JD, PE(CA)
State Controller

STATE OF NEVADA

JAMES W. SMACK
Chief Deputy Controller

GEOFFREY LAWRENCE
Assistant Controller

OFFICE OF THE
STATE CONTROLLER

December 21, 2015

To the Citizens, Governor and Legislators of the State of Nevada:

In accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245), I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The objective of this Report is to provide a clear picture of the government as a single, unified entity, in addition to traditional fund-based financial statements.

Introduction to the Report

Responsibility: The Controller's Office prepares the State of Nevada CAFR and is responsible for the accuracy, completeness, and fairness of the presentation, including disclosures. To the best of our knowledge and belief, the information contained in the State of Nevada CAFR is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the State's primary government and the component units for which it is financially accountable. Additionally, this report includes all disclosures necessary to enable the reader to gain a reasonable understanding of Nevada's financial activities.

U.S. Generally Accepted Accounting Principles: As required by State Accounting Procedures Law, this report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP), applicable to State and Local Governments as established by the Governmental Accounting Standards Board (GASB). The State also voluntarily follows the recommendations of the Government Finance Officers Association (GFOA) for the contents of government financial reports and participates in the GFOA's review program for the Certificate of Achievement for Excellence in Financial Reporting.

Internal Control Structure: The State of Nevada has established a comprehensive internal control framework designed to both safeguard the government's assets against loss from unauthorized use or theft, and to properly record and adequately document transactions. As a result, the transactions can be compiled into the presentation of the State's financial statements in conformity with U.S. GAAP. Since the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Many of our essential control features are decentralized. Hence, the State relies upon the controls in place within its various departments and agencies. NRS 353A.025 requires the heads of agencies to review their internal controls on a periodic basis to determine if the agency is in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to July 1 of even-numbered years, agencies are required to report the status of their internal controls to the Department of Administration.

Independent Auditors: The independent accounting firm of Eide Bailly LLP has audited the accompanying financial statements in accordance with generally accepted governmental auditing standards. Their opinion appears in the Financial Section of this publication. The goal of the independent audit is to provide reasonable assurance that the financial statements of the State of Nevada are free of material misstatement. We received an unqualified opinion on the basic financial statements for this fiscal year. The independent audit of the financial statements of the State of Nevada is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the financial statements. This report can be found in the Compliance Section of the CAFR, and in the State of Nevada's separately issued Single Audit Report.

Management's Discussion and Analysis: U.S. generally accepted accounting principles require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of Government

Background: The Nevada Territory was carved out of the Utah Territory by Congress in 1861 and its boundaries were subsequently expanded eastward in 1862 and eastward and southward in 1866. In 1864, Nevada was granted statehood after transmitting its newly ratified constitution to Congress in the longest and costliest transmission by telegraph in history. This allowed statehood to be conferred on October 31, just days ahead of the November 8 presidential election at a time President Lincoln thought he might need Nevada's electoral votes to secure reelection.

The Great Basin Desert dominates the Nevada landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Federal agencies own and control more than 80 percent of Nevada's 70,264,320 acres, meaning most of Nevada's land area is restricted from use and development by private citizens. Local governments are also unable to collect property taxes on these lands to sustain vital public services, although they do receive less valuable Payments in Lieu of Taxes from the federal government. Due greatly to the shortage of land available for citizens, more than 90% of our 2.8 million residents are squeezed into one of two distinct population centers: the Reno/Sparks/Carson City area near Lake Tahoe and Clark County at the southeast tip, separated by 450 miles.

Nevadans enjoy the absence of a personal income tax but labor under a variety of indirect taxes that are assessed on businesses and thus passed onto consumers in the form of higher prices and to workers in the form of suppressed wage and employment growth. Nevada has offered a continuous legal market for gaming since 1935, allowing that industry to thrive in the state while also financing a significant share of public services. The State operates under a constitution that provides for a full range of services, including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development.

Reporting Entity: The State of Nevada, as described in Note 1 to the basic financial statements, is the reporting entity for this CAFR, which conforms to the requirements of GASB Statement No. 14 as amended by GASB Statement No. 61. The accounting and reporting principles reflected in these statements are based primarily upon the fundamental concept that publicly elected officials are accountable to their constituents, and that financial statements should emphasize primary government and permit financial statement users to distinguish between the state and its component units. The primary government includes the Public Employees', Legislators' and Judicial Retirement Systems, and the Nevada Real Property Corporation. The State Legislature sets statutorily the parameters within which these entities operate. The Nevada System of Higher Education, Colorado River Commission, and Nevada Capital Investment Corporation are shown separately as legally separate component units.

Financial Information

Debt Management: The State Constitution limits the aggregate principal amount of the general obligation debt to two percent of the total reported assessed property value of the State. Additional disclosures regarding the State's long-term obligations are provided in the notes to the basic financial statements.

Long-Term Financial Planning and Financial Policies: State law (NRS 353.205) requires a balanced budget. The Governor must submit a proposed budget for the Executive Branch to the State Legislature before each regular session, which convenes every odd-numbered year. Spending levels under this Executive Budget proposal may not exceed the amounts that existed during the biennial budget period that began July 1, 1975, adjusted for population growth and inflation. However, the Legislature enacts the budget through passage of the General Appropriations Act and the Authorized Expenditures Act and the legislatively approved budget is not constrained by this growth limitation. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

In accordance with State statute, The Economic Forum, comprised of private economic and financial experts appointed by the Legislature and the Governor, sets the General Fund revenue forecasts which are binding on the budget. If revenues fall below those originally anticipated during the course of the fiscal year, the Governor must revise the budget to ensure that State appropriations do not exceed revenues. If the revisions exceed thresholds specified in NRS 353.220, they must be submitted to the Legislative Interim Finance Committee for approval.

Economic Outlook

Economic outlook discussions in reports like this one are typically based on business-cycle analyses. That approach is based on assuming there are no salient long-term developments -- or "secular trends" -- to disrupt the cyclical outlook. As we show, important secular trends have been developing over decades and have already wrought profound changes in the U.S. and Nevada economies -- and substantially changed the outlook. We discuss trends in four areas, followed by a synthesis of these trends for the long-term U.S. economic outlook, concluding with Nevada-specific considerations. More outlook discussion is posted on the Controller's web site, controller.nv.gov.

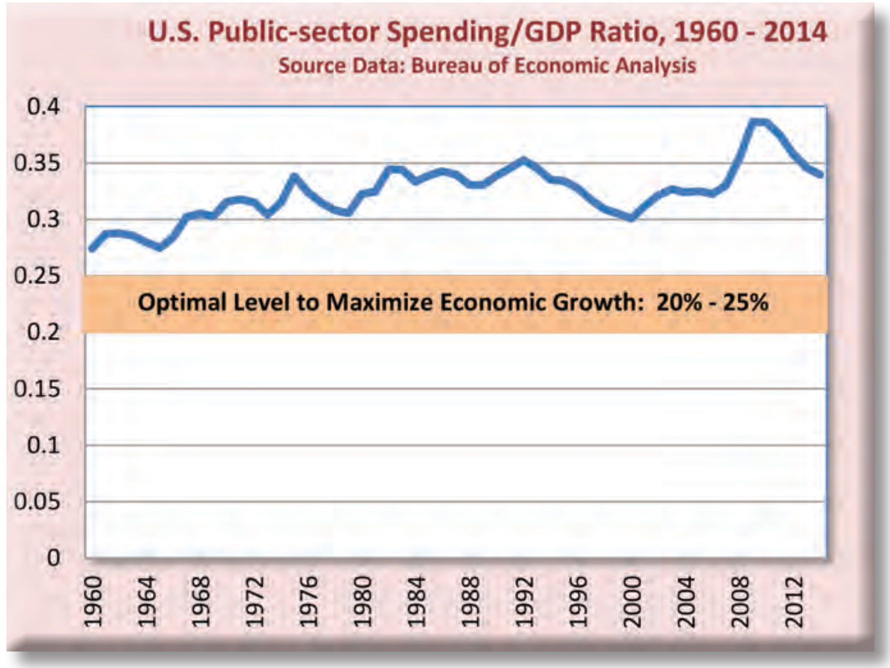
Below, we show first that the size, scope and reach of government have long been excessive relative to our economy, yet still growing; that has resulted in an increasingly substantial drag on economic growth. For decades this burden was offset by three growth-inducing factors: 1) demographic and labor-force participation trends; 2) increasing debt levels; and 3) rapid growth in emerging economies, plus globalization (increasing trade and foreign domestic investment). Unfortunately, trends in all three areas have reversed. So, for the foreseeable future, economic growth will be suppressed perhaps even from current 2% real annual rates (or 1% per person per year).

Government Overreach: The size, scope and reach of American government – including spending, taxing, borrowing, regulation, monetary and credit-allocation policy, and other intervention – long ago exceeded levels that promote the public interest in maximum economic growth and fairness. These excesses at federal, state and local levels have increasingly slowed growth and will continue to do so unless they are reined in. Economists now understand that economic growth and thus aggregate human wellbeing levels are determined more by the economic, political and social institutions, practices and policies of a society than by geographic, infrastructure, resources and other earlier development-theory factors. The rule of law, limited government with separation of powers, personal liberty and individual rights, strong property rights and high levels of economic freedom are essential for growth.

As detailed on the Controller's web site, empirical literature – research based on real economic data – supports and quantifies theory suggesting that there's an optimal range of government spending that maximizes economic growth. There are classically defined public goods that are most efficiently provided by government and there are market failures that justify regulation and other intervention, but excess spending, scope and reach of the public sector diverts efficient private investment and consumption, and it is a drag on growth.

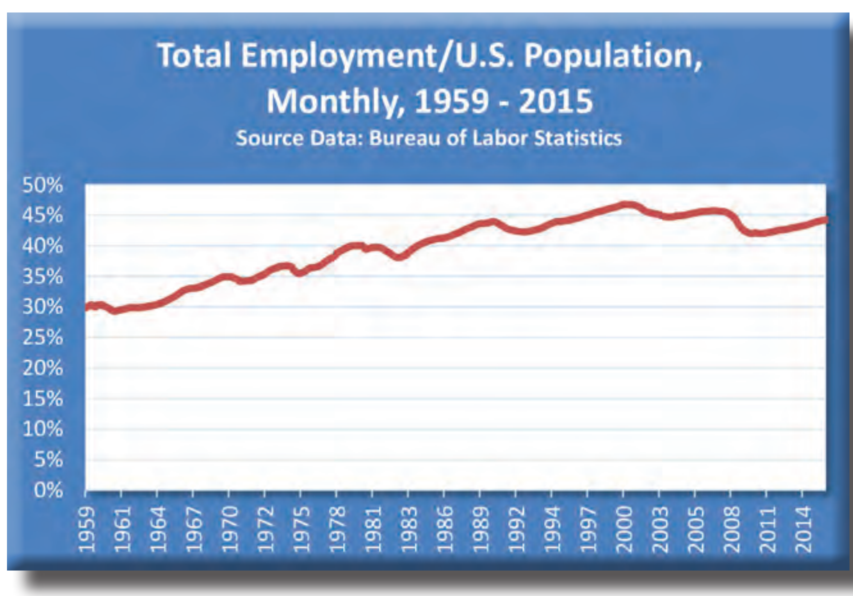
While there are uncertainties and debate about the levels of public spending relative to the economy that maximize growth, the best evidence shows that the U.S. passed those levels by the 1960s and has increased government excess to the present time. The chart below of public spending over time as a percentage of the U.S. economy vividly illustrates this point. The excess growth has not been limited to the federal government; state and local spending have grown even faster in relative terms. Nevada's local-government and total public-sector spending have grown particularly fast. Nationally, increasing government intervention in health care has driven up its cost and its share of the economy relative to optimal levels and has thereby contributed to slowing of economic growth.

While public spending is the measure of government overreach easiest to quantify, analyze and understand as a growth determinant, other measures also drive and reflect the excess. Taxes and public debt are directly driven by public spending, and public debt has now reached its highest level relative to the gross domestic product (GDP) since the early 1950s, when the debt from World War II was being worked off. Government regulation in a wide range of economic, environmental, public health and safety areas, plus intervention including monetary stimulus and credit allocation and federalization of health insurance and education have all increased to unprecedented levels and metastasized in the last decade. The net effect has been an increasing drag on economic growth, and with the overreach at record levels and still increasing, the drag may even get worse.



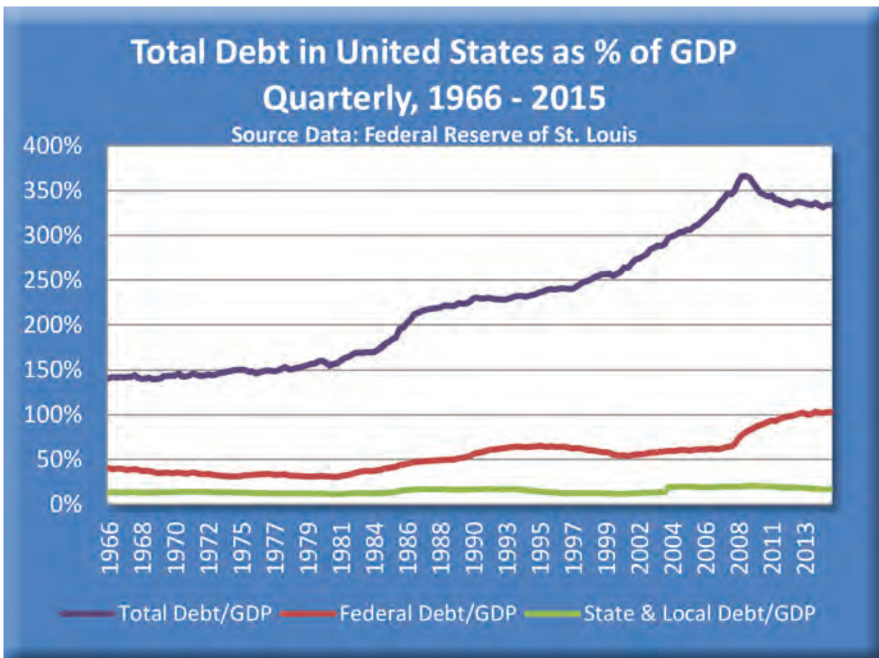
Demographics and Work-force Participation: Demographic changes driven by public policy and non-policy factors are reducing the fraction of the population doing productive work, while increasing numbers consuming but not producing. These changes include falling birth rates, increasing longevity, increasing public support for retirement and subsidy of persons not working, and changing social and economic roles of men and women. These changes are slowing growth and may even bring social upheaval.

The 1970s movement of Baby Boomers into working age, plus the movement then and later of women into paid work drove labor-force participation to a record level of 67.1% in 2001. The aging of Boomers into retirement years, plus declining birth rates in younger cohorts, the slippage of female workforce participation and the non-recovery from the Great Recession have all dropped participation to 62.4%, the lowest level since 1977. Falling labor-force participation in the 16-54 age range more than offsets recent increases for the 55+ group, netting a continued decline in total employment ratios. Low unemployment rates are due to counting "discouraged workers" out of the labor force and to increases in "under-employed" part-timers – both driven by the non-recovery and palliative effects of increases in benefits to people not working. As the nearby graph shows, through 2002, demographic and workforce participation factors gave a huge boost to economic growth countering public-sector over-reach, with the employment/population ratio rising more than 56% in 42 years (from 0.30 to 0.47).



However, since 2002, these factors have reinforced the increasing drag from government excess that depresses growth. The movement of the large Boomer cohort into retirement began in 2011 and will accelerate and then continue for 20 more years. Because retirement age and support policies were set when longevity was lower and health of people over 60 was less robust, U.S. dependent/producer ratios will continue to rise relative to what they would be under market incentives. So, total-factor productivity and thus the economy will continue to grow slowly. The burden on productive cohorts will increase, especially with slow income growth, leading perhaps to social upheaval in the absence of significantly increased legal immigration. Slow economic growth and low interest rates and other rates of return on investment will challenge retirement funding and exacerbate all these problems.

Debt in All Sectors and Net Saving and Investment: Total debt levels relative to the U.S. economy increased hugely until the financial crash and Great Recession of 2007-09. As shown in the nearby graph of total American debt as a percentage of the economy, they have retrenched only mildly since then, leaving an excess-leverage overhang that may not be receding. All debt sectors are involved: government at all levels; business; and households (mortgage, auto, student and consumer loans, etc.). Monetary and credit-allocation policy drove much of the metastasis, especially in the decade ending 2008, providing artificial and unsustainable temporary stimulus to growth. It also produced mal-investment, and that problem plus deleveraging have already contributed to weak business earnings and anemic economic growth; it will continue to do so for the foreseeable future. The resulting sustained low interest rates have destroyed much economic wealth and damaged institutional retirement and endowment investors and savers.

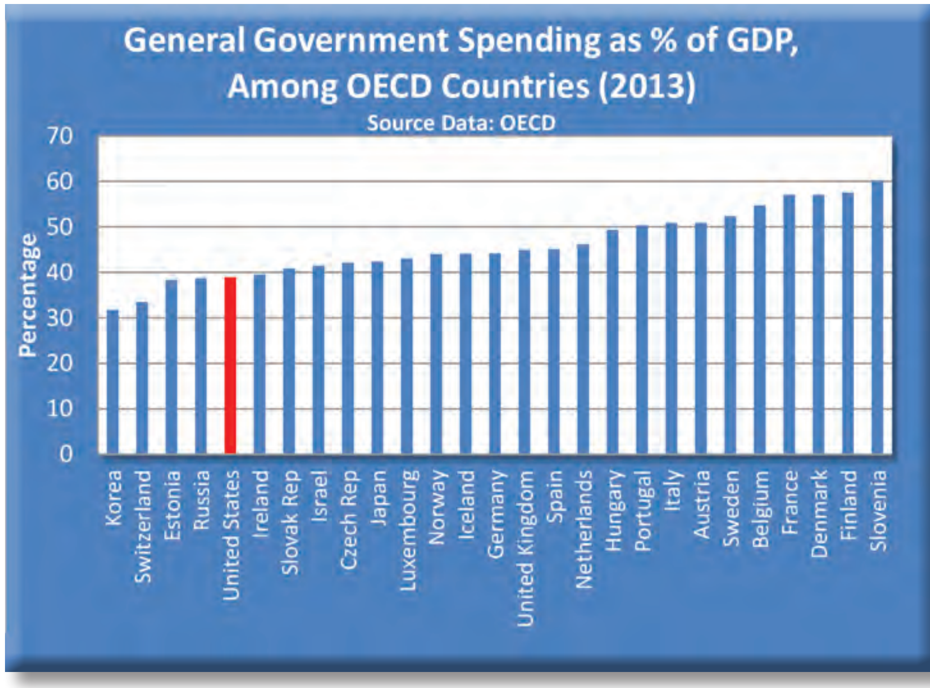


Total U.S. debt/GDP ratios in 2014 were twice their 1984 levels, despite retrenchment following the financial crash and Great Recession. Consumer debt growth was driven mainly by federal mortgage lending policies, causing the housing bubble and subsequent collapse. Business debt grew in finance and large corporate stock buybacks, mergers and acquisitions, meaning there is now perhaps an equity bubble. Federal government total debt/GDP ratios have more than doubled as fiscal and monetary policy have been used to try to ameliorate the negative growth effects of a wide range of public policies. Further retrenchment from current debt levels is needed to restore the economy, so demand for capital and interest rates and investment returns will remain low, as will economic growth.

International Economic Growth, Trade and Investment: Until the Great Recession, long-term growth of the world and developing economies, especially China, was more rapid than in the U.S. and other advanced nations. Driven by and contributing to 1) increasing globalization, 2) trade and 3) foreign direct investment in the U.S., this growth increased U.S. economic growth by lowering costs to American consumers and businesses and spurring more efficient investment and production by domestic and foreign businesses.

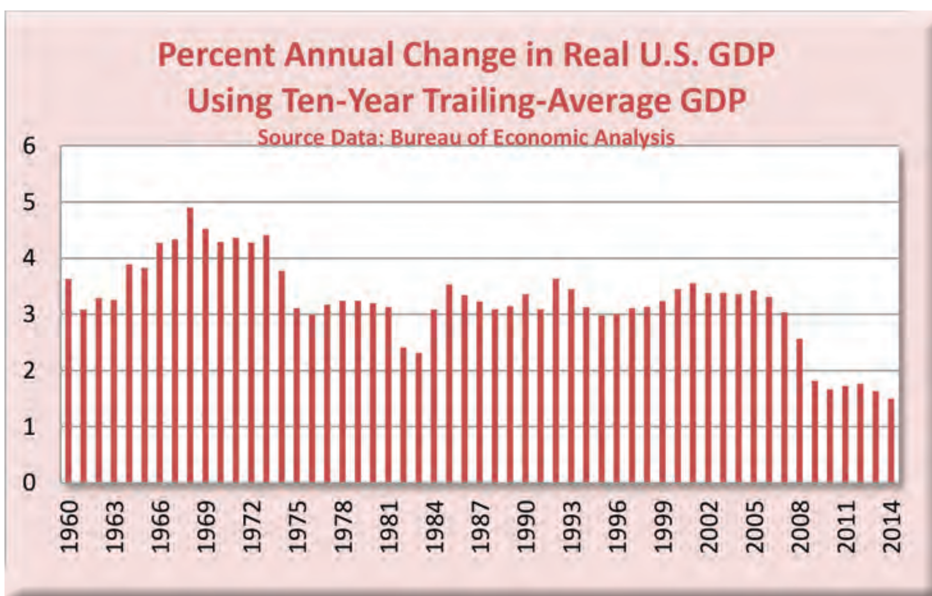
Since 2007, trade increases have lagged world economic growth. Growth in China and other developing nations has slowed, further depressing American growth. The three factors above that now retard U.S. economic growth are even worse in other major economies, advanced and developing. While this makes our economy the “cleanest dirty shirt in the laundry pile” for investors, it also means the global trade and investment cavalry will not be riding to our rescue. The world economy will no longer spur U.S. economic growth as it did before the Great Recession.

The problems of excess and still growing size, reach and scope of government are worse in every other major economy than in the U.S., as shown in the nearby chart. So are demographic problems of low birth rates and labor force participation plus increased aging. So, Europe (the only other comparably-sized economy) and Japan continue to struggle as they long have done with very low growth. China has grown hugely into the second-largest national economy, but the command-and-control methods that remain even after its liberalization have yielded massive mal-investment and debt growth. Due to mal-investment, persistent low consumer demand and the recently eased one-child policy, an historically awful policy mistake and human tragedy, China is headed for ever lower and possibly negative growth. All other economies are too small to make a significant difference to U.S. growth.



Total debt worldwide is now about 5.6 times what it was 20 years ago, while the world economy is only 2.8 times its prior size, meaning debt/GDP ratios have doubled in only two decades. That increase is likely unsustainable even with increasing development and globalization, leading to future retrenchment. Europe is now following Japan and the U.S. into monetary and credit-allocation overreach, and Italy and others (possibly including Japan and China) soon may face Reinhart/Rogoff excess debt levels (debt above 90% of GDP leading to financial collapse). Birth rates being an inverse function of women's education and wealth levels explains much of the world demographic problem, but in India and Africa they are dropping even faster than education and income indicate.

Upshot: Continued Slow Economic Growth: All four mutually reinforcing problems discussed above have already produced the poorest recession recovery on record, with real growth of about 2% annually – or, adjusting for population increase, real per-person growth of about 1%. With none of these factors abating (and perhaps increasing), the most reasonable outlook is economic and productivity growth at recent anemic rates or even lower. The nearby chart of rolling ten-year growth rates shows that U.S. economic growth has long been declining due to these factors and has collapsed to record sustained low levels since 2008. Growth at 1% per person per year sounds only slightly lower than historic 2.5% levels, but the compounding impact is huge: Average human



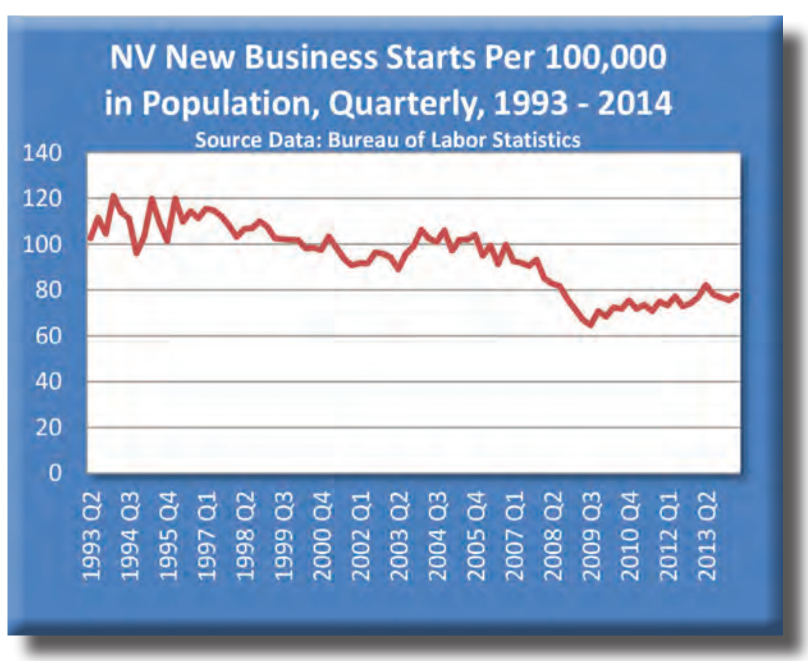
wellbeing growing only 32% each generation instead of doubling, the social norm for 300 years. So, instead of average family incomes doubling from $50,000 yearly to $100,000, they will grow only to $66,000. Restoring the economic growth legacy left by previous generations, an essential public policy need, requires government to grow slower than the economy for decades.

Down-side risks may even make things worse. Some economists claim that invention, innovation and technological progress have slowed from levels of recent decades, meaning that this key driver of growth will have a diminished effect and economic growth will fall toward zero. A related issue is that the recent slow growth has occurred despite falling energy and other commodity prices that, all other things remaining equal, would have increased it; possible returns of these prices to historical levels could dampen growth even further. Two other factors are likely to further burden economic growth: 1) slow economic growth produces low investment returns, which in turn tend to keep growth lower in a negative feedback loop; and 2) our current recovery, anemic as it has been, is now longer than the average cyclical upturn and may be due for a contraction. We see no salient upside factors in the U.S. outlook.

Nevada Prospects Are Similar to U.S. Prospects: Nevada's overall tax levels, whether measured as a fraction of the economy or by per-capita tax burden, lie squarely in the middle among the states, and they may rise significantly due to the new spending and taxes promulgated in 2015 by the Legislature and Governor. The state has long practiced onerous regulation of professions and occupations and recently intervened in housing finance in ways adverse to growth. In assisting destructive federal policies in health care, education and energy, state policy further retards growth. Nevada's demographic/workforce outlook is no better than the national picture, especially due to modest workforce education levels. Further, there's no reason to believe Nevada will do better on non-state debt levels, or on trade and foreign direct investment. Historically, Nevada and the Southwest have grown much faster than the U.S., but their net in-migration has slowed greatly. So, despite faster growth currently than most states, the most prudent forecast for Nevada is growth at the anemic national rates. Moreover, the dominance of the outlook by secular trends obviates fine-tuned state cyclical growth estimates. A notable bright spot is that Nevada has managed conservatively its debt load; so, maintaining its creditworthiness will be assured by continued prudence.

Between 2011 and 2014, Nevada's state gross domestic product grew meagerly from $118.9 billion to $120.8 billion (in constant 2009 dollars). Per capita, that's a growth rate of 0.53%, ranking 43rd among the states in that period. This poor recovery comes on the heels of an economic recession in which Nevada saw the largest per-capita decline in GDP of any state. Between 2007 and 2010, per-capita GDP shrunk by an average of 5.87% annually versus a national shrinkage of 1.23%. Even more concerning are some deteriorating fundamentals. Since 2007, Nevada's median household income has fallen from $61,700 to $49,900 and the poverty rate increased from 9.7% to 17.0%.

Further, entrepreneurial activity in Nevada remains at historically low levels. As shown in the nearby graph, startup density, measured by the number of business starts per 100,000 persons, fell roughly 30% between the mid-1990s and recent years, according to Bureau of Labor Statistics data. Non-governmental data sources, providing a longer time series, indicate that startup density has fallen 61% since 1977. This long-run decline in entrepreneurial activity portends a less dynamic state economy. Studies indicate that nearly all net new U.S. job growth is attributable to startups, so future Nevada economic growth prospects may be significantly diminished if entrepreneurial activity does not rebound to historic levels.



In sum: Government at all levels has long been so big, yet still growing relative to our economy, that it increasingly consumes our time, energy and productivity, crowds out private entrepreneurship and business spending and investment, and thereby stifles economic growth. Until 2002, falling birth rates plus Baby Boomers and women entering the workforce greatly mitigated this problem. Sustained low birth rates leading to small working-age cohorts, plus somewhat falling rates of workforce participation by women and by men ages 16-54, have lately decreased the fraction of the population working and the producer/dependent ratios that fed earlier growth.

Increasing debt levels relative to the economy, which were mainly driven by policy far into unsustainable territory, promoted growth until the financial crash. Mild retrenchment during the non-recovery has not worked off the overhang; so, slow growth of non-government debt demand will add to the drag on growth. Rapid growth of developing economies, plus faster growth of trade and foreign domestic investment also helped greatly until 2009. Growth most places has slowed since then because the government overreach, demographic and workforce participation and debt problems are worse in other major economies; plus, trade is now growing slower than the world economy. The most reasonable expectation is that these world trends will continue, not improve, despite (or even due to) low commodity and energy prices.

Hence, all four fundamental factors are now driving U.S. economic growth down from the current 2% annual real levels (1% per person), and human wellbeing will grow much slower in the future than in the last 300 years. The increasing time since the Great Recession also suggests cyclical factors may stunt growth in coming years. Nevada is not exempt from this unfortunate outlook: Its public-sector metastasis has been greater and is continuing; other demographic, debt and international trade and investment factors do not portend improvement from the national economic outlook. Nevada’s creditworthiness is a single bright spot. However, low economic growth will yield low expected investment returns, greatly challenging management of the state’s retirement and endowment funds.

Major State Initiatives

Business Growth: In 2008-10, the number of business closures in Nevada exceeded business starts. This trend has been reversed since 2011. The state's economic development strategy, however, has focused mainly on the relocation of large firms from other states and new plant locations in Nevada instead of promoting domestic entrepreneurship. Notable recent announcements in this area include the location of a battery manufacturing plant for Tesla Motors in northwest Nevada using a $1.2 billion tax incentive package; also, location of a Faraday Future auto manufacturing plant in southern Nevada, aided by a $335 million package of tax incentives and infrastructure grants. The state has a Catalyst Fund offering cash payments to businesses locating or expanding in Nevada, plus an array of tax credits and abatements. The numbers of companies to receive state assistance have increased dramatically in recent years, from 29 in 2009 to 113 in 2013 and 71 through the first three quarters of 2015.

It is unclear that this is the best approach in face of a long-term decline in domestic entrepreneurship. This concern was expressed by SRI International and the Brookings Institution in a draft economic development plan for Nevada. "Winning a relocation," the contractors assert, "might make the headlines, but as research...shows, job gains and losses are overwhelmingly driven by intra-state business dynamics rather than the between-state movement of firms." In light of this observation, it may be advisable to promote native entrepreneurship through the educational curricula and by lowering barriers to entry for new firms into the marketplace, such as those imposed through occupational and other licensing requirements that are often more strenuous in Nevada than elsewhere.

Resource Development: Coeur Mining, Inc. is working to expand its mining operations near Lovelock, Nevada with production scheduled for 2017. A draft environmental impact statement was completed in October 2015 and is expected to be finalized in early 2016. The expansion would increase authorized surface disturbance of the existing operation by 231 acres. The 2015 legislature increased the Modified Business Tax rate facing mining companies to 2.0% while increasing the rate for other nonfinancial firms to 1.475%. The change is estimated to raise the cost of MBT facing mining companies to $17.4 million per annum. In addition, the current prepayment requirement for the Net Proceeds of Minerals Tax was removed beginning FY17, helping the industry.

Education: Student performance in Nevada K-12 schools lies in the middle-to-lower range among five adjacent states, despite higher per-student spending levels than three out of five of them. Nationally and internationally, student performance is not statistically correlated with spending. However, while again increasing K-12 spending greatly, the 2015 Legislature enacted the nation's most expansive school choice program. Beginning in FY16, every child enrolled in a Nevada public school may request an Education Savings Account (ESA) that can be used to finance a customized educational curriculum for the child. ESA funds can be used to pay for private tuition, tutoring, online courses or materials. Students who apply and meet eligibility criteria will receive at least $5,139 deposited annually into their ESA. However, there are pending legal challenges to the program.

Health and Human Services: Medicaid enrollment grew to 580,852 in September 2015, nearly double the 332,560 of just two years earlier. In 2013 the Legislature and Governor expanded Medicaid eligibility criteria, pursuant to the federal Affordable Care Act, making all individuals with incomes up to 138% of the federal poverty level eligible, including single, childless, able-bodied adults. This expansion, plus tax penalties under the Act for failing to procure health insurance, have been direct causes of enrollment growth. Expected rapid enrollment growth will create challenges for Nevada in the near future. While the Act provided federal funding to cover the entire cost of coverage for newly eligible persons in 2016, this federal support begins to decline in 2017 to 90% of coverage costs by 2020. Given federal budget constraints, this percentage may continue to decline after 2020, shifting the cost of this coverage to states, and it could impose significant financial burdens on their budgets. The additional cost to Nevada taxpayers of optional and mandated coverage expansions has been estimated by independent sources at up to $5.4 billion cumulatively by 2023. This cost burden will either displace existing priorities for state spending, result in tax increases beyond those enacted by the 2015 Legislature, or both.

Transportation: The Nevada Department of Transportation (NDOT) completed one major project in September 2014. The I-15 South Cactus Avenue Interchange in Southern Nevada was finished within budget and ahead of schedule. No other major projects were completed in Fiscal Year 2015. Nevada is beginning work on major transportation projects expected to be completed in coming years, including the massive Project Neon in Las Vegas and the USA Parkway in northwestern Nevada. These will be followed by the I-11 corridor developments between those two areas, and the state is developing a comprehensive freight plan. NDOT project schedules are contingent on the availability of funding, which is likely to be aided significantly by recent passage of the federal FAST Act.

Awards and Acknowledgments

GFOA Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nevada for its CAFR for the fiscal year ended June 30, 2014. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the Introductory Section of the CAFR. A Certificate of Achievement is valid for only a one-year period. We believe that this current CAFR continues to meet the requirements of Certificate of Achievement Program, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments and Conclusion: This report would not have been possible without the hard work, dedication and professionalism of my staff and the cooperation and assistance from all State agencies, Executive, Legislature and Judiciary. I sincerely appreciate the efforts of all the individuals involved, especially the Controller's Office staff. We are committed to advancing accountability, continuity and efficiency in the State's financial operations.

Sincerely,

Ronald L. Knecht

Ronald L. Knecht, MS, JD & PE(CA)
Nevada State Controller

STATE OF NEVADA CONSTITUTIONAL OFFICERS

BRIAN SANDOVAL
GOVERNOR

MARK HUTCHISON
LIEUTENANT GOVERNOR

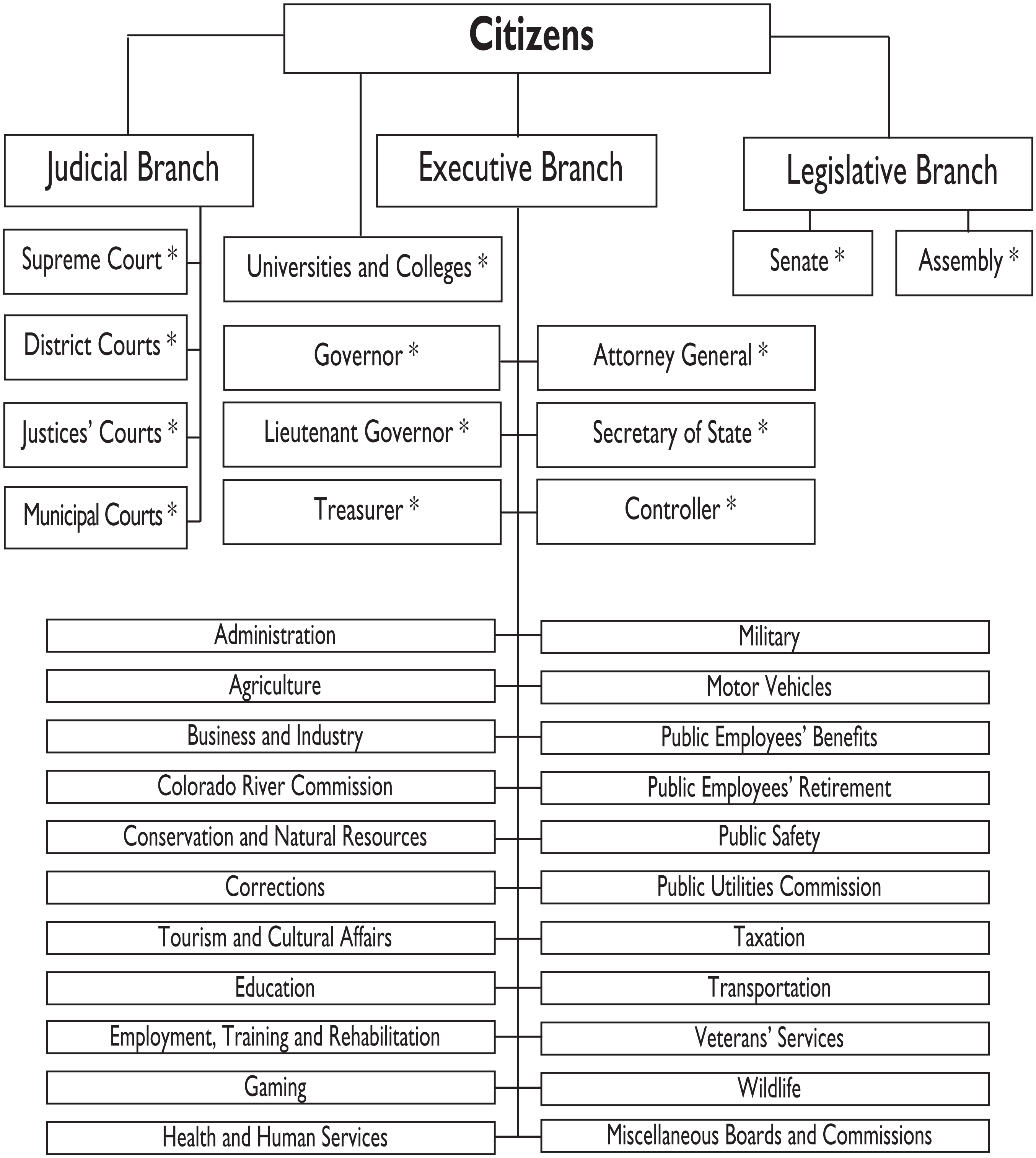
BARBARA CEGAVSKE
SECRETARY OF STATE

DAN SCHWARTZ
TREASURER

RON KNECHT
CONTROLLER

ADAM PAUL LAXALT
ATTORNEY GENERAL

Organizational Chart



* Elected Officials

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Nevada

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

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Nevada Cattle Drive
Photos: Kevin Bell

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable Ronald Knecht, MS, JD & PE
State Controller
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the following:

- the financial statements of the Housing Division, which is both a major fund and 38.55 percent of the assets and deferred outflows of resources, 25.96 percent of net position, and 3.88 percent of the revenues of the business-type activities;

- the financial statements of the Nevada System of Higher Education and the Colorado River Commission, both of which are discretely presented component units and represent more than 99 percent of assets and deferred outflows of resources, net position, and revenues of the discretely presented component units;

- the financial statements of the Self Insurance and Insurance Premiums Internal Service Funds which, in the aggregate, represent less than one percent of the assets and deferred outflows of resources and the net position, and 3.57 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, which in the aggregate represent 65.41 percent of the assets and deferred outflows of resources, 66.73 percent of the net position and 31.81 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 29.49 percent of the assets and deferred outflows of resources, 30.50 percent of the net position and 45.39 percent of the revenues of the aggregate remaining fund information;

- the financial statements of the Retirement Benefits Investment Fund – Investment Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, net position and revenues of the aggregate remaining fund information;

- the financial statements of the Division of Museums and History Dedicated Trust Fund, which represent less than one percent of the assets and deferred outflows of resources, fund balance and revenues of the aggregate remaining fund information.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned funds and entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained, and the reports of other auditors, is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Notes 1 and 17 to the financial statements, the State of Nevada adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Correction of Error
As discussed in Note 17 to the financial statements, an error occurred in the determination of the amortization period on refunding loss during the fiscal years 2005 through 2014, which was discovered by management during the current year. Accordingly, amounts for amortization on refunding loss have resulted in a restatement of net position/fund balances as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 16, the budgetary comparison information, the notes to required supplementary information-budgetary reporting, the schedule of funding progress, the schedule of infrastructure condition and maintenance data, and the pension plan information collectively presented on pages 88 through 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Nevada's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of the State of Nevada's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and

other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
December 21, 2015

Management's Discussion and Analysis

State of Nevada management provides this discussion and analysis of the State of Nevada's Comprehensive Annual Financial Report (CAFR) for readers of the State's financial statements. This narrative overview and analysis of the financial activities of the State of Nevada is for the fiscal year ended June 30, 2015. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

Highlights

Government-wide:
Net Position – The assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by $4.4 billion (reported as *net position*). Of the $4.4 billion in net position, $1.6 billion was restricted and not available to meet the State's general obligations. Also unavailable to meet the State's general obligations is $4.9 billion net investment in capital assets.

As a result of implementing GASB 68 *Accounting and Financial Reporting for Pensions,* the State recorded $182.2 million deferred outflows of resources, $1.7 billion net pension liability, and $503.4 million deferred inflows of resources for the primary government. The State's total net position decreased by $1.4 billion or 24.2% over the prior year, of which $2.0 billion is a decrease to beginning unrestricted net position due to the implementation of GASB 68. Net position of governmental activities decreased by $1.8 billion or 32.6%. Net position of business-type activities increased by $364.7 million or 96.2%

Fund-level:
At the close of the current fiscal year, the State's governmental funds reported combined ending fund balances of $1.6 billion, a decrease of $144.2 million from the prior year. Of the ending fund balance, $949.2 million is available for spending and $613.8 million is not in spendable form, primarily municipal securities and permanent fund principal. The spendable portion consists of: $607.1 million restricted to expenditures for specific purposes such as transportation, health and human services, law, justice and public safety, and capital projects; $547.2 million committed to expenditures for specific purposes such as servicing bonds payable, health and education development, and environmental protection; and a negative $205.1 million unassigned, in the General Fund. The reasons for the negative unassigned fund balance are disclosed in the Financial Analysis of the State's Funds section below.

The State's enterprise funds reported combined ending net position of $744.4 million, an increase of $365.5 million from the prior year, of which $36.6 million is a decrease to beginning net position as a result of implementing GASB 68, *Accounting and Financial Reporting for Pensions*. The remaining increases in net position consist of $347.6 million in the Unemployment Compensation Fund, $35.3 million in the Water Projects Loans Fund, and $9.8 million in the Higher Education Tuition Trust Fund. Of the combined ending net position, $88.8 million represents the net position-unrestricted of which $109.8 million is from the Unemployment Compensation Fund and a deficit of $20.8 million is from the non-major enterprise funds.

The State's fiduciary funds reported combined ending net position of $51.5 billion, an increase of $2.6 billion from the prior year. This increase is due primarily to the increases in contributions, interest, dividends and change in the fair value of investments in the Pension Trust Funds and Private Purpose Trust Funds.

Long-term Debt (government-wide):
The State's total bonds payable and certificates of participation payable decreased by $280.7 million or 7.4% from $3.8 billion in fiscal year 2014 to $3.5 billion in fiscal year 2015.

Overview of the Financial Statements

This discussion and analysis is an introduction to the State of Nevada's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements:
The *government-wide financial statements* are designed to provide readers with a broad overview of the State of Nevada's finances in a manner similar to the private sector. They take into account all revenues and expenses connected with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The *statement of net position* presents *all* of the State's assets, liabilities, and deferred outflows/inflows of resources with the difference being reported as "net position." The statement combines and consolidates all of the State's current financial resources with capital assets and long-term obligations. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the State's net position changed during the most recent fiscal year. The statement reveals how much it costs the State to provide its various services, and whether the services cover their own costs through user fees, charges, grants, or are financed with taxes and other general revenues. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of cash flows. Therefore, some revenue and expenses reported in this statement will not result in cash flows until future fiscal periods (e.g., uncollected taxes earned and unused leave).

Both government-wide statements above report three types of activities:

Governmental Activities – Taxes and intergovernmental revenues primarily support these activities. Most services normally associated with State government fall into this category, including general government, health and social services, education, law, justice and public safety, regulation of business, transportation, recreation and resource development, interest on long-term debt and unallocated depreciation.

Business-type Activities – These activities are intended to recover all, or a significant portion, of the costs of the activities by charging fees to customers. The Housing Division and Unemployment Compensation are examples of the State's business-type activities.

Discretely Presented Component Units – Discrete component units are legally separate organizations for which their relationship with the primary government meets selected criteria. The State has three discretely presented component units – the Nevada System of Higher Education, the Colorado River Commission and the Nevada Capital Investment Corporation. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Fund Financial Statements:
A fund is an accounting entity consisting of a set of self-balancing accounts to track funding sources and spending for a particular purpose. The State's funds are broken down into three types:

Governmental funds – Most of the State's basic services are reported in governmental funds. These funds focus on short-term outflows and inflows of expendable resources as well as balances left at the end of the fiscal year available to finance future activities. These funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The governmental fund financial statements focus on major funds and provide additional information that is not provided in the government-wide financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation is provided between the governmental fund statements and the governmental activities in the government-wide financial statements.

Proprietary funds – When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other State agencies (internal service funds), the services are generally reported in the proprietary funds. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses, and there is a reconciliation between the government-wide financial statement business-type activities and the enterprise fund financial statements. Because internal service fund operations primarily benefit governmental funds, they are included with the governmental activities in the government-wide financial statements.

Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the state government. For instance, the State acts as a trustee or fiduciary for its employee pension plans, and it is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are reported using the accrual basis of accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

Notes to the Financial Statements:
The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in both the government-wide and fund financial statements.

Required Supplementary Information:
The required supplementary information includes budgetary comparison schedules for the General Fund and major special revenue funds, along with notes and a reconciliation of the statutory and U.S. generally accepted accounting principles (GAAP) fund balances at fiscal year-end. This section also includes a schedule of pension plan information and a schedule of infrastructure condition and maintenance data.

Other Supplementary Information:
Other supplementary information includes combining financial statements for non-major governmental, non-major enterprise, all internal service and all fiduciary funds. The non-major funds are added together, by fund type, and presented in single columns in the basic financial statements. Other supplementary information contains budgetary schedules of total uses for the General Fund and special revenue fund budgets, as well as a schedule of sources for non-major special revenue fund budgets.

Government-wide Financial Analysis

The State's overall financial position and operations for the fiscal years ended June 30, 2015 and 2014 for the primary government are summarized in the following statements based on the information included in the government-wide financial statements.

State of Nevada's Net Position-Primary Government
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2015	2014*	2015	2014*	2015	2014*	2015-2014
Assets							
Current and other assets	$ 3,637,061	$ 3,604,390	$ 2,163,799	$ 1,918,000	$ 5,800,860	$ 5,522,390	$ 278,470
Net capital assets	6,200,840	6,020,493	12,517	12,321	6,213,357	6,032,814	180,543
Total assets	9,837,901	9,624,883	2,176,316	1,930,321	12,014,217	11,555,204	459,013
Total deferred outflows of resources	244,857	13,978	4,562	1,612	249,419	15,590	233,829
Liabilities							
Current liabilities	1,612,110	1,513,414	69,068	69,382	1,681,178	1,582,796	98,382
Long-term liabilities	4,327,379	2,710,278	1,358,862	1,483,298	5,686,241	4,193,576	1,492,665
Total liabilities	5,939,489	4,223,692	1,427,930	1,552,680	7,367,419	5,776,372	1,591,047
Total deferred inflows of resources	495,015	704	9,041	-	504,056	704	503,352
Net Position							
Net investment in capital assets	4,895,213	4,672,738	3,791	3,434	4,899,004	4,676,172	222,832
Restricted	976,650	866,071	651,863	599,806	1,628,513	1,465,877	162,636
Unrestricted (deficit)	(2,223,609)	(124,344)	88,253	(223,987)	(2,135,356)	(348,331)	(1,787,025)
Total net position	$ 3,648,254	$ 5,414,465	$ 743,907	$ 379,253	$ 4,392,161	$ 5,793,718	$ (1,401,557)

* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions and other adjustments.

Net Position:
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) decreased to $4.4 billion at the end of 2015, compared with $5.8 billion at the end of the previous year.

The largest portion of the State's net position ($4.9 billion or 111.5%) reflects its investment in capital assets such as land, buildings, improvements other than buildings, equipment, software costs, construction in progress, infrastructure and rights-of-way, less any related debt still outstanding that was used to acquire those assets. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the State's net position ($1.6 billion or 37.1%) represents resources that are subject to external restrictions on how they may be used. At the close of the fiscal year, the State reported an unrestricted net position deficit of $2.1 billion or (48.6%) as compared to a $348.3 million deficit in the prior year.

The unrestricted deficit net position in governmental activities increased by $2.1 billion from a deficit of $124.3 million to a total deficit of $2.2 billion. This is primarily due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions* which recorded a decrease to beginning net position of governmental activities of $2.0 billion. Other changes in governmental activities were a result of several factors, including a decrease in the unrestricted fund balance of the General Fund of $64.3 million and an increase of $11.9 million in deferred inflows of resources for unavailable revenue recognized as revenue in the government-wide statement of net activities. Of the $11.9 million increase in deferred inflows of resources for unavailable revenue, approximately $7.9 million is from taxes and $1.0 million is from rebates for health and social services. In business-type activities the unrestricted net position increased by $312.2 million from a deficit of $224.0 million to a net position of $88.2 million. The increase is primarily due to an increase in the net position of the Unemployment Compensation Fund in the amount of $347.6 million.

Changes in State of Nevada's Net Position-Primary Government
(expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Total Change
	2015	2014*	2015	2014*	2015	2014*	2015-2014
Revenues							
Program revenues							
Charges for services	$ 828,977	$ 767,186	$ 111,885	$ 121,264	$ 940,862	$ 888,450	$ 52,412
Operating grants and contributions	4,337,546	3,416,382	75,716	196,653	4,413,262	3,613,035	800,227
Capital grants and contributions	10,385	9,349	-	-	10,385	9,349	1,036
General revenues							
Sales and use taxes	1,160,968	1,085,656	-	-	1,160,968	1,085,656	75,312
Gaming taxes	906,382	922,999	-	-	906,382	922,999	(16,617)
Modified business taxes	413,749	382,976	-	-	413,749	382,976	30,773
Insurance premium taxes	301,226	256,587	-	-	301,226	256,587	44,639
Property and transfer taxes	219,189	209,784	-	-	219,189	209,784	9,405
Motor and special fuel taxes	277,305	269,544	-	-	277,305	269,544	7,761
Other taxes	833,958	688,399	555,187	537,372	1,389,145	1,225,771	163,374
Investment earnings	14,780	5,462	-	-	14,780	5,462	9,318
Other	231,043	160,298	-	-	231,043	160,298	70,745
Total Revenues	9,535,508	8,174,622	742,788	855,289	10,278,296	9,029,911	1,248,385
Expenses							
General government	280,465	202,620	-	-	280,465	202,620	77,845
Health and social services	4,887,130	3,784,055	-	-	4,887,130	3,784,055	1,103,075
Education - K to 12	1,892,519	1,830,605	-	-	1,892,519	1,830,605	61,914
Education - higher education	490,407	495,893	-	-	490,407	495,893	(5,486)
Law, justice and public safety	695,023	662,330	-	-	695,023	662,330	32,693
Regulation of business	259,106	303,020	-	-	259,106	303,020	(43,914)
Transportation	462,386	327,519	-	-	462,386	327,519	134,867
Recreation and resource development	145,000	139,188	-	-	145,000	139,188	5,812
Interest on long-term debt	94,987	121,224	-	-	94,987	121,224	(26,237)
Unallocated depreciation	2,137	2,150	-	-	2,137	2,150	(13)
Unemployment insurance	-	-	380,166	552,246	380,166	552,246	(172,080)
Housing	-	-	23,442	31,954	23,442	31,954	(8,512)
Water loans	-	-	6,372	7,837	6,372	7,837	(1,465)
Workers' compensation and safety	-	-	27,644	26,715	27,644	26,715	929
Higher education tuition	-	-	25,768	21,325	25,768	21,325	4,443
Other	-	-	30,263	32,944	30,263	32,944	(2,681)
Total Expenses	9,209,160	7,868,604	493,655	673,021	9,702,815	8,541,625	1,161,190
Change in net position before contributions to permanent funds, special items and transfers	326,348	306,018	249,133	182,268	575,481	488,286	87,195
Contributions to permanent fund	9,038	5,908	-	-	9,038	5,908	3,130
Special item - Settlement	-	-	5,000	330	5,000	330	4,670
Transfers	(147,100)	6,689	147,100	(6,689)	-	-	-
Change in net position	188,286	318,615	401,233	175,909	589,519	494,524	94,995
Net position - beginning of year	5,414,465	5,095,850	379,253	203,344	5,793,718	5,299,194	494,524
Adjustment to beginning net position	(1,954,497)	-	(36,579)	-	(1,991,076)	-	(1,991,076)
Net position - end of year	$ 3,648,254	$ 5,414,465	$ 743,907	$ 379,253	$ 4,392,161	$ 5,793,718	$(1,401,557)

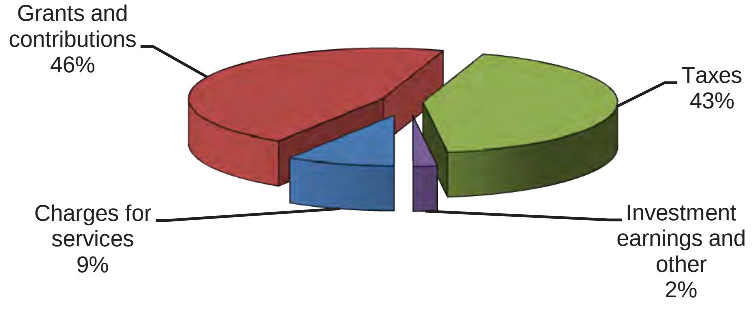
* The 2014 amounts presented here have not been restated for the implementation of GASB 68 for pensions or other adjustments.

Changes in Net Position:

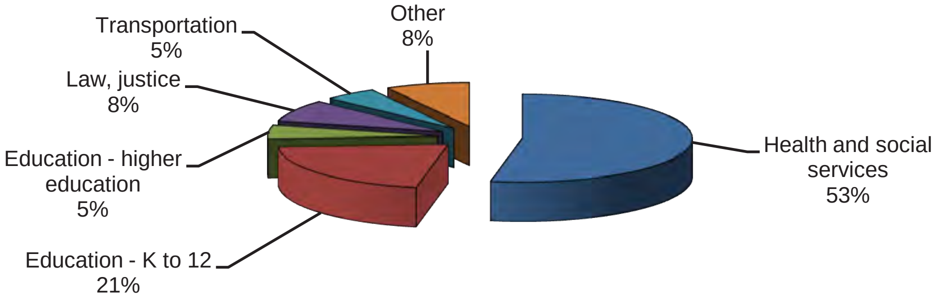
Total government-wide revenues increased by $1.2 billion during the current year. The increase in revenues is a result of several factors, including increases of $800.2 million in federal funding, $163.4 million in other taxes, $75.3 million in sales and use taxes and $70.7 million in other revenues. Other general revenue tax increases include $44.6 million in insurance premium taxes and $30.8 million in modified business taxes. Program revenues from charges for services increased by $52.4 million compared to the prior year.

Governmental activities – The current year net position increased by $188.3 million. Approximately 43.1% of the total revenue came from taxes, while 45.6% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 8.7% of the total revenues (see chart below). The State's governmental activities expenses cover a range of services and the largest expenses were 53.1% for health and social services and 20.6% for K to 12 education (see chart below). In 2015, governmental activities expenses exceeded program revenues, resulting in the use of $4.0 billion in general revenues, which were generated to support the government.

The following chart depicts the governmental activities revenues for the fiscal year:



The following chart depicts the governmental activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function of governmental activities:

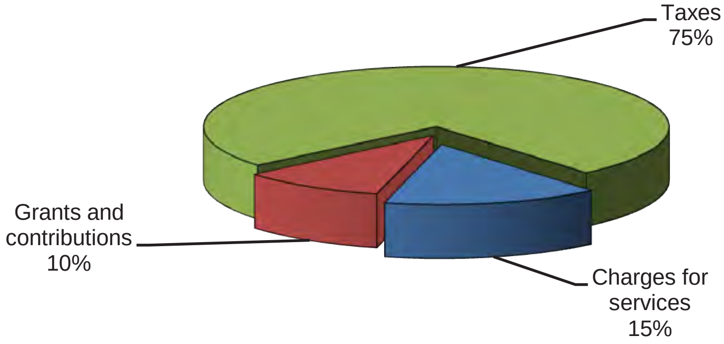
Revenues and Expenses by Function: Governmental Activities

(expressed in thousands)

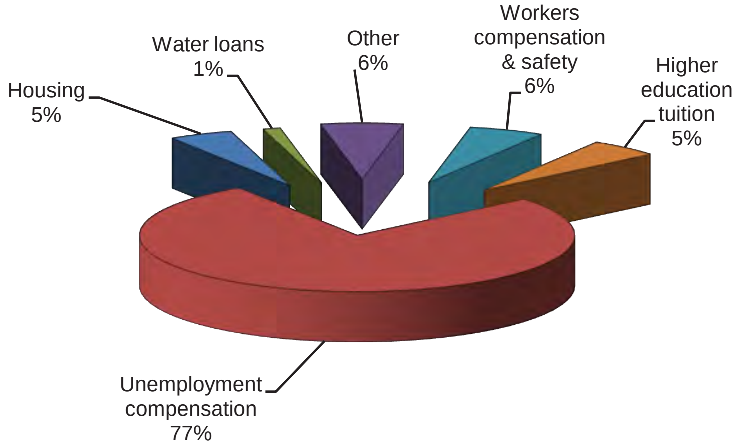
	Expenses	Revenues
General government	$ 280,465	$ 176,063
Health and social services	4,887,130	3,765,983
Education - K to 12	1,892,519	266,873
Education - higher education	490,407	-
Law, justice	695,023	341,215
Regulation	259,106	216,890
Transportation	462,386	323,124
Recreation	145,000	85,531
Total	$ 9,112,036	$ 5,175,679

Business-type activities – The current year net position increased by $401.2 million. Approximately 74.7% of the total revenue came from taxes, while 10.2% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 15.1% of the total revenues (see chart below). The State's business-type activities expenses cover a range of services. The largest expenses were 77.0% for unemployment compensation (see chart below). In 2015, business-type activities expenses exceeded program revenues by $306.1 million. Of this amount, unemployment compensation was the largest, with net expenses of $365.3 million, resulting in the use of general revenues generated by and restricted to the Unemployment Compensation Fund.

The following chart depicts the business-type activities revenues for the fiscal year:



The following chart depicts the business-type activities expenses for the fiscal year:



The following table depicts the total program revenues and expenses for each function for business-type activities:

Revenues and Expenses by Function: Business-type Activities
(expressed in thousands)

	Expenses	Revenues
Unemployment compensation	$ 380,166	$ 14,877
Housing	23,442	28,841
Water loans	6,372	42,775
Workers' compensation	27,644	38,540
Higher education tuition	25,768	28,261
Other	30,263	34,307
Total	$ 493,655	$ 187,601

The State's overall financial position declined over the past year, primarily due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, which resulted in a $2.0 billion decrease to beginning net position. However, current year operations resulted in a $188.3 million increase in the net position of the governmental activities and a $401.2 million increase in the net position of the business-type activities. Nevada continues to recover at a slow pace. Key economic indicators from the State's sales and other taxes continue to show positive growth. Tax revenues for governmental activities increased in the current fiscal year $296.8 million or 7.8% compared to an increase of $79.0 million or 2.1% in the prior fiscal year. In addition, intergovernmental revenues for governmental activities increased $921.2 million primarily due to Medicaid receipts. In the Highway Fund, intergovernmental revenues decreased $22.0 million primarily due to a decrease in federal aid, while motor and special vehicle taxes increased $10.3 million and driver's license and motor carrier fees increased $12.3 million.

Financial Analysis of the State's Funds

Governmental Funds:
As of the end of the current fiscal year, the State's governmental funds reported combined ending fund balances of $1.6 billion, a decrease of $144.2 million from the prior year. Of these total ending fund balances, $613.8 million or 39.3% is nonspendable, either due to its form or legal constraints, and $607.1 million or 38.8% is restricted for specific programs by external constraints, constitutional provisions, or contractual obligations. An additional $547.2 million or 35.0% of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. At the end of the fiscal year there is no committed fund balance for fiscal emergency. NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization account are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations, in which case forty percent of the excess is deposited to the Stabilization Account. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. During the fiscal year, actual revenues for the biennium fell short by 5% or more from anticipated revenues and a transfer in the amount of $28.1 million was made from the Stabilization Account to the General Fund for unrestricted State General Fund use. The remaining negative $205.1 million or (13.1%) of fund balance is unassigned. The major funds are discussed more fully below.

The General Fund is the chief operating fund of the State. At the end of the current fiscal year, the total General Fund fund balance was $207.3 million compared to $274.8 million in the prior fiscal year. The fund balance decreased from operations by $67.6 million or 24.6% during the current fiscal year. Reasons for this decrease are discussed in further detail below. The negative unassigned fund balance of $205.1 million is mostly due to an accrual for Medicaid expenditures and for unearned gaming taxes and mining taxes already collected and budgeted but not yet recognized as revenues.

The following schedule presents a summary of revenues of the General Fund for the fiscal years ended June 30, 2015 and 2014 (expressed in thousands). Other financing sources are not included.

General Fund Revenues *(expressed in thousands)*

	2015		2014		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees and licenses	$ 894,805	11.3%	$ 913,960	13.5%	$ (19,155)	-2.1%
Sales taxes	1,161,893	14.6%	1,081,735	15.9%	80,158	7.4%
Modified business taxes	411,914	5.2%	384,886	5.7%	27,028	7.0%
Insurance premium taxes	292,665	3.7%	263,532	3.9%	29,133	11.1%
Property and transfer taxes	67,696	0.9%	63,528	0.9%	4,168	6.6%
Motor and special fuel taxes	2,466	0.0%	2,671	0.0%	(205)	-7.7%
Other taxes	574,185	7.2%	544,436	8.0%	29,749	5.5%
Intergovernmental	4,081,581	51.3%	3,118,097	46.0%	963,484	30.9%
Licenses, fees and permits	305,079	3.8%	289,652	4.3%	15,427	5.3%
Sales and charges for services	70,877	0.9%	58,016	0.9%	12,861	22.2%
Interest and investment income	(337)	0.0%	9,913	0.1%	(10,250)	-103.4%
Other revenues	87,208	1.1%	53,555	0.8%	33,653	62.8%
Total revenues	$ 7,950,032	100.0%	$ 6,783,981	100.0%	$ 1,166,051	17.2%

The total General Fund revenues increased $1.2 billion or 17.2%. The largest increases in revenue sources were $963.5 million or 30.9% in intergovernmental revenues, $80.2 million or 7.4% in sales taxes, $33.7 million or 62.8% in other revenues, $29.7 million or 5.5% in other taxes, and $29.1 million or 11.1% in insurance premium taxes. Intergovernmental revenues primarily increased by $912.2 million in receipts for Medicaid, $60.7 million in receipts for food stamps, and $27.1 million in receipts for county revenues. The largest decline in revenue sources was $19.2 million or 2.1% in gaming taxes and $10.3 million or 103.4% in interest and investment income. In other revenues, unclaimed property revenues increased by $7.5 million primarily due to a one time receipt by public safety of $4 million, and $19.7 million of settlement income was recorded in the current year.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2015 and 2014 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures *(expressed in thousands)*

	2015		2014		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	$ 128,236	1.6%	$ 113,896	1.6%	$ 14,340	12.6%
Health and social services	4,766,687	59.1%	3,683,368	52.8%	1,083,319	29.4%
Education - K to 12	1,891,259	23.4%	1,830,511	26.3%	60,748	3.3%
Education - higher education	486,937	6.0%	485,893	7.0%	1,044	0.2%
Law, justice and public safety	450,754	5.6%	459,481	6.6%	(8,727)	-1.9%
Regulation of business	233,072	2.9%	279,899	4.0%	(46,827)	-16.7%
Recreation, resource development	113,164	1.4%	115,949	1.7%	(2,785)	-2.4%
Debt service	3,251	0.0%	3,716	0.0%	(465)	-12.5%
Total expenditures	$ 8,073,360	100.0%	$ 6,972,713	100.0%	$ 1,100,647	15.8%

Note: Fiscal year 2014 revised to reclassify Intergovernmental expenditures to function.

The total General Fund expenditures increased 15.8%. The largest increases in expenditures were $1.1 billion or 29.4% in health and social services expenditures, $60.7 million or 3.3% in K to 12 education, and $14.3 million or 12.6% in general government. Health and social services expenditures increased due to expansion of the Medicaid program. The largest decrease was $46.8 million or 16.7% of expenditures for the regulation of business primarily due to a decrease in a one-time settlement of $49.0 million received in 2014 for the Home Means Nevada Program.

The State Highway Fund is a special revenue fund used to account for the maintenance, regulation and construction of public highways and is funded through vehicle fuel taxes, federal funds, other charges and bond revenue. The fund balance decreased $19.8 million or 5.6% during the current fiscal year compared to a 137.4% increase in the prior year. This was primarily due to an increase in transportation expenditures of $105.5 million or 19.9%. Expenditures increased as spending for three major road construction projects, Project NEON, USA Parkway and the Boulder City Bypass, increased. Intergovernmental revenues decreased by $22.0 million primarily due to a $21.5 million decrease in federal aid. The 50.6% decrease in other taxes is due to the Legislative allocation to the General Fund of $21.9 million in Motor Vehicle Government Services tax commissions and penalties previously allocated to the Highway Fund. The nonspendable fund balance is $16.3 million, the restricted fund balance is $307.3 million and the committed fund balance is $10.3 million.

The Municipal Bond Bank Fund is a special revenue fund used to account for revenues and expenditures associated with buying local government bonds with proceeds of State general obligation bonds. The fund balance decreased by $26.7 million during the current fiscal year, which is a 10.5% decrease from the prior year. This decrease was primarily due to the refunding of local government bonds.

The Permanent School Fund is a permanent fund used to account for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education. The fund balance increased by $9.2 million during the current fiscal year, which is a 2.8% increase from the prior year. This increase is primarily due to $3.0 million increase in land sales.

Proprietary Funds:

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are comprised of two types: enterprise funds and internal service funds. Enterprise funds are used when goods or services are provided primarily to parties outside of the State while internal service funds are used when goods or services are provided primarily to State agencies.

Enterprise Funds – There are four *major* enterprise funds: Housing Division Fund, Unemployment Compensation Fund, Water Projects Loans Fund and the Higher Education Tuition Trust Fund. The combined net position of the four major funds is $723.3 million, the net position of the nonmajor enterprise funds is $21.1 million and the total combined net position of all enterprise funds is $744.4 million. The combined net position of all enterprise funds increased by $365.5 million in 2015, of which $36.6 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. The major enterprise funds are discussed below:

The Housing Division Fund was created for the purpose of making available additional funds to assist private enterprise and governmental agencies in providing safe and sanitary housing facilities and provides low interest loans for first-time homebuyers with low or moderate incomes. The net position increased by $2.9 million or 1.5%, of which $2.7 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions,* resulting in an ending net position of $193.1 million. Revenues from interest on loans decreased by 7.4% due to loan delinquencies reflecting Nevada's high and continuing unemployment and foreclosure rate, along with a reduction in interest and investment income of 8.2%. Operating expenses decreased primarily due to few programs closed in the multi-family programs and decreased loan servicing and program expenses and bond program expense.

The Unemployment Compensation Fund accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by $347.6 million during the current fiscal year, which is a 146.2% increase from the prior year, resulting in an ending net position of $109.8 million. This increase in net position is primarily due to operating revenues exceeding expenses by $194.0 million and a transfer of $161.6 million from the Unemployment Comp Bond Fund for special bond contributions assessed on employers for payment of principal and interest on Unemployment Compensation Bonds. During fiscal year 2015, $369.7 million of unemployment compensation benefits was paid to unemployed State citizens compared to $536.8 million paid in fiscal year 2014, representing a 31.1% decrease in claims expense.

The Water Projects Loans Fund issues loans to governmental and private entities for two programs: Safe Drinking Water and Water Pollution Control. The federal EPA matches the State's bond proceeds to make loans to governmental entities; only federal funds are loaned to private entities. The net position increased by $34.6 million during the current fiscal year, of which $.7 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions,* for a final net position of $367.3 million, which is a 10.4% increase from the prior year.

The Higher Education Tuition Trust Fund provides a simple and convenient way for Nevada families to save for a college education through the advance payment of tuition. A purchaser enters into a contract for the future payment of tuition for a specified beneficiary. The contract benefits are based on in-state rates for Nevada public colleges, but can be used towards costs at any accredited, nonprofit, private or out-of-state college. The Trust Fund completed its seventeenth enrollment period during the fiscal year with 977 new enrollments. The net position increased $9.6 million or 22.1% during the current fiscal year, of which $.2 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*. During the fiscal year the fund was forgiven an advance from the General Fund resulting in an increase to net position of $5.0 million.

Internal Service Funds – The internal service funds charge State agencies for goods and services such as building maintenance, purchasing, printing, insurance, data processing and fleet services in order to recover the costs of the goods or services. Rates charged to State agencies for the operations of internal service funds are adjusted in following years to offset gains and losses. Because these are allocations of costs to other funds, they are not included separately in the government-wide financial statements but are eliminated and reclassified as either governmental activities or business-type activities. In 2015, total internal service fund net position decreased by $80.6 million, of which $51.1 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for a final net position of $5.2 million. The two largest funds are:

The Self-Insurance Fund accounts for group health, life and disability insurance for State employees and retirees and certain other public employees. Net position decreased by $34.7 million or 30.2% during the current fiscal year, of which $3.1 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions,* for a final net position of $80.0 million. The remaining decrease was caused primarily by a 5.4% decrease in insurance premium income and a 17.5% increase in claims expense.

The Insurance Premiums Fund accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by $3.4 million or 6.2% during the current fiscal year, of which $1.0 million is a decrease to beginning net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions,* resulting in a total deficit of $50.8 million. The remaining deficit decrease is the result of an increase in net premium income of 6.0% and a decrease of 9.0% in claims expense.

Analysis of General Fund Budget Variations

The General Fund budgetary revenues and other financing sources were $664.6 million or 6.8% less than the final budget, primarily because actual intergovernmental revenues received were less than the final budgeted amount. Intergovernmental revenues represent federal grants, and there are timing differences arising from when grants are awarded, received and spent. The final budget can include grant revenue for the entire grant period, whereas the actual amount recorded represents grant revenue received in the current year.

The net increase in the General Fund expenditures and other uses budget from original to final was $1.3 billion. Some of the differences originate because the original budget consists only of those budgets subject to legislative approval through the General Appropriations Act and the Authorizations Bill. The non-executive budgets, not subject to legislative approval, only require approval by the Budget Division and if approved after July 1, are considered to be revisions. Increases due to the non-executive budgets approved after July 1 and increased estimated receipts were approximately $1.3 billion.

Capital Assets and Debt Administration

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2015 amount to $7.4 billion, net of accumulated depreciation of $1.2 billion, leaving a net book value of $6.2 billion. This investment in capital assets includes land, buildings, improvements other than buildings, equipment, software costs, infrastructure, rights-of-way, and construction in progress. Infrastructure assets are items that are normally immovable, such as roads and bridges.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense on infrastructure. Utilization of this approach requires the State to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the State; 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained; and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). The State has set a policy that it will maintain a certain percentage of each category of its roadways with an IRI of less than 80 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. The most recent condition assessment shows a decline in the condition level of the roadways. However, the results of the three most recent condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established. The following table shows the State's policy and the condition level of the roadways and bridges:

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2014 condition assessment	84%	71%	62%	33%	7%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%

Condition Level of the Bridges

Percentage of substandard bridges

	2014	2012	2011
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	4%

The estimated amount necessary to maintain and preserve infrastructure assets at target condition levels exceeded the actual amounts of expense incurred for fiscal year 2015 by $56.4 million. Even though actual spending for maintenance and preservation of infrastructure assets fell below estimates, condition levels are expected to approximately meet or exceed the target condition levels for the roadway category. Additional information on the State's infrastructure can be found in the Schedule of Infrastructure Condition and Maintenance Data in the Required Supplementary Information section to the financial statements.

To keep pace with the demands of the population, the State also has a substantial capital projects program. The following is a summary of major projects in progress or completed during 2015 (expressed in millions):

	Expended by June 30, 2015	Total Budget
Healthcare Reform Software	$ 45.2	$ 45.2
Unemployment Insurance Software Development	29.1	40.4
New Readiness Center North Las Vegas	29.4	35.8
Field Maintenance Shop Facility - LV Readiness Center	23.9	26.9
Elko County Readiness Center	15.9	16.6
Southern Nevada Veterans' Cemetery Expansion	8.3	11.4
NDOT Integrated Right of Way Software	8.2	9.4
Energy Retrofit Projects	5.3	6.2
Las Vegas Springs Preserve Museum	5.6	5.6
Southern Desert CC Finish Core Expansion	4.9	5.0

The total increase in the State's capital assets for the primary government for the current fiscal year was $299.1 million. This increase included current expenditures to purchase capital assets and completed projects from construction in progress. Depreciation charges for the year totaled $75.6 million.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

Debt Administration:
As of year-end, the State had $3.5 billion in bonds and certificates of participation outstanding, compared to $3.8 billion last year, a decrease of $280.7 million or 7.4% during the current fiscal year. This decrease was due primarily to the payment of principal on debt.

The most current bond ratings from Fitch, Moody's Investor Service and Standard and Poor's were AA+, Aa2 and AA, respectively. These ratings are an indication of high quality obligations and a reflection of sound financial management. The Constitution of the State limits the aggregate principal amount of the general obligation debt to 2% of the total reported assessed property value of the State.

New bonds issued during the 2015 fiscal year were (expressed in thousands):

General Obligation University System Projects Bonds	3/10/2015A	$ 78,335
General Obligation Capital Improvement and Cultural Affairs Refunding Bonds	3/10/2015B	192,950
General Obligation Natural Resources and Refunding Bonds	3/10/2015C	20,320
General Obligation Natural Resources and Refunding Bonds Marlette Lake	3/10/2015C	1,020
Housing Multi-Unit Henderson Family	08/15/2013	5,691
Housing Multi-Unit Agate Avenue	11/27/2013	9,643
Housing Multi-Unit Landsman Gardens	12/12/2013	5,170
Housing Single-Family Bonds 2014 Issue A	04/01/2015	40,000
Housing Multi-Family Summerhill	04/29/2015	11,000
Housing Multi-Family Agate Avenue II	12/12/2014	55

Additional information on the State's long-term debt obligations can be found in Note 9 to the financial statements and in the Statistical Section.

Requests for Information
This financial report is designed to provide a general overview of the State of Nevada's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: State of Nevada, Office of the State Controller, 101 N. Carson Street, Suite 5, Carson City, NV 89701 or visit our website at: www.controller.nv.gov.

Basic Financial Section

Burning Man
Photos: Dana Wilson

June 30, 2015 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and pooled investments	$ 1,582,384	$ 528,830	$ 2,111,214	$ 290,693
Investments	514,381	711,314	1,225,695	1,239,654
Internal balances	1,254	(1,254)	-	-
Due from component unit	20,846	-	20,846	-
Due from primary government	-	-	-	28,425
Accounts receivable	119,136	6,496	125,632	43,793
Taxes/assessments receivable	837,543	221,313	1,058,856	-
Intergovernmental receivables	461,645	2,211	463,856	40,445
Accrued interest and dividends	5,684	12,396	18,080	30
Contracts receivable	-	40,783	40,783	-
Mortgages receivable	-	455,862	455,862	-
Notes/loans receivable	18,299	80,123	98,422	12,790
Capital lease receivable	43,399	-	43,399	-
Other receivables	47	-	47	99,261
Inventory	26,183	1,515	27,698	7,246
Prepaid expenses	6,256	171	6,427	39,186
Restricted assets:				
Cash	-	-	-	148,249
Investments	-	104,024	104,024	45,559
Other assets	4	15	19	43,386
Capital assets:				
Land, infrastructure and construction in progress	4,958,148	11,271	4,969,419	287,040
Other capital assets, net	1,242,692	1,246	1,243,938	1,786,496
Total assets	9,837,901	2,176,316	12,014,217	4,112,253
Deferred Outflows of Resources				
Deferred charge on refunding	65,953	1,244	67,197	10,856
Pension contributions	178,904	3,318	182,222	30,426
Total deferred outflows of resources	244,857	4,562	249,419	41,282
Liabilities				
Accounts payable	1,035,668	52,075	1,087,743	73,271
Accrued payroll and related liabilities	72,278	1,503	73,781	77,353
Intergovernmental payables	185,629	4	185,633	-
Interest payable	17,469	6,039	23,508	11,590
Due to component units	28,404	3	28,407	-
Due to primary government	-	-	-	20,846
Contracts/retentions payable	27,476	-	27,476	-
Unearned revenues	159,097	9,431	168,528	52,897
Other liabilities	86,089	12	86,101	37,259

Long-term liabilities:				
Portion due or payable within one year:				
Reserve for losses	77,371	-	77,371	-
Obligations under capital leases	2,649	-	2,649	3,228
Compensated absences	61,674	1,255	62,929	32,868
Benefits payable	-	17,710	17,710	-
Bonds payable	337,037	174,572	511,609	31,452
Certificates of participation payable	2,946	-	2,946	-
Portion due or payable after one year:				
Federal advances		-	-	8,205
Reserve for losses	48,026	-	48,026	-
Obligations under capital leases	20,177	-	20,177	43,048
Net pension obligation	1,714,657	31,584	1,746,241	297,838
Compensated absences	37,357	753	38,110	17,751
Benefits payable	-	181,681	181,681	-
Bonds payable	1,933,758	950,347	2,884,105	568,732
Certificates of participation payable	91,709	-	91,709	-
Due to component unit	18	-	18	-
Unearned revenue	-	-	-	61,059
Arbitrage rebate liability	-	961	961	-
Total liabilities	5,939,489	1,427,930	7,367,419	1,337,397
Deferred Inflows of Resources				
Pension related amounts	494,390	9,041	503,431	85,582
Taxes	6	-	6	-
Fines and forfeitures	619	-	619	-
Donations	-	-	-	11,669
Lease revenue	-	-	-	4,119
Total deferred inflows of resources	495,015	9,041	504,056	101,370
Net Position				
Net investment in capital assets	4,895,213	3,791	4,899,004	1,560,248
Restricted for:				
Security of outstanding obligations	-	192,385	192,385	-
Workers' compensation	-	38,482	38,482	-
Tuition contract benefits	-	52,996	52,996	-
Capital projects	527	-	527	102,384
Debt service	28,472	-	28,472	21,711
Education - K to 12	645	-	645	836
Education - higher education	11,366	-	11,366	-
Transportation	252,376	-	252,376	-
Recreation and resource development	56,354	367,998	424,352	-
Law, justice and public safety	46,208	-	46,208	-
Health and social services	232,310	-	232,310	-
Regulation of business	13,872	2	13,874	-
Scholarships	-	-	-	419,481
Loans	-	-	-	8,188
Operations and maintenance	-	-	-	713
Research and development	-	-	-	9,538
Other purposes	447	-	447	2,170
Funds held as permanent investments:				
Nonexpendable	334,052	-	334,052	378,786
Expendable	21	-	21	-
Unrestricted (deficit)	(2,223,609)	88,253	(2,135,356)	210,713
Total net position	$ 3,648,254	$ 743,907	$ 4,392,161	$ 2,714,768

The notes to the financial statements are an integral part of this statement.

Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2015 (Expressed in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government								
Governmental activities:								
General government	$ 280,465	$ 172,468	$ 3,595	$ -	$ (104,402)	$ -	$ (104,402)	$ -
Health and social services	4,887,130	222,917	3,543,066	-	(1,121,147)	-	(1,121,147)	-
Education - K to 12	1,892,519	2,547	264,326	-	(1,625,646)	-	(1,625,646)	-
Education - higher education	490,407	-	-	-	(490,407)	-	(490,407)	-
Law, justice and public safety	695,023	295,582	43,577	2,056	(353,808)	-	(353,808)	-
Regulation of business	259,106	73,929	142,961	-	(42,216)	-	(42,216)	-
Transportation	462,386	14,388	300,775	7,961	(139,262)	-	(139,262)	-
Recreation and resource development	145,000	47,146	38,017	368	(59,469)	-	(59,469)	-
Interest on long-term debt	94,987	-	1,229	-	(93,758)	-	(93,758)	-
Unallocated depreciation	2,137	-	-	-	(2,137)	-	(2,137)	-
Total governmental activities	9,209,160	828,977	4,337,546	10,385	(4,032,252)	-	(4,032,252)	-
Business-type activities:								
Unemployment insurance	380,166	1,753	13,124	-	-	(365,289)	(365,289)	-
Housing	23,442	17,058	11,783	-	-	5,399	5,399	-
Water loans	6,372	8,233	34,542	-	-	36,403	36,403	-
Workers' compensation and safety	27,644	34,804	3,736	-	-	10,896	10,896	-
Higher education tuition	25,768	18,643	9,618	-	-	2,493	2,493	-
Other	30,263	31,394	2,913	-	-	4,044	4,044	-
Total business-type activities	493,655	111,885	75,716	-	-	(306,054)	(306,054)	-
Total primary government	$ 9,702,815	$ 940,862	$ 4,413,262	$ 10,385	(4,032,252)	(306,054)	(4,338,306)	-
Total component units	$ 1,692,545	$ 690,536	$ 465,488	$ 80,973	-	-	-	(455,548)

General revenues:				
Taxes:				
Gaming	876,636	-	876,636	-
Sales and use	1,032,529	-	1,032,529	-
Modified business	413,749	-	413,749	-
Insurance premium	301,226	-	301,226	-
Property and transfer	67,696	-	67,696	-
Motor and special fuel	2,466	-	2,466	-
Other	378,627	300	378,927	-
Restricted for unemployment compensation:				
Other taxes	-	554,887	554,887	-
Restricted for educational purposes:				
Sales and use taxes	128,439	-	128,439	-
Gaming taxes	29,746	-	29,746	-
Other taxes	150,480	-	150,480	-
Restricted for debt service purposes:				
Property and transfer taxes	139,417	-	139,417	-
Motor and special fuel taxes	67,815	-	67,815	-
Other	51,621	-	51,621	-
Restricted for recreation and resource development purposes:				
Other taxes	34,835	-	34,835	-
Restricted for health and social services purposes:				
Property and transfer taxes	12,075	-	12,075	-
Other taxes	246,277	-	246,277	-
Restricted for transportation purposes:				
Motor and special fuel taxes	207,024	-	207,024	-
Other taxes	20,209	-	20,209	-
Restricted for regulation of business:				
Other taxes	3,532	-	3,532	-
Other	618	-	618	-
Settlement income	41,257	-	41,257	-
Unrestricted investment earnings	14,780	-	14,780	11,918
Other general revenues	137,546	-	137,546	4,501
Contributions to permanent funds	9,038	-	9,038	29,980
Payments from State of Nevada	-	-	-	486,969
Special item - advance forgiveness	-	5,000	5,000	-
Transfers	(147,100)	147,100	-	-
Total general revenues, special items, and transfers	4,220,538	707,287	4,927,825	533,368
Change in net position	188,286	401,233	589,519	77,820
Net position - beginning (as restated)	3,459,968	342,674	3,802,642	2,636,948
Net position - ending	$ 3,648,254	$ 743,907	$ 4,392,161	$ 2,714,768

The notes to the financial statements are an integral part of this statement.

Balance Sheet
Governmental Funds

June 30, 2015

	General Fund	State Highway	Municipal Bond Bank
Assets			
Cash and pooled investments:			
Cash with treasurer	$ 564,653,170	$ 353,092,911	$ 3,990
Cash in custody of other officials	5,461,534	175,023	-
Investments	14,559,620	-	227,845,000
Receivables:			
Accounts receivable	51,909,256	1,282,372	-
Taxes receivable	800,026,990	36,772,317	-
Intergovernmental receivables	428,837,934	19,792,917	-
Accrued interest and dividends	2,665,805	-	1,209,767
Notes/loans receivable	18,213,727	-	-
Other receivables	15,830	-	-
Due from other funds	22,320,748	5,485,413	865
Due from fiduciary funds	363,079	-	-
Due from component units	320,400	-	-
Inventory	9,193,024	16,258,950	-
Advances to other funds	2,798,055	-	-
Prepaid items	5,979,393	70,541	-
Total assets	$ 1,927,318,565	$ 432,930,444	$ 229,059,622
Liabilities			
Accounts payable and accruals:			
Accounts payable	$ 453,136,442	$ 21,856,844	$ -
Accrued payroll and related liabilities	50,832,041	16,422,079	-
Intergovernmental payables	158,651,962	25,244,751	-
Contracts/retentions payable	93,795	20,544,135	-
Due to other funds	28,998,269	7,063,120	4,367
Due to fiduciary funds	532,097,647	1,650,439	-
Due to component units	9,400,823	1,531,959	-
Unearned revenues	157,188,264	271,830	-
Other liabilities	81,729,911	2,107,389	-
Total liabilities	1,472,129,154	96,692,546	4,367
Deferred Inflows of Resources			
Unavailable revenue:			
Taxes	84,099,141	128,780	-
Intergovernmental	137,675,307	-	-
Licenses, fees and permits	3,634,164	-	-
Sales and charges for services	9,817,630	339,365	-
Settlement income	-	-	-
Interest	255,114	142,205	185,404
Other	11,794,945	1,696,778	-
Taxes	6,374	-	-
Fines and forfeitures	619,403	-	-
Total deferred inflows of resources	247,902,078	2,307,128	185,404
Fund Balances			
Nonspendable	35,134,296	16,329,491	227,845,000
Restricted	62,113,980	307,297,550	-
Committed	315,130,956	10,303,729	1,024,851
Unassigned	(205,091,899)	-	-
Total fund balances	207,287,333	333,930,770	228,869,851
Total liabilities, deferred inflows of resources and fund balances	$ 1,927,318,565	$ 432,930,444	$ 229,059,622

The notes to the financial statements are an integral part of this statement.

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ 17,234,148	$ 386,924,096	$ 1,321,908,315
23,657,094	60,543,755	89,837,406
270,401,879	1,574,376	514,380,875
2,035	61,056,654	114,250,317
-	743,194	837,542,501
2,646,511	7,122,168	458,399,530
734,184	1,074,607	5,684,363
-	-	18,213,727
-	30,822	46,652
42,275	25,502,384	53,351,685
-	1,015,944	1,379,023
20,496,002	60	20,816,462
-	455,333	25,907,307
-	753,183	3,551,238
-	13,670	6,063,604
$ 335,214,128	$ 546,810,246	$ 3,471,333,005
$ -	$ 9,062,321	$ 484,055,607
-	3,056,551	70,310,671
-	1,684,247	185,580,960
-	6,838,156	27,476,086
1,283,720	25,025,647	62,375,123
-	18,682	533,766,768
-	17,470,963	28,403,745
-	1,338,978	158,799,072
306,344	1,945,039	86,088,683
1,590,064	66,440,584	1,636,856,715
-	-	84,227,921
-	-	137,675,307
-	-	3,634,164
-	5,172	10,162,167
-	20,469,114	20,469,114
5,651	112,257	700,631
660	443,397	13,935,780
-	-	6,374
-	-	619,403
6,311	21,029,940	271,430,861
333,617,753	902,714	613,829,254
-	237,695,687	607,107,217
-	220,741,321	547,200,857
-	-	(205,091,899)
333,617,753	459,339,722	1,563,045,429
$ 335,214,128	$ 546,810,246	$ 3,471,333,005

Saddle-Trained Wild Horse & Burro Inmate Training and Adoption Program

June 30, 2015

Total fund balances - governmental funds		$ 1,563,045,429
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 149,678,677	
Construction in progress	199,374,971	
Infrastructure assets	3,965,219,441	
Rights-of-way	642,842,133	
Buildings	1,679,307,924	
Improvements other than buildings	124,408,559	
Furniture and equipment	352,599,737	
Software costs	168,677,262	
Accumulated depreciation/amortization	(1,105,312,183)	
Total capital assets		6,176,796,521
Some of the State's revenues collected after year-end are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable deferred inflows of resources in the funds.		270,805,084
Intergovernmental receivable not providing current resources.		221,045
Capital lease receivable from discretely presented component unit is not reported in the governmental funds.		43,398,670
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		5,670,697
The loss on early retirement of debt is reported as a deferred outflow of resources on the statement of net position and is amortized over the original remaining life of the old debt, or the life of the new debt, whichever is less.		65,953,215
Deferred outflow of resources related to pensions are not reported in the governmental funds.		174,232,897
Deferred inflow of resources related to pensions are not reported in the governmental funds.		(481,696,535)
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(5,022,608)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Net pension obligation	(1,670,300,939)	
Bonds payable	(2,265,545,232)	
Accrued interest on bonds	(17,468,621)	
Certificates of participation	(94,654,904)	
Capital leases	(21,487,191)	
Compensated absences	(95,693,591)	
Total long-term liabilities		(4,165,150,478)
Net position of governmental activities		$ 3,648,253,937

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Fiscal Year Ended June 30, 2015

	General Fund	State Highway	Municipal Bond Bank
Revenues			
Gaming taxes, fees, licenses	$ 894,804,602	$ -	$ -
Sales taxes	1,161,893,473	-	-
Modified business taxes	411,913,962	-	-
Insurance premium taxes	292,664,655	-	-
Property and transfer taxes	67,696,326	-	-
Motor and special fuel taxes	2,466,082	207,023,527	-
Other taxes	574,184,513	20,348,399	-
Intergovernmental	4,081,580,713	315,819,090	-
Licenses, fees and permits	305,078,655	206,476,128	-
Sales and charges for services	70,877,513	15,891,271	-
Interest and investment income	(336,955)	3,208,531	11,862,163
Settlement income	-	-	-
Land sales	-	-	-
Other	87,207,952	14,497,070	-
Total revenues	7,950,031,491	783,264,016	11,862,163
Expenditures			
Current:			
General government	128,236,349	-	-
Health and social services	4,766,686,916	-	-
Education - K to12	1,891,259,166	-	-
Education - higher education	486,936,758	-	-
Law, justice and public safety	450,753,782	158,936,315	-
Regulation of business	233,072,181	-	-
Transportation	-	635,049,423	-
Recreation and resource development	113,164,404	-	-
Capital outlay	-	-	-
Debt service:			
Principal	1,989,796	-	-
Interest, fiscal charges	1,249,668	-	-
Debt issuance costs	-	-	-
Arbitrage payments	11,085	-	-
Total expenditures	8,073,360,105	793,985,738	-
Excess (deficiency) of revenues over expenditures	(123,328,614)	(10,721,722)	11,862,163
Other Financing Sources (Uses)			
Sale of general obligation bonds	-	-	-
Sale of general obligation refunding bonds	-	-	-
Premium on general obligation bonds	-	-	-
Payment to refunded bond agent	-	-	-
Sale of capital assets	265,654	60,950	-
Transfers in	77,053,148	3,809,077	-
Transfers out	(21,561,017)	(12,974,450)	(38,614,932)
Total other financing sources (uses)	55,757,785	(9,104,423)	(38,614,932)
Net change in fund balances	(67,570,829)	(19,826,145)	(26,752,769)
Fund balances, July 1	274,858,162	353,756,915	255,622,620
Fund balances, June 30	$ 207,287,333	$ 333,930,770	$ 228,869,851

The notes to the financial statements are an integral part of this statement.

Permanent School Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 13,686,408	$ 908,491,010
-	-	1,161,893,473
-	-	411,913,962
-	-	292,664,655
-	151,492,731	219,189,057
-	67,814,955	277,304,564
-	241,019,387	835,552,299
-	120,821,426	4,518,221,229
-	24,931,235	536,486,018
-	18,472,335	105,241,119
1,522,730	5,825,987	22,082,456
-	39,788,181	39,788,181
4,921,725	-	4,921,725
4,133,406	6,556,236	112,394,664
10,577,861	690,408,881	9,446,144,412
-	25,445,240	153,681,589
-	95,910,909	4,862,597,825
-	-	1,891,259,166
-	123,606,261	610,543,019
-	23,868,883	633,558,980
-	20,060,300	253,132,481
-	-	635,049,423
-	28,012,113	141,176,517
-	39,564,118	39,564,118
-	197,855,000	199,844,796
-	102,748,747	103,998,415
-	1,940,676	1,940,676
-	13,013	24,098
-	659,025,260	9,526,371,103
10,577,861	31,383,621	(80,226,691)
-	78,335,000	78,335,000
-	213,270,000	213,270,000
-	54,686,183	54,686,183
-	(261,893,503)	(261,893,503)
-	38,311	364,915
-	79,610,072	160,472,297
(1,351,354)	(234,718,486)	(309,220,239)
(1,351,354)	(70,672,423)	(63,985,347)
9,226,507	(39,288,802)	(144,212,038)
324,391,246	498,628,524	1,707,257,467
$ 333,617,753	$ 459,339,722	$ 1,563,045,429

Kayaking East Fork of the Carson River, NV
Toursim and Cultural Affairs

Kayakers on Lake Mead
Toursim and Cultural Affairs

Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

NEVADA

For the Fiscal Year Ended June 30, 2015

Net change in fund balances - total governmental funds		$ (144,212,038)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, the amounts are:		
Capital outlay	$ 256,676,438	
Depreciation expense	(69,578,515)	
Excess of capital outlay over depreciation expense		187,097,923
Debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:		
Bonds issued	(78,335,000)	
Refunding bonds issued	(213,270,000)	
Premiums on debt issued	(54,686,183)	
Total bond proceeds		(346,291,183)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Bond principal retirement	194,821,677	
Certficates of participation retirement	2,520,000	
Payments to the bond refunding agent	261,893,503	
Capital lease payments	1,761,450	
Total long-term debt repayment		460,996,630
Internal service funds are used to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.		(28,725,554)
Because some revenues will not be collected for several months after the State's fiscal year end, they are not considered "available" and are not reported as revenues in the governmental funds. Unavailable deferred inflows of resources changed by this amount.		51,367,087
In the statement of activities, the gain or loss on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the the change in net assets differs from the change in fund balance by the cost of the asset sold.		(812,147)
Governmental funds reported an expenditure for construction costs related to an asset recorded as a capital lease receivable in the statement of net position.		38,857,952
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		(7,639,217)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		18,191,042
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the net change in:		
Pension costs, net	(36,373,044)	
Accrued interest payable	(1,978,710)	
Compensated absences	(1,883,173)	
Settlement agreement liability	(309,224)	
Total additional expenditures		(40,544,151)
Change in net position of governmental activities		$ 188,286,344

The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Funds

June 30, 2015

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets							
Current assets:							
Cash and pooled investments:							
Cash with treasurer	$ 560,612	$ -	$121,054,094	$ 1,231,465	$ 57,178,537	$ 180,024,708	$170,638,091
Cash in custody of other officials	494,878	347,749,410	-	342,622	218,721	348,805,631	-
Investments	47,541,052	-	-	210,156,888	-	257,697,940	-
Receivables:							
Accounts receivable	-	-	-	-	6,486,391	6,486,391	614,164
Assessments receivable	-	221,312,799	-	-	250	221,313,049	-
Intergovernmental receivables	-	-	1,588,332	-	623,261	2,211,593	3,024,364
Contracts receivable	-	-	-	9,154,365	-	9,154,365	-
Mortgages receivable	24,438,022	-	-	-	-	24,438,022	-
Accrued interest and dividends	8,282,869	-	3,838,588	274,342	-	12,395,799	-
Notes/loans receivable	-	-	-	-	-	-	5,000
Due from other funds	92,155	1,771,296	294,142	11,893	1,129,178	3,298,664	10,876,231
Due from fiduciary funds	-	-	-	-	9,712	9,712	2,892,703
Due from component units	-	-	-	-	-	-	29,983
Inventory	-	-	-	-	1,515,351	1,515,351	275,320
Prepaid items	-	-	-	-	170,669	170,669	192,270
Restricted assets:							
Investments	72,745,528	-	-	-	-	72,745,528	-
Total current assets	154,155,116	570,833,505	126,775,156	221,171,575	67,332,070	1,140,267,422	188,548,126
Noncurrent assets:							
Investments	172,350,479	-	281,266,051	-	-	453,616,530	-
Receivables:							
Contracts receivable	-	-	-	31,628,789	-	31,628,789	-
Mortgages receivable	431,423,652	-	-	-	-	431,423,652	-
Notes/loans receivable	51,000,000	-	29,122,925	-	-	80,122,925	80,000
Restricted assets:							
Investments	31,278,244	-	-	-	-	31,278,244	-
Other assets	-	-	-	-	15,000	15,000	4,445
Capital assets:							
Land	-	-	-	-	567,812	567,812	1,032,737
Buildings	-	-	-	-	3,388,840	3,388,840	20,392,485
Improvements other than buildings	-	-	-	-	630,647	630,647	3,839,621
Furniture and equipment	333,847	-	35,280	173,374	5,361,964	5,904,465	54,339,679
Software costs	-	-	-	-	-	-	15,323,810
Construction in progress	-	-	-	-	10,703,713	10,703,713	-
Less accumulated depreciation/ amortization	(40,484)	-	(35,280)	(66,240)	(8,536,000)	(8,678,004)	(70,884,399)
Total noncurrent assets	686,345,738	-	310,388,976	31,735,923	12,131,976	1,040,602,613	24,128,378
Total assets	840,500,854	570,833,505	437,164,132	252,907,498	79,464,046	2,180,870,035	212,676,504
Deferred Outflows of Resources							
Deferred charge on refunding	-	-	1,149,516	-	94,412	1,243,928	-
Pension contributions	244,235	-	65,024	17,885	2,990,399	3,317,543	4,671,415
Total deferred outflows of resources	244,235	-	1,214,540	17,885	3,084,811	4,561,471	4,671,415

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities							
Current liabilities:							
Accounts payable and accruals:							
Accounts payable	$ 41,880,967	$ 8,598,234	$ 78,085	$ 115,753	$ 1,327,404	$ 52,000,443	$ 8,809,263
Accrued payroll and related liabilities	114,963	-	23,700	12,234	1,352,270	1,503,167	1,967,164
Interest payable	3,240,575	1,664,221	1,090,013	-	44,315	6,039,124	-
Intergovernmental payables	-	-	-	-	4,198	4,198	47,986
Bank overdraft	-	-	-	-	-	-	4,000,485
Due to other funds	9,933	1,651,340	210,660	58,513	1,896,656	3,827,102	1,324,355
Due to fiduciary funds	-	-	17,216	-	57,256	74,472	13,723
Due to component units	-	-	-	3,432	-	3,432	17,858
Unearned revenues	-	-	-	-	9,430,943	9,430,943	298,605
Other liabilities	-	-	-	-	12,050	12,050	-
Short-term portion of long-term liabilities:							
Reserve for losses	-	-	-	-	-	-	77,370,730
Compensated absences	90,586	-	22,592	14,959	1,127,243	1,255,380	1,916,338
Benefits payable	-	-	-	17,709,553	-	17,709,553	-
Bonds payable	19,129,752	144,125,825	11,087,457	-	229,358	174,572,392	513,323
Obligations under capital leases	-	-	-	-	-	-	689,650
Total current liabilities	64,466,776	156,039,620	12,529,723	17,914,444	15,481,693	266,432,256	96,969,480
Noncurrent liabilities:							
Advances from funds	-	-	-	-	227,370	227,370	3,323,868
Reserve for losses	-	-	-	-	-	-	48,026,180
Net pension obligation	2,325,157	-	619,039	170,271	28,469,084	31,583,551	44,356,202
Compensated absences	78,045	-	9,787	6,695	658,368	752,895	1,421,268
Benefits payable	-	-	-	181,681,853	-	181,681,853	-
Bonds payable	580,097,475	303,986,583	57,765,488	-	8,496,953	950,346,499	4,736,249
Obligations under capital leases	-	-	-	-	-	-	648,976
Arbitrage rebate liability	-	960,702	-	-	-	960,702	-
Total noncurrent liabilities	582,500,677	304,947,285	58,394,314	181,858,819	37,851,775	1,165,552,870	102,512,743
Total liabilities	646,967,453	460,986,905	70,924,037	199,773,263	53,333,468	1,431,985,126	199,482,223
Deferred Inflows of Resources							
Pension related amounts	665,591	-	177,204	48,741	8,149,460	9,040,996	12,693,021
Net Position							
Net investment in capital assets	293,363	-	-	107,134	3,390,665	3,791,162	17,572,206
Restricted for:							
Tuition contract benefits	-	-	-	52,996,245	-	52,996,245	-
Security of outstanding obligations	192,385,342	-	-	-	-	192,385,342	-
Workers' compensation	-	-	-	-	38,481,574	38,481,574	-
Revolving loans	-	-	367,998,489	-	-	367,998,489	-
Regulation of business	-	-	-	-	2,000	2,000	-
Unrestricted (deficit)	433,340	109,846,600	(721,058)	-	(20,808,310)	88,750,572	(12,399,531)
Total net position	$ 193,112,045	$ 109,846,600	$367,277,431	$ 53,103,379	$ 21,065,929	744,405,384	$ 5,172,675

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.	(498,022)
Net position of business-type activities	$ 743,907,362

The notes to the financial statements are an integral part of this statement.

Nevada Off-Road Racing

SCORE HENDERSON'S TERRIBLE 250

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues							
Net premium income	$ -	$ -	$ -	$ -	$ -	$ -	$ 342,126,396
Sales	-	-	-	18,513,649	6,463,385	24,977,034	2,433,621
Assessments	-	554,886,641	-	-	300,596	555,187,237	-
Charges for services	-	-	10,000	129,100	13,088,151	13,227,251	45,408,563
Rental income	-	-	-	-	106,100	106,100	19,759,959
Interest income on loans/notes	11,416,757	-	8,214,051	-	-	19,630,808	-
Federal government	-	7,033,800	32,671,789	-	-	39,705,589	-
Licenses, fees and permits	-	-	-	-	38,600,781	38,600,781	-
Fines	-	-	-	-	3,436,200	3,436,200	-
Other	5,641,274	1,753,478	8,487	-	4,503,162	11,906,401	483,571
Total operating revenues	17,058,031	563,673,919	40,904,327	18,642,749	66,498,375	706,777,401	410,212,110
Operating Expenses							
Salaries and benefits	2,077,349	-	409,543	179,083	34,480,116	37,146,091	35,893,681
Operating	1,886,123	-	3,798,097	458,166	13,235,147	19,377,533	39,667,600
Claims and benefits expense	-	369,719,188	-	25,106,514	5,884,877	400,710,579	233,113,660
Interest on bonds payable	15,148,926	-	2,150,652	-	-	17,299,578	-
Materials or supplies used	-	-	-	-	2,876,291	2,876,291	726,042
Servicers' fees	79,058	-	-	-	-	79,058	-
Depreciation	40,484	-	-	18,035	310,251	368,770	5,651,528
Insurance premiums	-	-	-	-	-	-	127,842,405
Total operating expenses	19,231,940	369,719,188	6,358,292	25,761,798	56,786,682	477,857,900	442,894,916
Operating income (loss)	(2,173,909)	193,954,731	34,546,035	(7,119,049)	9,711,693	228,919,501	(32,682,806)
Nonoperating Revenues (Expenses)							
Interest and investment income	7,709,618	6,089,679	1,869,984	9,618,430	1,401,989	26,689,700	3,147,466
Interest expense	-	(10,056,842)	-	-	(381,198)	(10,438,040)	(4,848)
Bond issuance costs	-	-	-	-	(12,300)	(12,300)	-
Federal grant revenue	4,073,608	-	-	-	5,247,223	9,320,831	-
Federal grant expense	(4,148,654)	-	-	-	-	(4,148,654)	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	(1,641,476)
Arbitrage rebate	-	(389,638)	-	-	-	(389,638)	-
Total nonoperating revenues (expenses)	7,634,572	(4,356,801)	1,869,984	9,618,430	6,255,714	21,021,899	1,501,142
Income (loss) before transfers	5,460,663	189,597,930	36,416,019	2,499,381	15,967,407	249,941,400	(31,181,664)
Special Items and Transfers							
Special item - advance forgiveness	-	-	-	5,000,000	-	5,000,000	-
Transfers in	156,743	161,607,667	-	2,323,143	15,326	164,102,879	1,739,361
Transfers out	-	(3,575,976)	(1,107,916)	-	(12,319,274)	(17,003,166)	(91,132)
Change in net position	5,617,406	347,629,621	35,308,103	9,822,524	3,663,459	402,041,113	(29,533,435)
Net position, July 1 (as restated)	187,494,639	(237,783,021)	331,969,328	43,280,855	17,402,470		34,706,110
Net position, June 30	$ 193,112,045	$ 109,846,600	$367,277,431	$ 53,103,379	$21,065,929		$ 5,172,675
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.						(807,882)	
Change in net position of business-type activities						$ 401,233,231	

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows
Proprietary Funds

For the Fiscal Year Ended June 30, 2015

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	$ 22,371,570	$ 535,278,199	$ 18,487	$16,874,727	$79,000,444	$653,543,427	$ 52,461,818
Receipts for interfund services provided	15,613	1,945,201	-	11,913	3,293,391	5,266,118	265,580,408
Receipts from component units	-	-	-	-	-	-	71,305,951
Receipts of principal on loans/notes	49,213,663	-	-	-	-	49,213,663	5,000
Receipts of interest on loans/notes	5,373,939	-	-	-	-	5,373,939	-
Receipts from federal government	-	7,033,800	31,693,502	-	-	38,727,302	-
Payments to suppliers, other governments and beneficiaries	(2,364,995)	(371,068,830)	(3,648,628)	(5,174,545)	(40,937,860)	(423,194,858)	(367,337,142)
Payments to employees	(1,738,658)	-	(390,187)	(167,797)	(34,312,150)	(36,608,792)	(34,325,177)
Payments for interfund services	(2,739,510)	-	(120,200)	(148,371)	(7,652,904)	(10,660,985)	(19,296,340)
Payments to component units	-	-	-	(5,975,152)	(3,914)	(5,979,066)	(179,083)
Purchase of loans and notes	(36,475,631)	-	-	-	-	(36,475,631)	-
Net cash provided by (used for) operating activities	33,655,991	173,188,370	27,552,974	5,420,775	(612,993)	239,205,117	(31,784,565)
Cash flows from noncapital financing activities							
Grant receipts	4,073,608	-	-	-	4,871,351	8,944,959	-
Advances from federal government	-	-	-	2,323,143	-	2,323,143	-
Proceeds from sale of bonds	72,211,717	-	-	-	-	72,211,717	-
Transfers and advances from other fund	156,743	163,374,691	-	-	15,326	163,546,760	1,754,158
Principal paid on noncapital debt	(80,778,767)	(138,590,000)	(9,505,000)	-	-	(228,873,767)	-
Interest paid on noncapital debt	(15,493,765)	(24,784,691)	(2,745,396)	-	-	(43,023,852)	-
Transfers and advances to other funds	-	(2,420,047)	(1,181,533)	-	(12,659,151)	(16,260,731)	(278,632)
Payments to other governments and organizations	(4,223,700)	-	-	-	-	(4,223,700)	-
Net cash provided by (used for) noncapital financing activities	(24,054,164)	(2,420,047)	(13,431,929)	2,323,143	(7,772,474)	(45,355,471)	1,475,526
Cash flows from capital and related financing activities							
Proceeds from capital debt	-	-	-	-	1,020,000	1,020,000	-
Proceeds from sale of capital assets	-	-	-	-	-	-	130,607
Purchase of capital assets	-	-	-	-	(145,381)	(145,381)	(6,025,981)
Principal paid on capital debt	-	-	-	-	(1,190,670)	(1,190,670)	(1,480,332)
Interest paid on capital debt	-	-	-	-	(461,454)	(461,454)	(4,848)
Issue costs	-	-	-	-	(12,300)	(12,300)	-
Payments on construction projects	-	-	-	-	(365,639)	(365,639)	-
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(1,155,444)	(1,155,444)	(7,380,554)
Cash flows from investing activities							
Proceeds from sale of investments	462,104,497	-	-	43,399,906	-	505,504,403	-
Receipts of principal on loans/notes	-	-	25,201,006	-	-	25,201,006	-
Purchase of investments	(478,464,428)	-	-	(57,693,595)	-	(536,158,023)	-
Purchase of loans and notes	-	-	(30,238,353)	-	-	(30,238,353)	-
Interest, dividends and gains (losses)	6,651,812	6,089,679	10,325,741	5,819,438	1,479,751	30,366,421	3,329,151
Net cash provided by (used for) investing activities	(9,708,119)	6,089,679	5,288,394	(8,474,251)	1,479,751	(5,324,546)	3,329,151
Net increase (decrease) in cash	(106,292)	176,858,002	19,409,439	(730,333)	(8,061,160)	187,369,656	(34,360,442)
Cash and cash equivalents, July 1	1,161,782	170,891,408	101,644,655	2,304,420	65,458,418	341,460,683	204,998,533
Cash and cash equivalents, June 30	$ 1,055,490	$ 347,749,410	$ 121,054,094	$ 1,574,087	$ 57,397,258	$ 528,830,339	$ 170,638,091

(Continued)

	Enterprise Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Other Enterprise Funds	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	$ (2,173,909)	$ 193,954,731	$ 34,546,035	$ (7,119,049)	$ 9,711,693	$ 228,919,501	$ (32,949,806)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	40,484	-	-	18,035	310,251	368,770	5,651,528
Interest on loans	-	-	(8,214,051)	-	-	(8,214,051)	-
Interest on bonds payable	15,148,926	-	2,150,652	-	-	17,299,578	-
Decrease (increase) in loans and notes receivable	6,056,125	-	-	-	-	6,056,125	5,000
Decrease (increase) in accrued interest and receivables	(244,298)	(19,416,719)	(978,287)	(1,756,109)	1,096,179	(21,299,234)	(7,219,507)
Decrease (increase) in inventory, deferred charges, other assets	-	-	3,724	1,490	(14,340)	(9,126)	324,318
Decrease (increase) in deferred outflows of resources	(2,228)	-	(5,016)	(2,123)	(37,148)	(46,515)	180,180
Increase (decrease) in accounts payable, accruals, other liabilities	14,773,887	(1,349,642)	34,740	14,274,357	(12,350,184)	15,383,158	14,782,401
Increase (decrease) in unearned revenues	-	-	-	-	(27,405)	(27,405)	(13,641,909)
Increase (decrease) in net pension liability	(608,587)	-	(162,027)	(44,567)	(7,451,499)	(8,266,680)	(11,609,791)
Increase (decrease) in deferred inflows of resources	665,591	-	177,204	48,741	8,149,460	9,040,996	12,693,021
Other adjustments	-	-	-	-	-	-	-
Total adjustments	35,829,900	(20,766,361)	(6,993,061)	12,539,824	(10,324,686)	10,285,616	1,165,241
Net cash provided by (used for) operating activities	$ 33,655,991	$ 173,188,370	$ 27,552,974	$ 5,420,775	$ (612,993)	$ 239,205,117	$ (31,784,565)
Noncash investing, capital and financing activities							
Increase (decrease) in fair value of investments	$ -	$ -	$ -	$ 3,943,350	$ -	$ 3,943,350	$ -

The notes to the financial statements are an integral part of this statement.

June 30, 2015

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 4,971,859	$ 10,612	$ 6,597,414	$ 80,717,201
Cash in custody of other officials	264,618,864	7,011,215	17,282,677	31,150,816
Investments:				
Investments	1,296,388	943,863,634	15,857,000,441	222,312,599
Fixed income securities	9,478,773,231	-	-	-
Marketable equity securities	14,671,703,489	-	-	-
International securities	7,327,360,685	-	-	-
Real estate	1,454,303,113	-	-	-
Alternative investments	1,319,000,149	-	-	-
Collateral on loaned securities	373,833,323	-	-	-
Receivables:				
Accounts receivable	-	8,734	84,858	-
Accrued interest and dividends	91,621,113	2,310,336	3,488,328	-
Taxes receivable	-	-	-	58,334,065
Trades pending settlement	129,463,466	-	3,976,716	-
Intergovernmental receivables	102,308,751	-	89,585	20,178
Contributions receivable	-	-	12,857,154	-
Other receivables	194,495	-	-	99,064
Due from other funds	122,332	17,351	172,939	533,542,341
Due from fiduciary funds	19,306,997	-	-	13,319,888
Due from component unit	1,488,231	-	-	2,263,225
Other assets	3,633,781	-	-	-
Furniture and equipment	40,412,280	-	48,222	-
Accumulated depreciation	(36,462,089)	-	(48,222)	-
Total assets	35,247,950,458	953,221,882	15,901,550,112	941,759,377
Liabilities				
Accounts payable and accruals:				
Accounts payable	10,454,250	107,744	2,863,597	-
Accrued payroll and related liabilities	-	-	714	80,001
Intergovernmental payables	-	33,588	8,591	595,511,978
Redemptions payable	-	-	5,789,195	-
Trades pending settlement	141,195,584	2,490,065	12,905,426	-
Bank overdraft	-	-	3,061,000	-
Obligations under securities lending	373,833,323	-	-	-
Due to other funds	2,892,703	40,361	1,348,374	-
Due to fiduciary funds	-	-	26,840	32,600,045
Other liabilities:				
Deposits	-	-	-	308,465,127
Other liabilities	178,709	-	-	5,102,226
Total liabilities	528,554,569	2,671,758	26,003,737	941,759,377
Net Position				
Restricted for:				
Employees' pension benefits	34,714,399,697	-	-	-
OPEB benefits	4,996,192	-	-	-
Pool participants	-	950,550,124	-	-
Individuals	-	-	15,875,546,375	-
Total net position	$ 34,719,395,889	$ 950,550,124	$ 15,875,546,375	$ -

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

NEVADA

For the Fiscal Year Ended June 30, 2015

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,483,079,430	$ -	$ -
Plan members	114,325,399	-	-
Participants	-	-	4,003,153,713
Repayment and purchase of service	82,581,500	-	-
Total contributions	1,679,986,329	-	4,003,153,713
Investment income:			
Net increase (decrease) in fair value of investments	523,022,423	(2,513,489)	77,529,742
Interest, dividends	786,145,094	13,657,786	336,462,462
Securities lending	4,694,725	-	-
Other	124,491,007	-	-
	1,438,353,249	11,144,297	413,992,204
Less investment expense:			
Other	(39,599,469)	(48,666)	-
Net investment income	1,398,753,780	11,095,631	413,992,204
Other:			
Investment from local governments	-	1,001,488,162	-
Reinvestment from interest income	-	494,725	-
Other	2,871,763	385	-
Total other	2,871,763	1,001,983,272	-
Total additions	3,081,611,872	1,013,078,903	4,417,145,917
Deductions			
Principal redeemed	-	1,132,202,603	2,732,372,357
Benefit payments	1,997,993,460	-	19,599,236
Refunds	25,637,753	-	-
Contribution distributions	2,356,700	200,000	-
Dividends to investors	-	580,755	-
Administrative expense	9,818,930	455,178	28,703,974
Total deductions	2,035,806,843	1,133,438,536	2,780,675,567
Change in net position	1,045,805,029	(120,359,633)	1,636,470,350
Net position, July 1	33,673,590,860	1,070,909,757	14,239,076,025
Net position, June 30	$ 34,719,395,889	$ 950,550,124	$ 15,875,546,375

The notes to the financial statements are an integral part of this statement.

Combining Statement of Net Position
Discretely Presented Component Units

June 30, 2015

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	$ 13,616,165	$ 277,077,000	$ -	$ 290,693,165
Investments	-	1,218,322,000	21,332,396	1,239,654,396
Due from primary government	53,089	28,371,946	-	28,425,035
Accounts receivable	11,628,589	32,164,054	-	43,792,643
Intergovernmental receivables	-	40,445,000	-	40,445,000
Accrued interest and dividends	30,266	-	-	30,266
Notes/loans receivable	-	12,790,000	-	12,790,000
Other receivables	-	99,261,000	-	99,261,000
Inventory	-	7,246,000	-	7,246,000
Prepaid expenses	39,186,468	-	-	39,186,468
Restricted assets:				
Cash	9,381,172	138,868,000	-	148,249,172
Investments	-	45,559,000	-	45,559,000
Other assets	-	43,386,000	-	43,386,000
Capital assets:				
Land, infrastructure and construction in progress	-	287,040,000	-	287,040,000
Other capital assets, net	54,932,768	1,731,563,000	-	1,786,495,768
Total assets	128,828,517	3,962,093,000	21,332,396	4,112,253,913
Deferred Outflows of Resources				
Deferred charge on refunding	279,153	10,577,000	-	10,856,153
Pension contributions	524,901	29,901,000	-	30,425,901
Total deferred outflows of resources	804,054	40,478,000	-	41,282,054
Liabilities				
Accounts payable	3,785,041	69,485,561	-	73,270,602
Accrued payroll and related liabilities	-	77,353,000	-	77,353,000
Interest payable	449,968	11,140,000	-	11,589,968
Due to primary government	2,004	348,439	20,496,002	20,846,445
Unearned revenues	3,134,171	49,763,000	-	52,897,171
Other liabilities	3,395,439	33,864,000	-	37,259,439
Long-term liabilities:				
Portion due or payable within one year:				
Obligations under capital leases	-	3,228,000	-	3,228,000
Compensated absences	204,707	32,663,000	-	32,867,707
Bonds payable	5,350,965	26,101,000	-	31,451,965
Portion due or payable after one year:				
Federal advances	-	8,205,000	-	8,205,000
Obligations under capital leases	-	43,048,000	-	43,048,000
Net pension obligation	4,997,140	292,841,000	-	297,838,140
Compensated absences	137,128	17,614,000	-	17,751,128
Bonds payable	39,220,078	529,512,000	-	568,732,078
Unearned revenue	61,059,290	-	-	61,059,290
Total liabilities	121,735,931	1,195,166,000	20,496,002	1,337,397,933
Deferred Inflows of Resources				
Donations	-	11,669,000	-	11,669,000
Lease revenues	-	4,119,000	-	4,119,000
Pension related amounts	1,430,464	84,152,000	-	85,582,464
Total deferred inflows of resources	(1,430,464)	(99,940,000)	-	(101,370,464)
Net Position				
Net investment in capital assets	46,456,289	1,513,792,000	-	1,560,248,289
Restricted for:				
Capital projects	-	102,384,000	-	102,384,000
Debt service	-	21,711,000	-	21,711,000
Education and support services	-	-	836,394	836,394
Scholarships	-	419,481,000	-	419,481,000
Loans	-	8,188,000	-	8,188,000
Operations and maintenance	712,991	-	-	712,991
Research and development	9,537,522	-	-	9,537,522
Other purposes	-	2,170,000	-	2,170,000
Funds held as permanent investments:				
Nonexpendable	-	378,786,000	-	378,786,000
Unrestricted (deficit)	(50,240,626)	260,953,000	-	210,712,374
Total net position	$ 6,466,176	$ 2,707,465,000	$ 836,394	$ 2,714,767,570

The notes to the financial statements are an integral part of this statement.

For the Fiscal Year Ended June 30, 2015

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	$ 60,629,349	$ 1,631,681,000	$ 235,224	$ 1,692,545,573
Program Revenues				
Charges for services	58,282,239	632,254,000	-	690,536,239
Operating grants and contributions	-	465,488,000	-	465,488,000
Capital grants and contributions	-	80,973,000	-	80,973,000
Total program revenues	58,282,239	1,178,715,000	-	1,236,997,239
General Revenues				
Unrestricted investment earnings	374,175	10,817,000	726,947	11,918,122
Other general revenues	67,653	4,433,000	-	4,500,653
Contributions to permanent funds	-	29,980,000	-	29,980,000
Payments from State of Nevada	-	486,969,000	-	486,969,000
Total general revenues	441,828	532,199,000	726,947	533,367,775
Change in net position	(1,905,282)	79,233,000	491,723	77,819,441
Net position, July 1 (as restated)	8,371,458	2,628,232,000	344,671	2,636,948,129
Net position, June 30	$ 6,466,176	$ 2,707,465,000	$ 836,394	$ 2,714,767,570

The notes to the financial statements are an integral part of this statement.

ATV Rider at Sand Mountain Near Fallon, NV

Winnemucca Sand Dunes

Winnemucca Sand Dunes

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Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the State of Nevada (the State) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Description of Government-wide Financial Statements

The Government-wide Financial Statements, which consist of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the primary government and its component units. All fiduciary activities, including component units that are fiduciary in nature, are reported only in the fund financial statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, departments, agencies, and those authorities that are considered an integral part of the State's activities. Component units are legally separate organizations for which the State's elected officials are financially accountable. The State's component units have a June 30 year-end.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and either: 1) the ability of the State to impose its will on that organization; or 2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. When the State does not appoint a voting majority of an organization's governing body, GASB requires inclusion in the reporting entity based on financial accountability if: 1) the organization is both fiscally dependent on the State and there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State; or 2) it would be misleading to exclude the organization.

Fiduciary Component Units: The following fiduciary component units are legally separate from the State. The State is financially accountable for these organizations since it appoints the voting majority of the boards and is able to impose its will on them through the ability to remove appointed members of the organization's governing board. Since these component units are fiduciary in nature, they are included only in the fund financial statements with the primary government's fiduciary funds. Therefore, these component units are excluded from the government-wide financial statements.

The *Public Employees' Retirement System* (PERS), the *Legislators' Retirement System* (LRS) and the *Judicial Retirement System* (JRS) are administered by a seven-member board appointed by the Governor. PERS is the administrator of a cost-sharing, multiple-employer, defined benefit public employees' retirement system established to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earning capacities have been removed or substantially impaired by age or disability. LRS is the administrator of a single-employer public employees' defined benefit retirement system established to provide a reasonable base income to Legislators at retirement. JRS is the administrator of an agent multiple-employer public employees' defined benefit retirement system established to provide a reasonable base income to justices of the Supreme Court, district judges, municipal court judges, and justices of the peace at retirement.

The *Retirement Benefits Investment Fund* (RBIF) was created for the sole purpose of providing an investment vehicle for monies belonging to either the State or local government other post employment benefit trust funds. RBIF is administered by the Retirement Benefits Investment Board, which consists of the same members as the Public Employees' Retirement Board.

Blended Component Unit: The *Nevada Real Property Corporation* (NRPC) is a legally separate organization. The State is financially accountable for NRPC since it appoints the board of directors, and NRPC provides a financial benefit to the State by providing financing services. NRPC was incorporated to finance certain construction projects which include office buildings, a transitional residential facility and a warehouse, all financed by the issuance of certificates of participation. Upon completion of construction, the NRPC leases the facilities to the State. Since the NRPC provides financing services solely to the State, these financial transactions are reported as part of the primary government using the blended method.

Discretely Presented Component Units: A component unit should be included in the reporting entity financial statements using the discrete presentation method if the component unit's governing body is not substantively the same as the governing body of the primary government, the component unit does not provide services entirely or almost entirely to the primary government, and the component unit's total debt outstanding is not expected to be repaid entirely or almost entirely with resources of the primary government. The following discretely presented component units meet these criteria and are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the State.

(Note 1 Continued)

The *Nevada System of Higher Education* (NSHE) is a legally separate organization consisting of the institutions of public higher education in Nevada, the NSHE Administration entity, and their component units. NSHE is governed by a Board of Regents elected by the voters. NSHE is considered to be fiscally dependent on the primary government since the State can modify and approve their budgets. In addition, NSHE imposes a financial burden on the primary government since the State provides financial support to NSHE through annual operating and capital appropriations.

The *Colorado River Commission* (CRC) is a legally separate organization responsible for managing Nevada's interests in the water and power resources available from the Colorado River. It is governed by seven commissioners, a majority of whom are appointed by the State: four are appointed by the Governor and three are appointed by the board of directors of the Southern Nevada Water Authority. The State is financially accountable for CRC since bonds issued by the CRC are backed by the full faith and credit of the State of Nevada, which creates the potential for a financial burden to the State. CRC provides services to citizens through the distribution and sale of electric power.

The *Nevada Capital Investment Corporation (*NCIC) is a legally separate organization whose board of directors consists of the State Treasurer, who serves as the chair; five members that are appointed by the primary government; and the Chancellor of NSHE, or his designee. Up to five additional members of the board may be chosen who are direct investors of the corporation. The NCIC is an independent corporation for public benefit, the general purpose of which is to act as a limited partner, shareholder or member to provide private equity funding to businesses located in or seeking to locate in Nevada, and engage in certain industries. The amount invested in the NCIC is not to exceed $50 million from the State Permanent School Fund. The State is financially accountable for NCIC since it is able to impose its will through veto power by the State Treasurer.

Complete financial statements for each of the individual component units, with the exception of the *Nevada Real Property Corporation*, which has no other financial activity than that described above, may be obtained at that organization's administrative offices:

Public Employees' Retirement System
Carson City, NV
Legislators' Retirement System
Carson City, NV
Judicial Retirement System
Carson City, NV
Retirement Benefits Investment Fund
Carson City, NV
Nevada System of Higher Education
Reno, NV
Colorado River Commission
Las Vegas, NV
Nevada Capital Investment Corporation
Carson City, NV

Related Organizations: The Governor is responsible for appointing the members of many boards and commissions. The State's accountability for these entities does not extend beyond making the appointments and thus these entities are excluded from this report. The State does not exercise financial or administrative control over the excluded boards and commissions.

C. Basis of Presentation

Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. On the government-wide financial statements, the governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As discussed earlier, the State has three discretely presented component units which are shown in a single column in the government-wide financial statements.

In general, the effect of interfund activity has been removed from the government-wide financial statements. Overhead costs have been removed to minimize the double counting of internal activities, but interfund services provided and used have been retained, as their elimination would distort the measurement of the cost of individual functional activities. Internal activities of a reimbursement type nature reduce the expenses of the reimbursed programs. Certain centralized costs have been included as part of the program expenses reported for the various functions and activities. The net amount of interfund receivables and payables between governmental activities and business-type activities are reported as internal balances on the government-wide statement of net position. The net amount of transfers between governmental activities and business-type activities are reported as transfers on the government-wide statement of activities.

Fund Financial Statements: The fund financial statements provide information about the government's funds, including its fiduciary and blended component units. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The State reports the following major governmental funds:

General Fund – this is the State's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

(Note 1 Continued)

State Highway Fund - accounts for the maintenance, regulation, and construction of public highways and is funded through vehicle fuel taxes, federal funds, and other charges.

Municipal Bond Bank Fund - accounts for revenues and expenditures associated with buying local governments' bonds with proceeds of State general obligation bonds.

Permanent School Fund - accounts for certain property and the proceeds derived from such property, escheated estates, and all fines collected under penal laws of the State, which become permanent assets of the fund. All earnings on the assets are to be used for education.

The State reports the following major enterprise funds:

Higher Education Tuition Trust Fund – accounts for the State program to assist Nevada residents in locking in the cost of future higher education expenses for Nevada colleges and universities. This program is financed through the sale of prepaid tuition contracts.

Housing Division Fund - accounts for the State program to assist private lenders in providing low interest housing loans to low- and moderate-income households. This program is financed through the sale of bonds.

Unemployment Compensation Fund - accounts for the payment of unemployment compensation benefits.

Water Projects Loans Fund - accounts for revenues and expenses associated with operating a revolving fund to finance local government pollution control projects, and with operating revolving and set-aside program funds to finance local public water systems' safe drinking water projects.

Additionally, the State reports the following fund types:

Internal Service Funds - provide goods or services primarily to other agencies or funds of the State rather than to the general public. These goods and services include accounting, communications, information technology, fleet services, personnel, printing, property management, purchasing and risk management. In the government-wide statements, internal service funds are included with governmental activities.

Pension and Other Employee Benefit Trust Funds - report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit pension plans and other post-employment benefit plans.

Investment Trust Funds - report resources received from local governments that are either pooled in an external investment portfolio for the benefit of all participants or separated into subaccounts of identified investments allocated to specific participating local governments. Examples include the Local Government Investment Pool, the Nevada Enhanced Savings Term and the Retirement Benefits Investment Fund.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. Examples include the Prisoners' Personal Property and the Nevada College Savings Plan.

Agency Funds - report assets and liabilities for deposits and investments entrusted to the State as an agent for others. Examples of funds in this category include state agency fund for bonds, motor vehicle, and child support disbursement.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues to be available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are gaming revenues, sales taxes, other taxes as described in Note 13, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The proprietary, pension and other employee benefit trust, investment trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

(Note 1 Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash and Pooled Investments - The State Treasurer manages a cash pool where all temporary surplus cash is invested. These investments are reported on the Statement of Net Position and Balance Sheet as cash and pooled investments. Earnings from these pooled investments are credited to the General Fund and certain other funds that have specific statutory authority to receive a prorated share based on daily cash balances. Also included in this category is cash held by departments in petty cash funds and in bank accounts outside the Treasurer's cash management pool. The operations and investments of the cash pool are described in Note 3.

Cash and cash equivalents are defined as bank accounts, petty cash, money market demand accounts and certificates of deposit with original maturities of three months or less. Cash and cash equivalents are reported in the Statement of Cash Flows for proprietary fund types.

Investments - Investments are stated at fair value. Fair value is defined as the price at which an asset passes from a willing seller to a willing buyer. It is assumed that both buyer and seller are rational and have a reasonable knowledge of relevant facts. Short-term investments are generally reported at cost, which approximates fair value, except for the short-term investments of the Nevada College Savings Plan that are valued at amortized cost, which approximates fair value. Securities, traded on a national or international exchange, are valued at the last reported sale price of the day. International securities prices incorporate end-of-day exchange rates. The fair value of real estate investments is based on estimated current value, and MAI (Member Appraisal Institute) independent appraisals. Investments that do not have an established market are reported at estimated fair value.

The Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund are reported as investment trust funds. The investments of the Local Government Investment Pool and the Nevada Enhanced Savings Term Investment Trust are subject to the general limitations of NRS 355.170. The investments of the Retirement Benefits Investment Fund are governed by the prudent person standard, as set forth by NRS 286.682. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Interest income is determined on an accrual basis with discounts earned and premiums paid being amortized. Realized gains and losses, if any, on sales of securities are calculated using the amortized cost basis at the date of sale. The fair value of the position in the pool is the same as the value of the pool shares. The Bank of New York Mellon is the custodian and transfer agent for the Local Government Investment Pool, the Nevada Enhanced Savings Term Investment Trust and the Retirement Benefits Investment Fund.

Derivatives are generally valued at quoted market value. Under the circumstance where quoted market values are not considered to be readily available, such derivatives are reported at estimated fair value and the methods and significant assumptions used are described in Note 3D. Investments are discussed further in Note 3.

Receivables - Receivables represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, a corresponding amount is recorded as revenue. In the governmental fund financial statements, the portions considered "available" (i.e., received by the State within approximately 60 days after year-end) are recorded as revenue; the remainder is recorded as deferred inflows of resources, unavailable revenue. Receivables in proprietary fund types have arisen in the ordinary course of business. All receivables are shown net of an allowance for uncollectible accounts. Significant receivable balances not expected to be collected within one year are presented in Note 4.

Interfund Transactions - The State has two types of interfund transactions:

1. Services rendered and employee benefit contributions are accounted for as revenues, expenditures/expenses in the funds involved.
2. Operating appropriations and subsidies are accounted for as transfers in the funds involved.

Due from/due to other funds and transfers are presented in Note 5.

Inventories – In general, inventories in governmental funds are recorded as expenditures when purchased; however, certain inventories in the General Fund, the Highway Fund, and nonmajor governmental funds are recorded as expenditures at the time individual inventory items are consumed. Inventories are stated at cost on the first-in, first-out basis. Inventory items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Prepaid Items – Prepaid items reflect payments for costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items in the governmental funds are offset by nonspendable fund balance to indicate that they will not be converted to cash.

Advances to Other Funds - Long-term interfund advances are recorded by the advancing fund as a receivable. These amounts are reported in the nonspendable fund balance in the General Fund to maintain the accountability and to disclose properly the amount available for appropriation. In other governmental funds this amount will be reported in restricted, committed, or assigned fund balances. Repayments are credited to the receivable and corresponding reductions are made in the appropriate fund balance. A summary of interfund advances is presented in Note 5.

(Note 1 Continued)

Capital Assets and Depreciation - An inventory of State-owned land, buildings and equipment was developed in 1985. All capital assets are recorded in the Statement of Net Position at historical cost or estimated historical cost, based on acquisition of comparable property or agency records, if actual historical cost is not available. Donated capital assets are stated at appraised fair value at the time of donation or estimated fair value at time of donation, based on acquisition of comparable property, if appraised fair value is not available. The government defines capital assets as assets with a unit cost of $5,000 or more for furniture and equipment, or $100,000 or more for buildings and improvements, and an estimated useful life in excess of one year. Interest incurred during construction is only capitalized in proprietary funds.

Most capital assets are depreciated principally on a straight-line basis over estimated useful lives of 40 years for structures and 3 to 30 years for improvements, furniture and equipment. The State's significant infrastructure assets utilize the modified approach in which costs to maintain and preserve these assets are expensed and no depreciation expense is recorded. This approach is discussed further in the Required Supplementary Information portion of this report. In the Nevada System of Higher Education, capital assets are defined as assets with an initial unit cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 15 years for land improvements and 3 to 18 years for library books, machinery and equipment. Additional disclosure related to capital assets is provided in Note 7.

Compensated Absences – A liability for compensated absences relating to services already rendered and that are not contingent on a specified event is accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. Proprietary fund types report accrued compensated absences as liabilities in the appropriate funds. Governmental funds report a liability and expenditure for compensated absences only if the liability has matured as a result of employee resignations or retirements. Thus no expenditure would be recognized in governmental funds for the unpaid balance of compensated absences for employees still in active service at the end of the reporting period. On the Statement of Net Position, the accrued compensated absences for both proprietary and governmental fund types is reported.

Long-Term Obligations - In the government-wide statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Long-Term Obligations are more fully described in Note 9.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. An example is the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. An example is unavailable revenue, reported in the governmental funds balance sheet when revenue is measureable but not available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position/Fund Balance - The difference between fund assets, deferred outflows of resources, liabilities and deferred inflows of resources is "Net Position" on the government-wide, proprietary and fiduciary fund statements, and "Fund Balance" on governmental fund statements.
In governmental fund financial statements, fund balances are classified based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources in the fund as follows:

1. Nonspendable fund balance includes items that cannot be spent because they are either not in spendable form (such as municipal securities, inventories, prepaid amounts and in the General Fund long-term portion of loans/notes receivables) or legally or contractually required to be maintained intact (such as the principal of a permanent fund).
2. Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Nevada Legislature, through legislation passed into law.

(Note 1 Continued)

4. Assigned fund balance includes amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the executive branch.
5. Unassigned fund balance is the residual amount of the General Fund not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed for proper classification of fund balance. Funds are created by the Legislature and money is authorized to be transferred to the fund for a particular purpose. Balances in the Legislatively created funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved. Note 12 provides a disaggregation of governmental fund balances, nonspendable, restricted, committed, and unassigned.

Net Position/Fund Balance Flow Assumptions - The State's policy is to spend restricted amounts first when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available. Therefore, restricted net position/fund balance is depleted before using unrestricted net position/fund balance. In governmental funds, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned and then unassigned.

Minimum Fund Balance Policy - NRS 353.213(3) requires that the proposed budget for each fiscal year of the biennium provide for a reserve of not less than 5% or more than 10% of the total of all proposed appropriations from the State General Fund for the operation of all departments, institutions and agencies of the State and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year.

Stabilization Arrangement – NRS 353.288 provides for the Account to Stabilize the Operation of the State Government (Stabilization Account) in the State General Fund. Additions to the stabilization arrangement are triggered at the end of a fiscal year if the General Fund unrestricted fund balance (budgetary basis) exceeds 7% of General Fund operating appropriations. Forty percent of the excess is deposited to the Stabilization Account, and is classified on the balance sheet as committed for fiscal emergency. Expenditures may occur only if actual revenues for the biennium fall short by 5% or more from anticipated revenues, or if the Legislature and Governor declare that a fiscal emergency exists. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2015 is $0.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS, LRS and JRS and additions to/deductions from the plans fiduciary net position have been determined on the same basis as they are reported by PERS, LRS and JRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

F. Revenues and Expenditures/Expenses

Program Revenues - In the government-wide statement of activities, program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

Property Taxes – Property taxes are recognized as revenues in the year for which they are levied. Property taxes are levied July 1 on property values assessed by the prior January 1. Property tax billings are payable in quarterly installments on the third Monday in August and the first Monday in October, January and March, after which time the bill is delinquent.

Grants – The State participates in various federal award programs which are received in both cash and noncash forms. Grants and other entitlements are recognized as revenues when all eligibility requirements are met, including any time requirements, and the amount is received within 60 days after year-end. Federal reimbursement type grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within 60 days after year-end. Certain grants have matching requirements in which the State must contribute a proportionate share of the total costs of a program. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Proprietary Funds Operating and Nonoperating Revenues and Expenses - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal, ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2 - Budgetary and Legal Compliance

Budgetary Process and Control

The Governor must submit his proposed budget for the Executive Branch to the State Legislature not later than 14 calendar days before each regular session, which convenes every odd-numbered year. The presented budget spans the next two fiscal years and contains the detailed budgetary estimates of revenues and expenditures. The Legislature enacts the budget through passage of the General Appropriations Act, which allows expenditures from unrestricted revenues, and the Authorized Expenditures Act, which allows expenditures from revenues collected for specific purposes. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years.

The legal level of budgetary control, the level at which appropriations are approved and the level at which over-expenditure of appropriations or transfers of appropriated amounts may not occur without Legislative action, is at the total program level within each department or agency.

Limited budgetary revisions may be made without Legislative action through the following management/administrative procedures. After obtaining the approval of the Governor, or his designee, the Budget Director, Legislative Interim Finance Committee (LIFC) approval is required of those revisions in excess of $30,000 which have the effect, when taken into consideration with all other changes during the fiscal year, of increasing or decreasing any legislatively approved expenditure level by 10% or $75,000, whichever is less. Revisions not exceeding this threshold require only Budget Director approval. The LIFC approval is not equivalent to governing body approval, as total appropriations for a program may not be increased except as follows. The Legislature appropriates limited funds to the Contingency Account, in the General Fund, which may be allocated to programs by the LIFC upon recommendation of the Board of Examiners. Allocations totaling $7,020,833 were made in the 2015 fiscal year. Unencumbered appropriations lapse at the end of each fiscal year unless specific authority to carry forward is granted in the Appropriations Act. Unexpended authorized resources, under the Authorized Expenditures Act, are carried forward for expenditure in the next fiscal period.

Budgets are legally adopted for the General Fund and Special Revenue Funds, except for the Nevada Real Property Corporation special revenue fund. In addition, certain activity within such funds may be unbudgeted. The State's budget is prepared principally on a modified accrual basis with the following exceptions:

1. Cash placed in petty cash funds or outside bank accounts is considered expended for budgetary purposes.
2. Advances to other funds are considered expenditures. Repayments of such advances are considered revenues.
3. Certain assets, such as prepaid items, are considered expended for budgetary purposes. Inventory is an expenditure for budgetary purposes. Certain unearned revenue is considered revenue for budgetary purposes.
4. Expenditures are only recognized if the liability is liquidated within 45 days after the fiscal year end.
5. Revenue from grants is only recognized when it is received in cash.
6. Encumbrances for goods or services not received by fiscal year end are considered an expenditure of the current period if received and paid within 45 days.

The Budgetary Comparison Schedule is presented as Required Supplementary Information (RSI) in this report. Actual amounts in this schedule are presented on a budgetary basis. Because this basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation between the budgetary and GAAP basis is presented in the RSI.

Note 3 - Deposits and Investments

The Nevada Revised Statutes (NRS) and Nevada Administrative Code, as well as procedures approved by the State Board of Finance, govern deposits and investing activities for the primary government and its discretely presented component units which are not expressly required by law to be received and kept by another party. NRS 226.110(3) further requires that the Office of the State Treasurer shall establish the policies to be followed in the investment of money of the State of Nevada.

A. Deposits

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes its custodial credit risk by legislation establishing a program to monitor a collateral pool for public deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered. The NRS direct the Office of the State Treasurer to deposit funds into any state, or national bank, credit union or savings and loan association covered by federal depository insurance. For those deposits over and above the federal depository insurance maximum balance, sufficient collateral must be held by the financial institution to protect the State of Nevada against loss. The pooled collateral for deposits program maintains a 102% pledged collateral for all public deposits. As of June 30, 2015, the bank balance of the primary government, private purpose trust, pension and other employee benefit trust, and investment trust funds totaled $466,916,664, of which $38,328,077 was uncollateralized and uninsured.

Component Units - Cash and cash equivalents of the Nevada System of Higher Education (NSHE) are stated at cost, which approximates market, and consist of deposits in money market funds, which are not federally insured, and cash in the bank. At June 30, 2015 NSHE's deposits in money market funds totaled $209,659,000 and cash in bank was $6,019,000. Of these balances, $250,000 are covered by the Federal Depository Insurance Corporation (FDIC); the remaining deposits are uncollateralized and uninsured.

B. Investments

NRS 355.140 details the types of securities in which the State may invest. In general, authorized investments include: certificates of deposit, asset-backed securities, bankers' acceptances and commercial paper, collateralized mortgage obligations, corporate notes, municipal bonds, money market mutual funds whose policies meet the criteria set forth in the statute, United States treasury securities, and specific securities implicitly guaranteed by the federal government. Additionally, the State may invest in limited types of repurchase agreements; however, statutes generally prohibit the State from entering into reverse-repurchase agreements. The State's Permanent School Fund is further limited by statute as to the types of investments in which it may invest (NRS 355.060). Cash and Investments are also discussed in Note 1 under Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance.

The State Board of Finance reviews the State's investment policies at least every four months. The Board is comprised of the Governor, the State Controller, the State Treasurer and two members appointed by the governor, one of which must be actively engaged in commercial banking in the State.

Investments held in the Local Government Investment Pool (LGIP), Retirement Benefits Investment Fund (RBIF), and Nevada Enhanced Savings Term (NVEST) are specifically identifiable investment securities and are included in the following tables. LGIP, RBIF, and NVEST are investment trust funds and discussed further in Note 1, Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance. LGIP and NVEST are governed by the Nevada State Board of Finance and administered by the Nevada State Treasurer. Complete financial statements for LGIP and NVEST may be obtained from the State Treasurer's Office, 101 N. Carson Street, Suite 4, Carson City, NV 89701. RBIF is administered by the Retirement Benefits Investment Board. The audited financial statements of RBIF may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - The State minimizes interest rate risk by maintaining an effective duration of less than 1.5 years and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less. However, the benchmark used by the State Treasurer to determine whether competitive market yields are being achieved is the 90 day U.S. Treasury Bill's average over the previous three month period (Rolling 90 day T-Bill). Investment policies for the pension and other employee benefit trust funds authorize all securities within the Barclays Aggregate Index benchmark. If securities are purchased outside the Barclays U.S. Treasury Index, they must be of investment grade rating by at least two of the following: Moody's, Standard & Poor's or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's) except those issued or guaranteed by the U.S. Government or its agencies. The following table provides information about the interest rate risks associated with the State's investments as of June 30, 2015 (expressed in thousands):

(Note 3 Continued)

		Maturities in Years			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U. S. Treasury securities	$ 9,549,208	$ 41,280	$ 6,523,597	$ 1,714,046	$ 1,270,285
Negotiable certificate of deposit	15,003	15,003	-	-	-
U. S. agencies	1,828,816	925,497	629,439	18,067	255,813
Mutual funds	245,200	245,200	-	-	-
Asset backed corporate securities	134,141	490	66,790	59,171	7,690
Corporate bonds and notes	264,971	96,847	151,137	4,669	12,318
Commercial paper	364,652	364,652	-	-	-
Fixed income securities	671	671	-	-	-
International investments	300	-	-	-	300
Municipal bonds	546,642	21,585	21,342	110,576	393,139
Investment agreements	541	-	-	-	541
Other short-term investments	366,785	366,785	-	-	-
Collateralized mortgage obligations	13,529	-	-	-	13,529
Other investments	153	153	-	-	-
Total	$ 13,330,612	$ 2,078,163	$ 7,392,305	$ 1,906,529	$ 1,953,615

The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to interest rate risk for the investments. The mutual funds held by Vanguard, USAA, Upromise, and Putnam have various maturities from 35 days to 12.7 years and are not included in the table above.

Component Units – The Nevada System of Higher Education's (NSHE) policy for reducing its exposure to interest rate risk is to have an average investment life of at least two years for fixed income securities within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and, therefore, currently has no policies with regard to interest rate risk for these investments. Investments having interest rate risk are principally invested in mutual funds and private commingled funds. The following table provides the segmented time distribution for these investments at June 30, 2015 (expressed in thousands):

Less than 1 year	$ 213,121
1 to 5 years	157,440
6 to 10 years	143,578
More than 10 years	-
Total	$ 514,139

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State of Nevada.

Primary Government, Private Purpose Trust, Pension and Other Employee Benefit Trust, and Investment Trust Funds - NRS 355.140, the State Treasurer's investment policy, and investment policies of the pension and other employee benefit trust and investment trust funds all address credit risk. A summary of the policies is presented as follows:

- Commercial paper, Negotiable Certificates of Deposit, and Bankers' Acceptances are rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,
- Notes, bonds and other unconditional obligations issued by corporations in the U.S. and municipal bonds (effective September 2011) are rated by a nationally recognized rating service as "A" or its equivalent, or better,
- Money market mutual funds are SEC registered 2(A)7 and rated by a nationally recognized rating service as "AAA" or its equivalent,
- Collateralized mortgage obligations and asset-backed securities are rated by a nationally recognized rating service as "AAA" or its equivalent,
- Repurchase agreements with banks or registered broker-dealers provided the agreement is collateralized by 102% with U.S. Treasuries or U.S. government agency securities on a delivery basis.

In addition to the above provisions, investment policies for the pension and other employee benefit trust funds allow investment in corporate bonds, assets-related instruments, and foreign debt issued in the U.S. rated by at least two of the following: Moody's, Standard & Poor's, or Fitch (BBB- or better by Standard & Poor's/Fitch, Baa3 or better by Moody's). The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to credit risk for the investments. Investments having credit risk are included in the table below.

The State's investments as of June 30, 2015 were rated by Standard & Poor's and/or an equivalent national rating organization, and the ratings are presented below using the Standard & Poor's rating scale (at fair value, expressed in thousands):

(Note 3 Continued)

	Quality Rating							
	AAA	AA	A	BBB	BB	B	VMIG$_1$	Unrated
U.S. agencies	$ 39,881	$ 1,571,412	$ -	$ -	$ -	$ -	$ -	$ -
Mutual funds	-	-	-	-	-	-	-	15,579,562
Asset backed corporate securities	25,693	93,358	568	1,901	633	251	-	2,005
Corporate bonds and notes	2,675	76,841	162,203	9,852	2,563	416	-	400
Commerical paper	-	-	224,656	-	-	-	-	-
Fixed income securities	-	-	-	-	-	-	-	119
International investments	-	-	-	300	-	-	-	-
Municipal bonds	-	546,642	-	-	-	-	-	-
Investment agreements	-	-	390	151	-	-	-	-
Other short-term investments	85,598	19,304	79,963	-	-	-	34,293	233,225
Collateralized mortgage obligations	7,079	-	-	-	-	-	-	-
Total	$ 160,926	$ 2,307,557	$ 467,780	$ 12,204	$ 3,196	$ 667	$ 34,293	$ 15,815,311

Component Unit – The NSHE's policy for reducing its exposure to credit risk is to maintain a weighted average credit rating of AA or better, and never below A, for investments with credit risk within both the endowment and operating investment pools. With regard to the trusts included in endowment investments, NSHE is not the trustee of these investments and therefore, it currently has no policies with regard to credit risk for these investments. The credit risk profile for NSHE operating and endowment investments at June 30, 2015 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	$ 652,271
Partnerships	91,163
Endowment cash/cash equivalents	3,462
Trust(s)	5,512
Private commingled funds	40,433
Total	$ 792,841

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The NRS 355.140, 355.060, and the State Treasurer's investment policy limit the investing in any one issuer to 5% of the total par value of the portfolio, with the exception of the Housing Division and the Investment Trust Funds. At June 30, 2015, the following investments exceeded 5% of the Primary Government and Investment Trust Funds' total investments (expressed in thousands):

	Fair Value	Percentage
Primary government		
Federal Home Loan Bank	$ 671,999	20.35%
So Nevada Water Authority	173,520	5.26%
Investment Trust Funds		
Federal Home Loan Bank	137,939	13.28%

At June 30, 2015, the following investments exceeded 5% of the Higher Education Tuition Trust's total investments (expressed in thousands):

	Fair Value	Percentage
Federal Home Loan Mortgage Corp-Asset-Backed Mortgage Security	$ 14,165	6.74%

The Housing Division currently places no limit on the amount it may invest in any one issuer provided their ratings are in the highest two general rating categories. However, the Housing Division monitors rating changes on all issuers. If warranted, more concentrated investments may have to be diluted to alternative investment providers. As of June 30, 2015, the Housing Division's investments in Fannie Mae and Ginnie Mae are 4.66% and 54.85% respectively, of the Housing Division's total investments. The Fannie Mae and Ginnie Mae investments are in mortgage backed securities matched to the interest rate and maturity of the underlying bonds. Because such investments are matched to concomitant liabilities, the Housing Division is less concerned about a concentration risk on these investments.

Component Unit - The Nevada Capital Investment Corporation (NCIC) owns 99% equity interest in Silver State Opportunities Fund LLC (SSOF), a Nevada limited liability company, for the purpose of obtaining income. At June 30, 2015 the investment in equity interest of SSOF exceeded 5% of NCIC's total investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

(Note 3 Continued)

Primary Government, Pension and Other Employee Benefit Trust Funds, and Investment Trust Funds - The primary government does not have a policy regarding foreign currency risk; however, the State Treasurer's office does not have any deposits or investments in foreign currency. The PERS, LRS, JRS, and RBIF do have foreign currency policies for deposit and investments, which may be used for portfolio diversification and hedging. Highly speculative positions in currency are not permitted. LRS and JRS had no exposure to foreign currency risk as of June 30, 2015. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2015 (expressed in thousands):

	Currency by Investment and Fair Value			
	Equity	Pending Transactions	Cash	Total
Australian Dollar	$ 455,632	$ -	$ 901	$ 456,533
British Pound Sterling	1,349,356	3,300	3,529	1,356,185
Danish Krone	110,741	-	-	110,741
Euro	2,009,787	(800)	1,120	2,010,107
Hong Kong Dollar	217,038	-	3,406	220,444
Israeli Shekel	39,969	-	202	40,171
Japanese Yen	1,524,287	(6,600)	7,833	1,525,520
Norwegian Krone	8,367	100	101	8,568
Polish Zloty	42,694	-	400	43,094
Singapore Dollar	93,519	-	1,904	95,423
Swedish Krona	195,699	-	10	195,709
Swiss Franc	614,226	-	100	614,326
Total	$ 6,661,315	$ (4,000)	$ 19,506	$ 6,676,821

Private Purpose Trust Fund - The Nevada College Savings Plan, a private purpose trust, currently has no formal investment policy with regard to foreign currency risk for the investments. The Plan consists of Vanguard College Savings Plan, USAA College Savings Plan, Upromise College Fund Plan, and Putnam for America Plan which all state that there are certain inherent risks involved when investing in international securities through mutual funds that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments, natural disasters and possible prevention or delay of currency exchange due to foreign governmental laws or restrictions. The investments held in Putnam for America Plan consist of the portfolios managed and sponsored by Putnam Investment Management, Putnam Mutual Funds, and non-Putnam Mutual Funds. Both mutual funds pose no foreign currency risk. The following table summarizes foreign currency risk for the GAA portfolios in U.S. dollars as of June 30, 2015 (expressed in thousands):

	Currency at Fair Value
British Pound	$ 1
Japenese Yen	4
Taiwan Dollar	9
Swedish Krona	4
Swiss Franc	2
Total	$ 20

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has $210,058,000 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2015.

C. Securities Lending

Primary Government and Investment Trust Funds - NRS 355.135 authorizes the State Treasurer to lend securities from the investment portfolio of the State if collateral received from the borrower is at least 102% of market value of the underlying securities and the value of the securities borrowed is determined on a daily basis. There were no securities on loan at June 30, 2015 (excluding PERS).

Public Employees' Retirement System (PERS) – The system also maintains a securities lending program under the authority of the "prudent person" standard of NRS 286.682. Securities loaned under this program consist of U.S. Treasury Obligations, corporate fixed income securities, international fixed income securities, equity securities, and international equity securities. Collateral received consists of cash and securities issued by the U.S. Government, its agencies or instrumentalities. Collateral received for the lending of U.S. securities must equal at least 102% of market value, plus accrued interest in the case of fixed income securities. Collateral received for the lending of international securities must equal at least 105% of market value, plus accrued interest in the case of fixed income securities.

(Note 3 Continued)

At year-end, PERS has no credit risk exposure to borrowers because the associated value of the collateral held exceeds the value of the securities borrowed. PERS has no discretionary authority to sell or pledge collateral received or securities loaned. The contract with the securities lending agent requires the agent to indemnify PERS for all losses relating to securities lending transactions. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

PERS may only loan up to 33 1/3% of its total portfolio. Either PERS or the borrower can terminate all securities loans on demand. In September 2013 the Board elected to allow only overnight repurchase agreements collateralized by U.S. government obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities within the reinvestment portfolio. This action effectively eliminated risk in securities lending collateral reinvestment portfolio since securities issued or guaranteed by the U.S. government are considered to be free of credit risk. The maturities of the investments made with cash collateral generally do not match the maturities of the securities loaned because securities lending transactions can be terminated at will.

The fair value of underlying securities on loan at June 30, 2015 is $4,990,788,913. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of $373,833,323 and non-cash in the amount of $4,736,221,920. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2015, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the market value of investments held by brokers/dealers under a securities lending agreement.

D. Derivatives

Primary Government – The Office of the State Treasurer's investment policies do not contain any specific language regarding derivatives other than prohibiting certain types of derivatives such as option contracts, futures contracts, and swaps in the General Portfolios and the Local Government Investment Pool effective June 2012 and September 2011 respectively. The primary government has no exposure to derivatives as of June 30, 2015.

Other Employee Benefit Trust Funds and Investment Trust Funds – The RBIF has exposure to derivatives as of June 30, 2015. Furthermore, the State Retirees' Health and Welfare Benefits Fund, an other employee benefit trust fund, has investments held with the RBIF. Foreign exchange forward contracts are periodically employed by the RBIF to hedge currency risk of investments in foreign currencies. No other derivatives are permitted within these portfolios. Generally, derivatives are subject to both market risk and counterparty risk. The derivatives utilized typically have no greater market risk than their physical counterparts and, in many cases, are offset by exposures elsewhere in the portfolios. Counterparty risk, the risk that the "other party" to a contract will default, is managed by careful screening of counterparties. Derivative securities are priced and accounted for at fair value. Foreign exchange forward contracts are valued at the price at which the transaction could be settled by offsets in the forward markets. The RBIF's derivative transactions for fiscal year 2015 are summarized in the following table (expressed in thousands):

	Foreign Exchange Contracts				
	Purchases	Realized Gain (Loss)	Sells	Realized Gain (Loss)	Total Realized Gain (Loss)
Australian Dollar	$ 926	$ 1	$ (72)	$ -	$ 1
British Pound Sterling	3,032	(4)	(294)	-	(4)
Danish Krone	256	(1)	(19)	-	(1)
Euro	5,312	(6)	(774)	(8)	(14)
Hong Kong Dollar	348	-	(21)	-	-
Israeli Shekel	93	-	(10)	-	-
Japanese Yen	3,053	(15)	(118)	-	(15)
New Zealand Dollar	18	-	-	-	-
Norwegian Krone	75	-	(12)	-	-
Singapore Dollar	191	(1)	(52)	-	(1)
Swedish Krona	400	(3)	(11)	-	(3)
Swiss Franc	1,458	(9)	(153)	-	(9)
Total	$ 15,162	$ (38)	$ (1,536)	$ (8)	$ (46)

(Note 3 Continued)

Private Purpose Trust Fund – Certain investments in the Nevada College Savings Plan are managed by Putnam Investment Management through Putnam sponsored portfolios (the Portfolios) and mutual funds. The Portfolios use five types of derivatives: futures contracts, forward currency contracts, total return swap contracts, interest rate swap contracts, and credit default contracts. Currently, there is no written investment policy with regard to derivatives for the Portfolios. All five types of derivatives are considered investments. The fair value amount in the table below represents the unrealized appreciation (depreciation) from derivative instruments and is reported in the Statement of Fiduciary Net Position. The net increase (decrease) in fair value is reported as investment income on the Statement of Changes in Fiduciary Net Position. The Portfolios' investment derivative instruments as of June 30, 2015, and changes in fair value for the year then ended are summarized in the following table (expressed in thousands):

	Contracts/ Notional Amounts	Fair Value	Change in Fair Value
Forward Currency Contracts, net	$ 41,086	$ (65)	$ 116
CC Interest Rate Swap Contracts, gross	$ 7,151	13	(15)
OTC Total Return Swap Contracts, gross	$ 16,464	(27)	(21)
OTC Credit Default Contracts, gross	$ 1,700	14	(19)
CC Credit Default Contracts, gross	$ 8,285	(67)	(315)
Futures Contracts, gross	100	82	51
Total		$ (50)	$ (203)

The Portfolios use futures contracts to manage interest rate risk, gain exposure to interest rates, manage prepayment risk, equitize cash, and manage exposure to market risk. The potential risk is that the change in value of futures contracts may not correspond to the change in value of the managed instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly, or if the counterparty to the contract is unable to perform. Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. Risks may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

The Portfolios buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to manage foreign exchange risk and to gain exposure on currency. The contract is marked to market daily using current forward currency exchange rates supplied by a quotation service. The Portfolios may be exposed to risk if the value of currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the Portfolios are unable to enter into a closing position. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC total return swap contracts, which are arrangements to exchange a market linked return for a periodic payment, both based on a notional principal amount, to manage sector exposure, manage exposure to specific sectors or industries, manage exposure to specific securities, to gain exposure to basket of securities, to gain exposure to specific markets or countries. To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Portfolios will receive a payment from or make a payment to the counterparty. OTC total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The Portfolios' maximum risk of loss from counterparty risk is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Portfolios and the counterparty. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared interest rate swap contracts to manage interest rate risk and to gain exposure on interest. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. The Portfolios could be exposed to credit or market

(Note 3 Continued)

risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position.

The Portfolios entered into OTC and/or centrally cleared credit default contracts to manage credit risk and market risk, and gain exposure on individual names and/or baskets of securities. In an OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. In addition to bearing the risk that the credit event will occur, the Portfolios could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that it may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Portfolios may enter into offsetting OTC and centrally cleared credit default contracts which could mitigate their risk of loss. Risk of loss may exceed amounts recognized on the Statement of Fiduciary Net Position. The Portfolios' maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the Portfolios and the counterparty and for centrally cleared credit default contracts through the daily exchange of the variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the Portfolios are a seller of protection, the maximum potential amount of future payments it may be required to make is equal to the notional amount.

Derivative instruments held by the Portfolios were not individually rated by a ratings agency for the reporting period. As of June 30, 2015, OTC derivative counterparties had ratings that were either greater than or equivalent to long-term ratings of Baa1/BBB and short-term ratings of P-2/A-2. Centrally cleared contracts are not considered brokered contracts and have mitigated risks. With futures, there is minimal counterparty credit risk to the Portfolios since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default.

Derivative instruments are subject to interest rate risk. Prices of longer term maturities generally change more in response to interest rate changes than the prices of shorter term maturities. The following table provides information about the interest rate risks associated with the types of investment derivative instruments as of June 30, 2015 (expressed in thousands):

	Maturities in Years				
	Less than 1	**1-5**	**6-10**	**Greater than 10**	**Total**
Forward Currency Contracts	$ (65)	$ -	$ -	$ -	$ (65)
CC Interest Rate Swap Contracts	-	10	4	(1)	13
OTC Total Return Swap Contracts	(27)	-	-	-	(27)
OTC Credit Default Contracts	-	-	-	14	14
CC Credit Default Contracts	-	(67)	-	-	(67)
Futures Contracts	82	-	-	-	82
Total	$ (10)	$ (57)	$ 4	$ 13	$ (50)

(Note 3 Continued)

Forward currency contracts are subject to foreign currency risk. The following table provides information about the forward currency contracts as of June 30, 2015 (expressed in thousands):

	Fair Value
Australian Dollar	$ (35)
Brazilian Real	1
British Pound	32
Canadian Dollar	(85)
Chilean Peso	(3)
Euro	(2)
Hungarian Forint	(2)
Indian Rupee	2
Israeli Shekel	(3)
Japanese Yen	17
Mexican Peso	(24)
New Zealand Dollar	46
Norwegian Krone	(5)
Philippines Peso	(2)
Polish Zloty	3
Singapore Dollar	7
Swedish Krona	(11)
Swiss Franc	(1)
Total	$ (65)

The audited financial statements of Putnam 529 for America may be obtained from Putnam Investment Management, One Post Office Square, Boston, MA 02109.

Note 4 - Receivables

Receivable balances are disaggregated by type and presented separately in the financial statements. Significant receivable balances not expected to be collected within one year and not already classified in the fund financials are presented below (expressed in thousands):

	Major Funds		
	General	Permanent School Fund	Total
As shown on financial statements:			
Intergovernmental receivables	$ 428,838	$ 2,647	$ 431,485
Notes/loans receivable	18,214	-	18,214
Due from Component Unit	320	20,496	20,816
Total	$ 447,372	$ 23,143	$ 470,515
Classified:			
Current portion	$ 421,245	$ 2,647	$ 423,892
Noncurrent portion:			
Intergovernmental receivables	8,963	-	8,963
Notes/loans receivable	17,164	-	17,164
Due from Component Unit	-	20,496	20,496
Total noncurrent portion	26,127	20,496	46,623
Total	$ 447,372	$ 23,143	$ 470,515

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at $31.9 million, and uncollectible accounts receivable are estimated at $103.5 million. The proprietary funds have $31.9 million in uncollectible accounts receivable of which $9.0 million are from uninsured employers' fines and penalties, and $11.0 million are from unemployment contributions and benefit overpayments.

Note 5 - Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2015, follows (expressed in thousands):

	Advances From		
	General	Nonmajor Governmental	Total
Advances To			
Nonmajor enterprise	$ 227	$ -	$ 227
Internal service	2,571	753	3,324
Total other funds	$ 2,798	$ 753	$ 3,551

Interfund advances are the portions of interfund balances that are *not* expected to be repaid within one year. The interfund balances that are expected to be repaid within one year are shown in the Due From/Due To summary below.

Advances are generally made to finance capital expenditures or as a loan for operating purposes.

B. Due From/Due To Other Funds and Component Units

A summary of due from and due to other funds and component units at June 30, 2015, is shown below (expressed in thousands):

	Due To					
	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
Due From						
Major Governmental Funds:						
General	$ -	$ 2,546	$ 1	$ 42	$ 16,262	$ 18,851
State Highway	5,363	-	-	-	211	5,574
Municipal Bond Bank	4	-	-	-	-	4
Permanent School Fund	1,284	-	-	-	-	1,284
Nonmajor governmental	12,911	2,782	-	-	7,227	22,920
Total Governmental	19,562	5,328	1	42	23,700	48,633
Major Enterprise Funds:						
Housing Division	-	-	-	-	-	-
Unemployment Comp	-	-	-	-	1,651	1,651
Water Projects Loans	209	-	-	-	-	209
Higher Ed Tuition Trust	55	-	-	-	-	55
Nonmajor enterprise	1,751	6	-	-	-	1,757
Total Enterprise	2,015	6	-	-	1,651	3,672
Internal Service	744	152	-	-	151	1,047
Total other funds	$ 22,321	$ 5,486	$ 1	$ 42	$ 25,502	$ 53,352
Fiduciary	$ 363	$ -	$ -	$ -	$ 1,016	$ 1,379
Component Units:						
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ -
Nevada System of Higher Education	320	-	-	-	-	320
Nevada Capital Investment Corporation	-	-	-	20,496	-	20,496
Total Component Units	$ 320	$ -	$ -	$ 20,496	$ -	$ 20,816

(Note 5 Continued)

	Due To								
	Major Enterprise Funds								
Due From	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Ed Tuition Trust	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Major Governmental Funds:									
General	$ 92	$ -	$ 294	$ 12	$ 1,123	$ 1,521	$ 8,626	$ 28,998	$ 532,098
State Highway	-	-	-	-	-	-	1,489	7,063	1,650
Municipal Bond Bank	-	-	-	-	-	-	-	4	-
Permanent School Fund	-	-	-	-	-	-	-	1,284	-
Nonmajor governmental	-	1,771	-	-	6	1,777	329	25,026	19
Total Governmental	92	1,771	294	12	1,129	3,298	10,444	62,375	533,767
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	10	10	-
Unemployment Comp	-	-	-	-	-	-	-	1,651	-
Water Projects Loans	-	-	-	-	-	-	1	210	17
Higher Ed Tuition Trust	-	-	-	-	-	-	4	59	-
Nonmajor enterprise	-	-	-	-	-	-	140	1,897	57
Total Enterprise	-	-	-	-	-	-	155	3,827	74
Internal Service	-	-	-	-	-	-	277	1,324	14
Total other funds	$ 92	$ 1,771	$ 294	$ 12	$ 1,129	$ 3,298	$ 10,876	$ 67,526	$ 533,855
Fiduciary	$ -	$ -	$ -	$ -	$ 10	$ 10	$ 2,893	$ 4,282	$ 32,627
Component Units:									
Colorado River Commission	$ -	$ -	$ -	$ -	$ -	$ -	$ 2	$ 2	$ -
Nevada System of Higher Education	-	-	-	-	-	-	28	348	3,751
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	20,496	-
Total Component Units	$ -	$ -	$ -	$ -	$ -	$ -	$ 30	$ 20,846	$ 3,751

	Due To		
	Component Units		
Due From	Colorado River Commission	Nevada System of Higher Education	Total Component Units
Major Governmental Funds:			
General	$ 53	$ 9,348	$ 9,401
State Highway	-	1,532	1,532
Nonmajor governmental	-	17,471	17,471
Total Governmental Funds	53	28,351	28,404
Major Enterprise Fund:			
Higher Ed Tuition Trust	-	3	3
Total Enterprise	-	3	3
Internal Service	-	18	18
Total	$ 53	$ 28,372	$ 28,425

The balances result primarily from timing differences between the date goods and services are provided or reimbursable expenses occur, and the date the transactions are recorded in the accounting system and payment is made.

(Note 5 Continued)

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2015, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds					
Transfers In/From	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental	Total Governmental
Major Governmental Funds:						
General	$ -	$ 8,022	$ 4	$ 1,351	$ 54,244	$ 63,621
State Highway	1,021	-	-	-	2,766	3,787
Nonmajor governmental	16,808	4,465	38,611	-	16,100	75,984
Total Governmental	17,829	12,487	38,615	1,351	73,110	143,392
Major Enterprise Funds:						
Housing	157	-	-	-	-	157
Unemployment Comp	-	-	-	-	161,608	161,608
Higher Ed Tuition Trust	2,323	-	-	-	-	2,323
Nonmajor enterprise	-	-	-	-	1	1
Total Enterprise	2,480	-	-	-	161,609	164,089
Internal Service	1,252	487	-	-	-	1,739
Total other funds	$ 21,561	$ 12,974	$ 38,615	$ 1,351	$ 234,719	$ 309,220

	Transfers Out/To					
	Major Enterprise Fund					
Transfers In/From	Unemployment Compensation	Water Projects Loans	Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds
Major Governmental Funds:						
General	$ -	$ 1,108	$ 12,305	$ 13,413	$ 19	$ 77,053
State Highway	-	-	-	-	22	3,809
Nonmajor governmental	3,576	-	-	3,576	50	79,610
Total Governmental	3,576	1,108	12,305	16,989	91	160,472
Major Enterprise Funds:						
Housing	-	-	-	-	-	157
Unemployment Comp	-	-	-	-	-	161,608
Higher Ed Tuition Trust	-	-	-	-	-	2,323
Nonmajor enterprise	-	-	14	14	-	15
Total Enterprise	-	-	14	14	-	164,103
Internal Service	-	-	-	-	-	1,739
Total other funds	$ 3,576	$ 1,108	$ 12,319	$ 17,003	$ 91	$ 326,314

The general purpose for transfers is to move monies from funds required by statute to collect them to the funds required by statute or budget to expend them, and to move monies collected for debt service purposes to the debt service fund required to make the payment.

In addition, the Nevada Legislature approved appropriations for the support of the Nevada System of Higher Education (NSHE), a component unit. Net payments to NSHE of $487 million are reported as Education-higher education expenses/expenditures in the Statement of Activities and in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. A corresponding amount is reported as general revenue of NSHE in the Statement of Activities.

Note 6 - Restricted Assets

Various debt service, operation and maintenance, capital improvement and construction (acquisition) funding requirements of bond covenants, and trust indentures are recorded as restricted assets on the Statement of Net Position. The components of restricted assets at June 30, 2015 are as follows (expressed in thousands):

	Primary Government Business-Type Activities	Component Units
Restricted:		
Cash	$ -	$ 148,249
Investments	104,024	45,559
Total	$ 104,024	$ 193,808
Restricted for:		
Debt service	$ 104,024	$ 4,039
Construction	-	138,868
Other purposes	-	50,901
Total	$ 104,024	$ 193,808

Note 7 - Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2015, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 150,606	$ 105	$ -	$ 150,711
Construction in progress	186,824	52,842	(40,291)	199,375
Infrastructure	3,808,689	156,531	-	3,965,220
Rights-of-way	620,528	22,343	(29)	642,842
Total capital assets, not being depreciated	4,766,647	231,821	(40,320)	4,958,148
Capital assets, being depreciated/amortized				
Buildings	1,663,982	35,718	-	1,699,700
Improvements other than buildings	123,781	4,467	-	128,248
Furniture and equipment	399,887	25,771	(18,718)	406,940
Software costs	183,384	732	(115)	184,001
Total capital assets, being depreciated/amortized	2,371,034	66,688	(18,833)	2,418,889
Less accumulated depreciation/amortization for:				
Buildings	(547,313)	(43,521)	-	(590,834)
Improvements other than buildings	(81,781)	(3,866)	-	(85,647)
Furniture and equipment	(331,487)	(22,919)	16,141	(338,265)
Software costs	(156,607)	(4,924)	80	(161,451)
Total accumulated depreciation/amortization	(1,117,188)	(75,230)	16,221	(1,176,197)
Total capital assets, being depreciated/amortized, net	1,253,846	(8,542)	(2,612)	1,242,692
Governmental activities capital assets, net	$ 6,020,493	$ 223,279	$ (42,932)	$ 6,200,840
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 568	$ -	$ -	$ 568
Construction in progress	10,283	420	-	10,703
Total capital assets, not being depreciated	10,851	420	-	11,271
Capital assets, being depreciated				
Buildings	3,389	-	-	3,389
Improvements other than buildings	631	-	-	631
Furniture and equipment	6,288	145	(529)	5,904
Total capital assets, being depreciated	10,308	145	(529)	9,924
Less accumulated depreciation for:				
Buildings	(2,827)	(103)	-	(2,930)
Improvements other than buildings	(572)	-	-	(572)
Furniture and equipment	(5,439)	(266)	529	(5,176)
Total accumulated depreciation	(8,838)	(369)	529	(8,678)
Total capital assets, being depreciated, net	1,470	(224)	-	1,246
Business-type activities capital assets, net	$ 12,321	$ 196	$ -	$ 12,517

(Note 7 Continued)

Included in the table above are three Department of Correction facilities that have been closed and are idle, with a carrying value of $12.2 million.

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental activities:		
General government	$	4,021
Education, support services		833
Health, social services		11,108
Law, justice, public safety		33,196
Recreation, resource development		5,693
Transportation		10,036
Regulation of business		2,554
Unallocated		2,137
Depreciation and amortization on capital assets held by the State's internal service funds is charged to the various functions based on their use of the assets		5,652
Total depreciation/amortization expense - governmental activities	$	75,230
Business-type activities:		
Enterprise	$	369
Total depreciation expense - business-type activities	$	369

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2015, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Capital assets, not being depreciated				
Construction in progress	$ 52,612	$ 148,371	$ (28,265)	$ 172,718
Land	83,953	17,188	-	101,141
Collections	12,967	216	(2)	13,181
Total capital assets, not being depreciated	149,532	165,775	(28,267)	287,040
Capital assets, being depreciated				
Buildings	2,362,648	30,554	(1,490)	2,391,712
Land and improvements	119,488	12,628	(3,147)	128,969
Machinery and equipment	346,789	24,420	(12,340)	358,869
Intangibles	42,851	1,359	(138)	44,072
Library books and media	118,996	2,299	(685)	120,610
Total capital assets, being depreciated	2,990,772	71,260	(17,800)	3,044,232
Less accumulated depreciation for:				
Buildings	(757,849)	(58,265)	9	(816,105)
Land and improvements	(93,589)	(4,220)	1,325	(96,484)
Machinery and equipment	(250,732)	(25,165)	13,815	(262,082)
Intangibles	(19,526)	(4,195)	264	(23,457)
Library books and media	(112,300)	(3,065)	824	(114,541)
Total accumulated depreciation	(1,233,996)	(94,910)	16,237	(1,312,669)
Total capital assets, being depreciated, net	1,756,776	(23,650)	(1,563)	1,731,563
Nevada System of Higher Education activity capital assets, net	$ 1,906,308	$ 142,125	$ (29,830)	$ 2,018,603

Note 8 - Capital Lease Receivable

The State, as lessor, entered into a lease purchase agreement in fiscal year 2014 with the Nevada System of Higher Education (NSHE), a discretely presented component unit, as lessee. The agreement is to finance a building construction project at the Nevada State College. Construction is scheduled for completion in fiscal year 2016, and at the end of the lease, title to the buildings transfers to NSHE. As discussed in Note 9G, the construction is being financed by Lease Revenue Certificates of Participation Series 2013. Proceeds from the certificates of participation are used to pay the capitalized interest during the construction period, and NSHE will begin making capital lease principal and interest payments starting in fiscal year 2016.

For the fiscal year ended June 30, 2015, a capital lease receivable has been recorded by the primary government in the amount of $43,398,670, which represents the certificate of participation proceeds remitted to NSHE for construction of the buildings. Upon completion of the buildings in fiscal year 2016, the full amount of the minimum lease payments receivable will be recorded.

Note 9 - Long-Term Obligations

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2015 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 1,703,840	$ 291,605	$ (387,515)	$ 1,607,930	$ 272,915
Special obligation bonds	527,450	-	(41,310)	486,140	45,600
Subtotal	2,231,290	291,605	(428,825)	2,094,070	318,515
Issuance premiums (discounts)	146,792	54,686	(24,753)	176,725	18,522
Total bonds payable	2,378,082	346,291	(453,578)	2,270,795	337,037
Certificates of participation	94,455	-	(2,520)	91,935	2,710
Issuance premiums (discounts)	2,956		(236)	2,720	236
Total certificates of participation	97,411	-	(2,756)	94,655	2,946
Other Governmental long-term activities:					
Obligations under capital leases	25,094	-	(2,268)	22,826	2,649
Compensated absences obligations	97,126	78,104	(76,199)	99,031	61,674
Total other governmental long-term activities	122,220	78,104	(78,467)	121,857	64,323
Governmental activities long-term obligations	$ 2,597,713	$ 424,395	$ (534,801)	$ 2,487,307	$ 404,306
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 83,025	$ 1,020	$ (10,675)	$ 73,370	$ 10,590
Special obligation bonds	1,156,634	71,559	(219,335)	1,008,858	150,271
Subtotal	1,239,659	72,579	(230,010)	1,082,228	160,861
Issuance premiums (discounts)	55,914	663	(13,886)	42,691	13,711
Total bonds payable	1,295,573	73,242	(243,896)	1,124,919	174,572
Compensated absences obligations	2,001	1,553	(1,546)	2,008	1,255
Arbitrage rebate liability	571	390	-	961	-
Tuition benefits payable	185,153	23,161	(8,923)	199,391	17,710
Business-type activities long-term obligations	$ 1,483,298	$ 98,346	$ (254,365)	$ 1,327,279	$ 193,537

The General Fund and special revenue funds typically liquidate the capital lease obligations. The compensated absence obligations are typically liquidated by the General Fund and State Highway Fund incurring the related salaries and wages costs. The debt service funds typically liquidate the arbitrage obligations.

B. Bonds Payable

The State issues general obligation bonds for the acquisition, construction and improvement of major capital facilities; buying local governments' bonds in the municipal bond bank fund; loans to municipalities for water projects; protection of natural resources; cultural affairs projects; the construction, reconstruction, improvement and maintenance of highways; and for refunding purposes. General obligation bonds are direct obligations and pledge the full faith and credit of the State.

Special obligation highway improvement revenue bonds provide funds for property acquisition and construction of highway projects. Special obligation unemployment compensation bonds are to repay the Federal Unemployment Advance as benefits paid significantly exceeded employer assessment during the national economic downturn. Special obligation housing bonds in the aggregate have a debt limit of $5 billion and are used for housing loans or to purchase mortgage loans having both fixed and variable interest rates. Special obligation bonds are payable solely from gross pledged revenues and are not general obligations of the State.

(Note 9 Continued)

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2015 are comprised of the following (expressed in thousands):

	Interest Rates	Original Amount	Principal Outstanding
Governmental activities:			
General obligation bonds:			
Subject to Constitutional Debt Limitation	.25-7.0%	$ 1,616,210	$ 1,123,490
Exempt from Constitutional Debt Limitation	2.0-6.0%	740,940	484,440
Special obligation bonds:			
Exempt from Constitutional Debt Limitation- Highway Improvement Revenue Bonds	2.5-5.0%	797,900	486,140
Subtotal		3,155,050	2,094,070
Issuance premiums (discounts)		273,009	176,725
Governmental activities bonds payable		3,428,059	2,270,795
Business-type activities:			
General obligation bonds:			
Exempt from Constitutional Debt Limitation	1.75-5.1%	103,755	73,370
Special obligation bonds:			
Unemployment Compensation Bonds	2.0-5.0%	548,900	410,310
Housing Bonds	*.20-6.95%	815,870	598,548
Subtotal		1,468,525	1,082,228
Issuance premiums (discounts)		67,435	42,691
Business-type activities bonds payable		1,535,960	1,124,919
Total bonds payable		$ 4,964,019	$ 3,395,714

*Many Housing bonds have variable rates of interest. The tax exempt bonds track the SIFMA Index while the federally taxable debt tracks the one-month LIBOR Index.

Debt service requirements (principal and interest) for all long-term bonds and notes outstanding at June 30, 2015, of the primary government are summarized in the table following (expressed in thousands):

Year Ending	Governmental Activities		Business-Type Activities	
June 30	Principal	Interest	Principal	Interest
2016	$ 318,515	$ 87,526	$ 160,861	$ 35,851
2017	157,920	81,012	179,224	28,867
2018	166,800	75,681	145,852	20,413
2019	156,065	65,697	18,883	15,110
2020	164,460	59,584	18,798	61,381
2021-2025	749,915	180,142	92,267	60,401
2026-2030	346,620	31,258	97,963	42,813
2031-2035	33,035	1,940	144,556	28,997
2036-2040	740	12	157,930	14,160
2041-2045	-	-	55,752	3,830
2046-2050	-	-	10,142	566
Total	$ 2,094,070	$ 582,852	$ 1,082,228	$ 312,389

C. Constitutional Debt Limitations

Section 3, Article 9, of the State Constitution (as amended) limits the aggregate principal amount of the State's public debt to two percent (2%) of the assessed valuation of the State. Exempt from this limitation are debts authorized by the Legislature that are incurred for the protection and preservation of, or for obtaining the benefits of, any property or natural resources within the State. At June 30, 2015, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	$ 2,028,293
Less : Bonds and leases payable as of June 30, 2015, subject to limitation	(1,127,220)
Remaining debt capacity	$ 901,073

(Note 9 Continued)

D. Nevada Municipal Bond Bank

General obligation bonds have been issued through the Nevada Municipal Bond Bank, a special revenue fund, as authorized by NRS 350A. These bonds are subject to statutory limitation of $1.8 billion and are exempt from the Constitutional Debt Limitation. Proceeds from the bonds are used to purchase validly issued general obligation bonds of the State's local governments to finance projects related to natural resources. The State anticipates that the debt service revenue it receives from the participating local governments will be sufficient to pay the debt service requirements of the State bonds as they become due. Fourteen projects were funded through the Nevada Municipal Bond Bank as of June 30, 2015, and total investments in local governments amounted to $227,845,000.

E. Refunded Debt and Redemptions

During the fiscal year 2015, the State of Nevada refunded $234,455,000 in general obligation, limited tax, bonds related to capital improvement and cultural affairs, and natural resources by issuing refunding bonds with a total par amount of $214,290,000 at a $46,243,124 premium. Proceeds from refunding bonds were used to refund certain outstanding State general obligation bonds to realize debt service savings. The refunding decreased the aggregate debt service payments by $30,503,586 with an economic or present value gain of $25,080,713. The reacquisition price exceeded the carrying amount of the old debt causing a deferred accounting loss of $21,663,779. This amount is being reported as a deferred outflow of resources and amortized as an adjustment to interest expense over the life of the refunded debt or the refunding debt, whichever is shorter. The impact of the refunding issues is presented in the following table (expressed in thousands):

Issue Description:	Refunding Amount	Refunded Amount	Cash Flow Gain (Loss)	Present Value Gain
General obligation bonds:				
Capital Improvement and Cultural Affairs Refunding Bonds Series 2015B	$ 239,133	$ 212,725	$ 26,998	$ 22,503
Natural Resources Refunding Bonds Series 2015C	23,795	21,730	3,506	2,578
Total	$ 262,928	$ 234,455	$ 30,504	$ 25,081

In current and prior years, the State defeased certain general obligations and other bonds by placing the proceeds of new bonds and other monies in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. The total outstanding amount of defeased issues at June 30, 2015 is $507,165,068.

F. Capital Leases

The State has entered into various agreements for the lease of equipment and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2015, include equipment with a historical cost of $3,133,420 with accumulated depreciation of $1,528,165 and building improvements of $27,810,128 with accumulated depreciation of $5,149,544.

For all capital leases of the primary government, the gross minimum lease payments and the present value of the net minimum lease payments as of June 30, 2015 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2016	$ 3,625
2017	3,693
2018	3,157
2019	3,241
2020	3,069
2021-2025	10,955
Total minimum lease payments	27,740
Less: amount representing interest	(4,914)
Obligations under capital leases	$ 22,826

(Note 9 Continued)

G. Certificates of Participation

In fiscal year 2010, the NRPC, a blended component unit, issued $7,900,000 of General Obligation Certificates of Participation series 2009 at 5.0-5.125% interest to prepay the remaining outstanding balance of the 1999 issue of the Nevada Real Property Corporation. The original 1999 issue of $15,000,000 was to finance the acquisition, construction, installation and equipping of a secured juvenile treatment facility. The 2009 issue is a direct general obligation of the State to which the full faith and credit of the State is pledged. The State is required to make payments from general (ad valorem) taxes in the Consolidated Bond Interest and Redemption debt service fund that approximate the interest and principal payments made by trustees to certificate holders.

In fiscal year 2014, the NRPC issued $35,785,000 of Lease Revenue Refunding Certificates of Participation Series 2013 at 3.0-5.0% interest to refund the outstanding balances of Lease Revenue Certificates of Participation Series 2004 and 2004B, which were to finance the acquisition and construction of the State's Capitol Complex Building 1 and Casa Grande Projects respectively.

In fiscal year 2014, the NRPC issued $50,445,000 of new Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest to finance the State's Nevada State College Project. The Project is leased to the Nevada System of Higher Education (NSHE), the State's discretely presented component unit, upon the completion of the construction (in fiscal year 2016) pursuant to a Lease Purchase Agreement. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2007, the NRPC issued $5,760,000 of Lease Revenue Certificates of Participation Series 2006 at 4.0-5.0% interest to finance the design and construction of a warehouse addition to the Legislative Counsel Bureau's existing State Printing Office building in Carson City and resurfacing of the exterior of the existing building, together with related improvements on the premises.

Under the lease revenue certificates of participation financing arrangements, the certificates are not general obligations of the State and are not backed by the faith and credit or the taxing power of the State. The State's obligation to pay base rent and make other payments to the trustee under the financing leases is subject to appropriation by the State. In the event that the State does not make a sufficient appropriation with respect to a Lease Purchase Agreement, that Lease Purchase Agreement will terminate. Currently, only the payment of principal and interest on the Series 2006 is being guaranteed by an insurance policy.

The following schedule presents future certificates of participation payments as of June 30, 2015 (expressed in thousands):

Year Ending June 30	Principal	Interest
2016	$ 2,710	$ 4,242
2017	3,845	4,132
2018	4,080	3,957
2019	2,960	3,805
2020	3,160	3,676
2021-2025	18,140	16,027
2026-2030	22,200	11,334
2031-2035	12,945	6,996
2036-2040	12,685	4,228
2041-2043	9,210	936
Total	$ 91,935	$ 59,333

H. Tuition Benefits Payable

The Higher Education Tuition Trust Fund, an enterprise fund, reports benefits payable as shown in Section A based upon the actuarial present value (APV) of the future tuition obligations and administrative expenses that will be paid in future years. The present value calculation includes the effects of projected tuition and fee increases and termination of contracts as follows (expressed in thousands):

APV of the future tuition obligation	$199,391
Net position available	252,495
Net position as a percentage of tuition benefits obligation	126.63%

The actuarial valuation used an investment yield assumption of 6.00% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2016-17	4.00%	4.00%
2017-18	4.00%	4.00%
2018-19	4.00%	4.00%
2019-20 and later	5.75%	5.50%

I. Arbitrage Rebate Requirement

The Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) must be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. In accordance with the Internal Revenue Service Regulations, arbitrage rebate liability has been calculated as of June 30, 2015, and changes for the fiscal year then ended are presented in Section A of this note.

(Note 9 Continued)

J. Conduit Debt Obligations

The State has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial facilities deemed to be in the public interest. During the 2013 session, the Nevada Legislature enacted the Charter School Financing Law, which authorizes the issuance of Charter School Bonds and other obligations to finance the acquisition, construction, improvement, maintenance or furnishing of land, buildings and facilities for Charter Schools in the State of Nevada. The above two types of bonds are secured by the properties financed and are payable solely from payments received on the underlying mortgage loans. The State is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there are seven series of Industrial Revenue Bonds and one series of Charter School Bonds outstanding, with an aggregate principal amount payable of $635,249,449.

K. Pledged Revenue

Pledged motor vehicle and special fuel tax - The State has pledged a portion of future motor vehicle fuel and special fuel tax revenues as well as federal aid for eligible projects to repay the Highway Improvement Revenue Bonds that were issued for highway construction projects and property acquisition purposes. As of June 30, 2015, the outstanding balance of Highway Improvement Revenue and Refunding bonds is $486,140,000. The total of principal and interest remaining on the bonds is $603,661,863 payable through December 2026. Upon completion of eligible projects, federal aid of $330,361,808 is expected to be received in fiscal year 2016. For the current year, principal and interest paid was $65,654,768 and total motor vehicle fuel and special fuel tax revenues were $274,838,482.

Pledged future lease rental payments – With respect to each series of Lease Revenue Certificates of Participation, the NRPC, a blended component unit, has pledged its rights, title and interest in the applicable Ground Lease and Lease Purchase Agreement to the Trustee (including the right to receive payments of base rent and other payments). As of June 30, 2015, the outstanding balance of Lease Revenue Certificates of Participation is $88,205,000. The total of principal and interest remaining on the certificates is $147,251,150 payable through June 2043. In fiscal year 2015, principal and interest of $5,523,306 was paid, which includes the interest payment of $2,432,775 paid entirely by the excess certificate proceeds during the construction period for the State's Nevada State College Project as discussed in Section G of this note and Note 8. As of June 30, 2015, $12,441,732 was held by the trustee for the benefit of the bondholders. Building rent of $3,000,000 is expected to be collected in fiscal year 2016, which, along with assets held by the trustee, will be used to pay the fiscal year 2016 debt service principal and interest of $5,614,156.

Pledged additional assessments of unemployment contributions - The State has pledged additional assessments on unemployment contributions (special bond contributions), the proceeds derived from the sale of bonds, and related investment earnings to repay $548,900,000 of Unemployment Compensation Fund Special Revenue Bonds issued on November 6, 2013. The revenue bonds were issued for the purposes of repaying the Federal Unemployment Advance that occurred during the last recession and funding a deposit to the Nevada UITF Account to avoid the need for further advances. Pursuant to NRS 612.6132, special bond contributions must be established at levels sufficient to pay debt service on the bonds. As of June 30, 2015, the outstanding balance of the bonds is $410,310,000. The total principal and interest remaining on the bonds is $446,170,075 payable through June 2018. In fiscal year 2015, principal and interest of $161,949,950 was paid. As of June 30, 2015, $47,993,921 was held by the trustee for the benefit of the bondholders. Special bond contributions of $199,746,044 are expected to be collected in fiscal year 2016, which, along with assets held by the trustee, will be used to pay the fiscal year 2016 debt service principal and interest of $150,045,950.

Pledged Nevada Housing Division program funds - The single-family bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; the rights and interest of the Housing Division in all mortgage loans purchased under the various bond certificates; revenues which primarily include mortgage repayments and the net income, if any, derived as a result of foreclosure or other action taken in the event of a default on such a mortgage loan; curtailments, consisting generally of all amounts representing monthly principal payments with respect to mortgage loans which are received in advance of the scheduled amortization thereof; and all earnings realized by the investment of monies in all funds and accounts as well as all funds and accounts created by the various bond certificates.

The multi-unit bonds are payable from, and secured by, a pledge of the proceeds derived from the sale of bonds; all earnings realized from the investment of bond proceeds; after permanent financing, all revenues received from the development including housing assistance and rental payments made by tenants, notes receivable collateralized by deeds of trust and the rights to FHA insurance, draws on bank letters of credit, private mortgage and hazard insurance and condemnation proceeds.

(Note 9 Continued)

Substantially all program fund assets are pledged in trust for the benefit of the bondholders. Nevada Housing Division issues a stand-alone financial report that includes financial statements and required supplemental information. The Report may be obtained from Nevada Housing Division, 1535 Old Hot Springs Road, Suite 50, Carson City, NV 89706.

L. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2015, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	$ 488,691	$ 103,255	$ (72,301)	$ 519,645	$ 23,425
Issuance premiums (discounts)	30,038	9,892	(4,225)	35,705	2,612
Total bonds payable	518,729	113,147	(76,526)	555,350	26,037
Obligations under capital leases	2,451	44,722	(897)	46,276	3,228
Compensated absences obligations	47,830	32,953	(30,667)	50,116	32,663
Total	$ 569,010	$ 190,822	$ (108,090)	651,742	61,928
Discretely presented component units of the NSHE:					
Compensated absences				161	-
Long-term debt				263	64
Total				$ 652,166	$ 61,992

Tuition and fees, auxiliary enterprises' revenue and certain other revenue as defined in the bond indentures secure the revenue bonds.

The following table presents annual principal and interest payments for bonds and notes payable outstanding by NSHE at June 30, 2015 (expressed in thousands):

Year Ending June 30	Principal	Interest
2016	$ 26,037	$ 23,967
2017	33,908	22,881
2018	24,460	21,811
2019	24,867	20,849
2020	26,076	19,823
2021-2025	124,227	83,004
2026-2030	111,866	57,092
2031-2035	109,756	32,047
2036-2040	53,607	10,231
2041-2045	20,546	1,819
Total	$ 555,350	$ 293,524

Future net minimum rental payments which are required under the capital leases by NSHE for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Amount
2016	$ 3,318
2017	4,130
2018	3,824
2019	3,520
2020	3,520
2021-2025	17,595
2026-2030	10,793
Total minimum lease payments	46,700
Less: amount representing interest	(424)
Obligations under capital leases	$ 46,276

(Note 9 Continued)

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2015, and the changes for the year then ended, consist of the following (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	$ 95,885	$ -	$ (51,905)	$ 43,980	$ 4,785
Issuance premiums (discounts)	2,081	-	(1,490)	591	566
Total bonds payable	97,966	-	(53,395)	44,571	5,351
Compensated absences obligations	339	191	(188)	342	205
Total	$ 98,305	$ 191	$ (53,583)	$ 44,913	$ 5,556

Scheduled maturities for bonds payable by CRC for the years ending June 30 are as follows (expressed in thousands):

Year Ending June 30	Principal	Interest
2016	$ 4,785	$ 1,690
2017	5,015	1,465
2018	5,970	1,208
2019	730	1,063
2020	740	1,050
2021-2025	3,975	4,958
2026-2030	4,655	4,258
2031-2035	5,610	3,266
2036-2040	6,580	1,960
2041-2044	5,920	516
Total	$ 43,980	$ 21,434

Note 10 - Pensions and Other Employee Benefits

The aggregate pension related amounts for the primary government consist of a net pension liability of $1,746,240,692, deferred outflows of resources of $182,221,855, deferred inflows of resources of $503,430,552 and pension expense of $221,281,891. The State's defined benefit pension plans are described in detail below.

A. Public Employees' Retirement System of Nevada

Plan Description – The Public Employees' Retirement System (PERS) was established in 1947 by the Nevada Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. PERS administers a cost-sharing multiple-employer defined benefit pension plan that covers qualified State employees and employees of participating local government entities in the State. Any government employer in the State may elect to have its regular and police/fire employees covered by PERS. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. That report may be obtained on the PERS website at www.nvpers.org.

Pension Benefits – Benefits provided to participants or their beneficiaries include retirement, disability, and survivor benefits. Benefits are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months, with special provisions for members entering the System on or after January 1, 2010. Members become fully vested as to benefits upon completion of 5 years of service. Unreduced benefits are available, depending upon when the member entered the System, as follows:

Regular Members

Before January 1, 2010	On or after January 1, 2010
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 60 with 10 years of service	Age 62 with 10 years of service
Any age with 30 years of service	Any age with 30 years of service

Police/Fire Members

Before January 1, 2010	On or after January 1, 2010
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 55 with 10 years of service	Age 60 with 10 years of service
Age 50 with 20 years of service	Age 50 with 20 years of service
Any age with 25 years of service	Any age with 30 years of service

(Note 10 Continued)

Members with the years of service necessary to receive a retirement benefit but who have not reached the age for an unreduced benefit may retire at any age with the benefit reduced by 4% (for members entering the System before January 2, 2010) or 6% (for members entering the System on or after January 1, 2010) for each full year they are under the required age.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. However, for members entering the System on or after January 1, 2010, there is only a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Retirees are eligible for annual benefit increases if they began receiving benefits at least 3 years before the effective date of the increase. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years 4, 5 and 6; increase to 3% in years 7, 8 and 9; 3.5% in years 10, 11 and 12; 4% for years 13 and 14; and 5% in year 15 and each year after. For retirees entering the System on or after January 1, 2010, increases are capped at 4% in year 13 and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Member and Employer Contributions - The authority for establishing and amending the obligation to make contributions, the contribution rates and benefit terms are provided by statute. New hires of the State of Nevada and public employers have the option of selecting either the employee/employer contribution plan or the employer-pay contribution plan. Under the employee/employer contribution plan, the employee and the employer each make matching contributions. Under the employer-pay contribution plan, the employer pays all contributions on the employee's behalf; however, the employee shares equally in the cost of the contribution rate either through salary reduction or in lieu of a promised pay increase.

PERS' basic funding policy provides for periodic contributions as a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. However, contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

Required contribution rates for employers and for active plan members, as a percentage of covered payroll, for the fiscal year ended June 30, 2015 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	25.75%	na
Employee/employer plan (matching rate)	13.25%	13.25%
Police and Fire employees:		
Employer-pay plan	40.50%	na
Employee/employer plan (matching rate)	20.75%	20.75%

State contributions recognized as part of pension expense for the current fiscal year ended June 30, 2015 were $174,711,561.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the State reported a liability of $1,730,600,809, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on the State's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2014, the State's proportion was 16.6%.

For the year ended June 30, 2015, the State recognized pension expense of $218,066,621. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (82,819)
Net difference between projected and actual earnings on pension plan investments	-	(363,497)
Changes in proportion and differences between State contributions and proportionate share of contributions	-	(48,947)
State contributions subsequent to the measurement date	176,375	-
Total	$ 176,375	$ (495,263)

(Note 10 Continued)

Deferred outflows of resources of $176,375,195 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2016	$ (116,963)
2017	(116,963)
2018	(116,964)
2019	(116,964)
2020	(16,123)
Thereafter	(11,286)

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	3.50%
Payroll growth:	5.00%, including inflation
Investment rate of return:	8.00%
Productivity pay increase:	0.75%
Projected salary increases:	Regular: 4.60% to 9.75%, depending on service
	Police/Fire: 5.25% to 14.50%, depending on service
	Rates include inflation and productivity increases
Consumer price index:	3.50%
Other assumptions:	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males) for regular members and set forward one year for police/fire members. Mortality rates for disabled members were based on the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the actuarial experience review completed in 2013.

Investment Policy -The PERS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2014, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic fixed income	30%	0.25%
Private markets	10%	6.80%

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the State's proportionate share of the net pension liability at June 30, 2014 calculated using the discount rate of 8%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
Net pension liability	$ 2,691,274	$ 1,730,601	$ 932,037

Pension Plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS' report.

Payables to the pension plan – At June 30, 2015, the State reported payables to the defined benefit pension plan of

(Note 10 Continued)

$13,391,837 for legally required employer contributions which had been withheld from employee wages but not yet remitted to PERS.

B. Legislators' Retirement System of Nevada

Plan Description – The Legislators' Retirement System (LRS) is a single-employer defined benefit pension plan established in 1967 by the Nevada Legislature (NRS 218C) and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. All State Legislators are members. LRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. LRS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

Employee membership data related to the LRS pension plan, as of June 30, 2014:

Retirees and beneficiaries currently receiving benefits	79
Inactive vested members	11
Inactive non-vested members	21
Active members	40
Total	151

Pension Benefits – Benefits are determined by the number of years of accredited service at the time of retirement. Service years include the entire election term whether or not the Legislature is in session. Benefits payments to which participants may be entitled under the plan include pension and survivor benefits. Monthly benefit allowances are $25 for each year of service up to 30 years.

If a Legislator is newly elected after July 1, 1985, they must have at least 10 years of service, be age 60, and no longer be a Legislator in order to retire without benefit reduction. If a Legislator is no longer serving and has at least 10 years of service but is under the age of 60, they can elect to wait to receive their benefit until the age of 60 or begin receiving a reduced benefit prior to the age of 60. The minimum requirement for an unreduced benefit for a Legislator elected prior to July 1, 1985, is 8 years of accredited service at age 60.

Members are eligible for benefit increases based on their effective date of membership. For members with an effective date of membership before January 1, 2010, the lesser of: (a) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or (b) the average percentage increase in the Consumer Price Index (or other Board approved index) for the three preceding years. In any event, a member's benefit must be increased by the percentages in (a) if it has not been increased at a rate greater than or equal to the average of the Consumer Price Index (CPI) (All items) (or other Board approved index) for the period between retirement and the date of increase. For members with an effective date of membership on or after January 1, 2010, same as above, except the increases in paragraph (a) do not exceed 4% per year. For future retirees, those hired prior to 2010 are assumed to reach the cap after 24 years of retirement. Those hired in 2010 or later are assumed to reach the cap after 39 years of retirement. Underlying all of these assumptions is that CPI will grow over time at a rate of 3.5% per year.

Member and Employer Contributions - The Legislator contribution of 15% of compensation is paid by the Legislator only when the Legislature is in session, as required by statute. The Legislature holds sessions every two years. Prior to 1985, the employee contributions were matched by the employer. The 1985 Legislators' Retirement Act includes NRS 218C.390(2) which states, "The Director of the Legislative Counsel Bureau shall pay to the Board from the Legislative Fund an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay all benefits for which the System will be liable." The Legislature appropriated $426,702 for fiscal years 2013 and 2014, which is the required State contribution as determined by the actuary. This amount was paid by the State of Nevada to the Legislative fund during fiscal 2013, of which $213,351 (half) was recognized as employer contributions in the fiscal year 2013, and the other half recognized as employer contributions in fiscal year 2014.

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2015 were $213,351.

LRS' basic funding policy provides for contributions by the State based on a biennial actuarial valuation prepared per NRS 281C.390(2). The Actuarially Determined Employers' Contribution (ADEC) includes the employer's normal cost and a provision for amortizing the Unfunded Actuarial Accrued Liability (UAAL). LRS receives an actuarial valuation on a biennial basis. Effective with the January 1, 2009 valuation, the UAAL is amortized as a level dollar amount over a declining amortization period of 20 years. Any increases or decreases in the UAAL that arise in future years will be amortized over separate 20-year periods. In addition, the Actuarial Value of Assets (AVA) was limited to not less than 75% or greater than 125% of market value. The actuarial funding method used is the Entry Age Normal Cost Method.

(Note 10 Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, The State reported a liability of $658,424, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2015, the State recognized pension expense of $9,154. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ (375)
State contributions subsequent to the measurement date	312	-
Total	$ 312	$ (375)

Deferred outflows of resources of $311,710 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through LRS determined at July 1, 2013 (beginning of the measurement period ended June 30, 2014) is 1.32 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:	
2016	$ (94)
2017	(94)
2018	(94)
2019	(93)
2020	-
Thereafter	-

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2014 (expressed in thousands):

	2014
Total pension liability	
Service cost	$ 37
Interest	428
Benefit payments, including refunds	(494)
Net change in total pension liability	(29)
Total pension liability - beginning	5,560
Total pension liability - ending (a)	$ 5,531
Plan fiduciary net position	
Contributions - employer	$ 213
Contributions - employee	27
Net investment income	804
Benefit payments, including refunds	(494)
Administrative expense	(46)
Other	46
Net change in plan fiduciary net position	550
Plan fiduciary net position - beginning	4,323
Plan fiduciary net position - ending (b)	$ 4,873
Net pension liability - ending (a) - (b)	$ 658
Plan fiduciary net position as a percentage of total pension liability	88%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

(Note 10 Continued)

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	3.50%
Investment rate of return:	8.00%
Projected salary increases:	3.50%
Consumer price index:	3.50%
Other assumptions:	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the actuarial experience study for the period July 1, 2006, through June 30, 2012.

Investment Policy – The LRS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2014, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic equity	49%	5.50%
International equity	21%	5.75%
Domestic fixed income	30%	0.25%

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability calculated using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
Net pension liability	$ 1,136	$ 658	$ 249

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued LRS report.

Payables to the pension plan – At June 30, 2015, the State had no payables to the defined benefit pension plan for legally required employer contributions.

C. Judicial Retirement System of Nevada

Plan Description – The Judicial Retirement System (JRS) is an agent multiple-employer defined benefit pension plan established in 2001 by the Nevada Legislature (NRS 1A.160) and is governed by the Public Employees' Retirement Board whose seven members are appointed by the governor. The JRS was established to provide benefits in the event of retirement, disability, or death of justices of the Supreme Court, district judges, municipal court judges and justices of the peace, funded on an actuarial reserve basis. JRS issues a publicly available financial report that includes financial statements and the required supplementary information for the System. JRS' financial report may be obtained from the Public Employees' Retirement System, 693 West Nye Lane, Carson City, Nevada 89703.

(Note 10 Continued)

Employee membership data related to the JRS pension plan, as of June 30, 2014:

Retirees and beneficiaries currently receiving benefits	59
Inactive vested members	4
Active members	109
Total	172

Pension Benefits - Benefits are paid according to various options contained in pertinent statutes, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002 may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002 may select only the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by statute, are computed at 3.4091% per year of accredited service at the time of retirement, to a maximum of 75%, times the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Option 2 – Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002 may select the following benefit: Benefit payments are computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members of the System become fully vested after five years of service. A member of the System is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

Member and Employer Contributions – The JRS is an employer-paid plan and there is no contribution from active members. The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Annually, the participating employers pay to the JRS an amount on the unfunded liability which is actuarially determined to be sufficient to enable the JRS to pay all current benefits for which the JRS is liable.

JRS' basic funding policy provides for contributions by the participating employers based on an actuarial valuation prepared per Nevada Revised Statute (NRS 1A.180(1)). The amount of the annual contribution required to fund the System is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for State judges (Supreme Court justices and district judges) and 20 years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate 30-year periods for state judges and 20-year periods for non-state judges. The actuarial funding method used is the Entry Age Normal Cost Method.

The required annual actuarially determined contribution to fund the System at June 30, 2015 was $5,266,488 and the actual contribution made was $5,534,949.

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, The State reported a liability of $14,981,459 for its net pension liability for the JRS pension plan. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's net pension liability was based on an individual basis and based on the plan provisions and benefit accrual rates applicable to that individual.

For the year ended June 30, 2015, the State recognized pension expense of $3,206,116. At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (1,954)
Net difference between projected and actual earnings on pension plan investments	-	(5,839)
State contributions subsequent to the measurement date	5,535	-
Total	$ 5,535	$ (7,793)

(Note 10 Continued)

Deferred outflows of resources of $5,534,949 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all members that are provided with pensions through JRS determined at July 1, 2013 (beginning of measurement period ended June 30, 2014) is 5.22 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Year Ended June 30:		
2016	$	(1,923)
2017		(1,923)
2018		(1,923)
2019		(1,923)
2020		(101)
Thereafter		-

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2014 (expressed in thousands):

		2014
Total pension liability		
Service cost	$	3,411
Interest		8,367
Differences between expected and actual experience		(2,666)
Benefit payments, including refunds		(4,295)
Other		990
Net change in total pension liability		5,807
Total pension liability - beginning		102,823
Total pension liability - ending (a)	$	108,630
Plan fiduciary net position		
Contributions - employer	$	6,002
Net investment income		14,252
Benefit payments, including refunds		(4,295)
Administrative expense		(83)
Other		990
Net change in plan fiduciary net position		16,866
Plan fiduciary net position - beginning		75,247
Plan fiduciary net position - ending (b)	$	92,113
Net pension liability - ending (a) - (b)	$	16,517
Plan fiduciary net position as a percentage of total pension liability		85%
Covered-employee payroll (measurement as of end of fiscal year)	$	18,934
Net pension liability as a percentage of covered-employee payroll		87%

Actuarial Assumptions – The State's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	3.50%
Investment rate of return:	8.00%
Projected salary increases:	3.00% - 8.00% varies by service
Consumer price index:	3.50%
Other assumptions:	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2006, through June 30, 2012.

Investment Policy – The JRS Board evaluates and establishes the investment portfolio target asset allocations and the expected real rates of return (expected returns, net of investment expenses and inflation) for each asset class. The Board reviews these asset allocations and capital market expectations annually. The System's target asset allocations and current long-term geometric expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2014, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic equity	49%	5.50%
International equity	21%	5.75%
Domestic fixed income	30%	0.25%

(Note 10 Continued)

Discount Rate – The discount rate used to measure the total pension liability was 8% as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid at the end of the year for State and monthly for non-state agencies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the State's proportionate share of the net pension liability using the discount rate of 8%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
Net pension liability	$ 26,255	$ 14,981	$ 5,434

Pension Plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued LRS report.

Payables to the pension plan – At June 30, 2015, the State reported payables to the defined benefit pension plan of $276,087 for legally required employer contributions not yet remitted to JRS.

D. Other Postemployment Benefits

Plan Description – The State Retirees' Health and Welfare Benefits Fund, Public Employees' Benefits Program ("PEBP") of the State of Nevada ("Retirees' Fund") was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of state retirees. NRS 287.0436 established the Retirees' Fund as an irrevocable trust fund for the purpose of providing retirement benefits other than pensions. The Retirees' Fund is a multiple-employer cost-sharing defined postemployment benefit plan administered by the Board of the Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State of Nevada. NAC 287.530 establishes the benefit upon the retiree. All Nevada public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retirees' Fund as a trust fund. The Retirees' Fund financial report may be obtained from Public Employees' Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Summary of Significant Accounting Policies - The financial statements of the Retirees' Fund have been prepared using the accrual basis of accounting and the economic resources measurement focus. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Retirees' Fund does not receive member contributions.

Method Used to Value Investments – Investments are reported at fair value, which is defined as the price at which an asset passes from a willing seller to a willing buyer. Investments are held with the Retirement Benefits Investment Fund (RBIF), which values participants' shares according to the contributions of each entity, and accordingly, earnings and expenses are allocated to each entity in proportion to the participants' share in the RBIF.

Contributions and Funding Policy - NRS 287.046 establishes a subsidy to pay an amount toward the cost of the premium or contribution for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State of Nevada through an assessment of actual payroll paid by each State entity. For the period from July 1, 2014 through June 30, 2015 the rate assessed was 2.663% of annual covered payroll. The assessment is based on an amount provided by the Legislature each biennium in session law. For the year ended June 30, 2015, the State, its component units, State Boards and Commissions, and other participating public employers contributed $37,758,981 to the plan, which is 100% of the contractually required contribution. For the years ended June 30, 2014 and 2013 the State, its component units, State Boards and Commissions, and other participating public employers contributed $32,697,856, and $36,686,124, respectively, to the plan, which equaled 100% of the contractually required contribution each year.

Note 11 - Risk Management

The State of Nevada established the Self-Insurance and Insurance Premiums funds in 1983 and 1979, respectively. Both funds are classified as internal service funds.

Interfund premiums are reported as interfund services provided and used. All State funds participate in the insurance program. Changes in the claims liabilities during the past two fiscal years were as follows (expressed in thousands):

	Self Insurance Fund	Insurance Premiums Fund
Balance June 30, 2013	$ 44,891	$ 66,639
Claims and changes in estimates	188,296	13,070
Claim payments	(186,033)	(14,331)
Balance June 30, 2014	47,154	65,378
Claims and changes in estimates	221,215	11,899
Claim payments	(207,711)	(12,538)
Balance June 30, 2015	$ 60,658	$ 64,739
Due Within One Year	$ 60,658	$ 16,712

In accordance with GASB, a liability for claims is reported if information received before the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include incremental claims adjustment costs. A reserve for losses has been established in both funds to account for these liabilities and is included in the liability section of the Statement of Net Position.

There was no insurance coverage for excess liability insurance.

There are several pending lawsuits or unresolved disputes involving the State or its representatives at June 30, 2015. The estimated liability for these claims has been factored into the calculation of the reserve for losses and loss adjustment expenses developed.

A. Self-Insurance Fund

The Self-Insurance Fund administers the group health, life and disability insurance for covered employees, both active and retired, of the State and certain other participating public employers within the State. All public employers in the State are eligible to participate in the activities of the Self-Insurance Fund and currently, in addition to the State, there are five public employers whose employees are covered under the plan. Additionally, all retirees of public employers contracted with the Self-Insurance Fund to provide coverage to their active employees are eligible to join the program subsequent to their retirement. Public employers are required to subsidize their retirees who participate in the plan in the same manner the State subsidizes its retirees. Currently, the State, the Nevada System of Higher Education and one hundred twenty-two public employers are billed for retiree subsidies. The Self-Insurance Fund is overseen by the Public Employees' Benefit Program Board. The Board is composed of ten members, nine members appointed by the Governor, and the Director of the Department of Administration or their designee.

The Self-Insurance Fund is self-insured for medical, dental, vision, mental health and substance abuse benefits and assumes all risk for claims incurred by plan participants. Fully insured HMO products are also offered. Long-term disability and life insurance benefits are fully insured by outside carriers. For the self-insured benefits, fund rate-setting policies have been established after consultation with an actuary. The participating public employers, with the exception of the State, are not subject to supplemental assessment in the event of deficiencies.

The management of the Self-Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been incurred but not reported and the unused portion of the Health Reimbursement Arrangement (HRA) liability. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Upon consultation with an actuary, claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation, because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which claims are made.

B. Insurance Premiums Fund

The Insurance Premiums Fund provides general, civil (tort), and auto liability insurance to State agencies, workers' compensation insurance for State employees excluding NSHE, and auto physical damage and property insurance for State agencies.

For the period beginning January 1, 2001, and for each calendar year thereafter, the Fund purchased a high deductible policy for workers' compensation. Liabilities in the amount of $49,222,647 as of June 30, 2015 were determined using standard actuarial techniques as estimates for the case, reserves,

(Note 11 Continued)

incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2015.

The Fund is financed by the State. The State has a maximum exposure of $50,000 through October 1, 2007, $75,000 through October 1, 2011 and $100,000 thereafter for each general liability claim, with the exception of claims that are filed in other jurisdictions, namely, federal court. Those claims filed in federal court are not subject to the limit. Per State statute, if, as the result of future general liability or catastrophic losses, fund resources are exhausted, coverage is first provided by the reserve for statutory contingency account and would then revert to the General Fund.

The Fund is fully self-insured for general, civil and vehicle liability. The Fund is also self-insured for comprehensive and collision loss to automobiles, self-insured to $250,000 for property loss with commercial insurance purchased to cover the excess above this amount, and commercially insured for losses to boilers and machinery and certain other risks.

At June 30, 2015, incurred but not reported claims liability for general, civil and auto liability insurance is based upon standard actuarial techniques, which take into account financial data, loss experience of other self-insurance programs and the insurance industry, the development of known claims, estimates of the cost of reported claims, incurred but not reported claims, and allocated loss adjustment expenses. The incurred but not reported claims liability for property casualty insurance is based upon the estimated cost to replace damaged property. The liability for estimated losses from reported and unreported claims in excess of the amounts paid for the workers' compensation policies is determined using standard actuarial techniques, which take into account claims history and loss development factors for similar entities. This liability is further adjusted for a non-working escrow deposit on-hand with the insurer which is restricted for use as collateral against future losses and a loss fund on-hand with the insurer that is restricted for payment of claims. Incurred but not reported claims liabilities are included in the reserve for losses.

The State is contingently liable for the cost of post retirement heart and lung disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the five-year employment period requirement under this act is eligible for coverage under Workers' Compensation for heart and lung disease. A range of estimated losses from $5,101,500 to $18,117,600 for heart disease and $6,096,400 for lung disease have been determined using standard actuarial techniques. Due to the high degree of uncertainty surrounding this coverage, no accrual for these losses is reflected in the financial statements.

At June 30, 2015 total liabilities exceeded total assets by $50,818,771. The Fund is liable for approximately $51,000,000 as of June 30, 2015 in potential claims settlements, which have yet to be funded through premium contributions. As NRS 331.187 provides that if money in the Fund is insufficient to pay a tort claim, the claim is to be paid from the reserve for statutory contingency account, and, as management assesses premiums to cover current claims payments, management believes that this provides the opportunity for the Fund to satisfy these liabilities.

Note 12 - Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports $1,628,514,265 of net position-restricted for the primary government, of which $222,664,490 is restricted by enabling legislation.

B. Governmental Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the State is bound to observe constraints imposed on the use of the resources of the fund. A summary of governmental fund balances at June 30, 2015, is shown below (expressed in thousands):

(Note 12 Continued)

	Major Governmental Funds					
	General	State Highway	Municipal Bond Bank	Permanent School	Nonmajor Governmental Funds	Total Governmental
Fund balances:						
Nonspendable:						
Municipal securities	$ -	$ -	$ 227,845	$ -	$ -	$ 227,845
Long term notes/loans receivable	17,164	-	-	-	-	17,164
Inventory	9,193	16,259	-	-	455	25,907
Advances	2,798	-	-	-	-	2,798
Prepaid items	5,979	71	-	-	14	6,064
Permanent fund principal	-	-	-	333,618	434	334,052
Restricted for:						
Capital projects	-	-	-	-	53,367	53,367
Conservation, parks and land	30,321	-	-	-	10,326	40,647
Debt service	-	-	-	-	28,472	28,472
Environmental protection	6,179	-	-	-	-	6,179
Health and social services	3,278	-	-	-	93,641	96,919
Housing, real estate & mortgage lending	3,708	-	-	-	26,165	29,873
Law, justice, and public safety	1,965	35,937	-	-	16,930	54,832
Other purposes	452	-	-	-	2,283	2,735
Regulation of business	2,097	-	-	-	6,511	8,608
Transportation	-	271,360	-	-	-	271,360
Wildlife	14,113	-	-	-	-	14,113
Committed to:						
Agriculture	5,026	-	-	-	800	5,826
Capital projects	-	-	-	-	3,566	3,566
College savings endowment	5,359	-	-	-	-	5,359
Conservation, parks and land	6,588	-	-	-	287	6,875
Debt service	-	-	1,025	-	124,752	125,777
Economic development	5,678	-	-	-	5,056	10,734
Education K-12	4,094	-	-	-	-	4,094
Environmental protection	65,195	-	-	-	7,495	72,690
Gaming control	5,598	-	-	-	-	5,598
Health care financing and policy	68,669	-	-	-	-	68,669
Health and social services	35,516	-	-	-	7,315	42,831
Housing, real estate & mortgage lending	19,322	-	-	-	913	20,235
Law and justice	9,703	-	-	-	3,780	13,483
Legislative counsel bureau	23,991	-	-	-	-	23,991
Motor vehicles and public safety	13,783	1,487	-	-	-	15,270
Other purposes	7,901	-	-	-	-	7,901
Regulation of business	8,654	-	-	-	3,780	12,434
State energy office	7,310	-	-	-	-	7,310
Tobacco settlement programs	-	-	-	-	62,997	62,997
Transportation	-	8,817	-	-	-	8,817
Veterans' services	8,467	-	-	-	-	8,467
Wildlife	14,278	-	-	-	-	14,278
Unassigned:	(205,092)	-	-	-	-	(205,092)
Total fund balances	$ 207,287	$ 333,931	$ 228,870	$ 333,618	$ 459,339	$ 1,563,045

C. Individual Fund Deficit

Nonmajor Enterprise Funds:

Insurance Administration and Enforcement - The Insurance Administration and Enforcement Fund accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance. The fund recorded an increase in net position of $1,374,399 for the year ended June 30, 2015, and a decrease to beginning net position of $7,622,257 due to a pension related accounting change, resulting in ending negative net position of $1,134,347 at June 30, 2015.

Nevada Magazine – The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded a decrease in net position of $13,563 for the year ended June 30, 2015, and a decrease to beginning net position of $718,927 due to a pension related accounting change, resulting in a negative net position of $673,192 at June 30, 2015.

(Note 12 Continued)

Internal Service Funds:

Buildings and Grounds – The Buildings and Grounds Fund accounts for the maintenance, housekeeping and security of most State buildings. The fund recorded a decrease in net position of $552,839 for the year ended June 30, 2015, and a decrease to beginning net position of $7,488,379 due to a pension related accounting change, resulting in a negative net position of $3,587,258 at June 30, 2015.

Communications – The Communications Fund accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko. The fund recorded a decrease in net position of $114,807 for the year ended June 30, 2015, and a decrease to beginning net position of $1,427,700 due to a pension related accounting change, resulting in a negative net position of $353,006 at June 30, 2015.

Insurance Premiums – The Insurance Premiums Fund allocates the cost of fidelity insurance, property insurance and workers' compensation insurance to State agencies. The fund recorded an increase in net position of $4,310,814 for the year ended June 30, 2015, and a decrease to beginning net position of $952,778 due to a pension related accounting change, resulting in negative net position of $50,818,771 at June 30, 2015.

Administrative Services – The Administrative Services Fund provides administrative and accounting services to various divisions of the Department of Administration. The fund recorded an increase in net position of $68,477 for the year ended June 30, 2015, and a decrease to beginning net position of $2,982,036 due to a pension related accounting change, resulting in negative net position of $2,641,754 at June 30, 2015.

Personnel – The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded a decrease in net position of $628,247 for the year ended June 30, 2015, and a decrease to beginning net position of $7,569,551 due to a pension related accounting change, resulting in negative net position of $7,592,483 at June 30, 2015.

Purchasing – The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded an increase in net position of $9,635 for the year ended June 30, 2015, and a decrease to beginning net position of $3,191,045 due to a pension related accounting change, resulting in negative net position of $3,036,451 at June 30, 2015.

Information Services – The Information Services Fund accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems. The fund recorded a decrease in net position of $2,437,341 for the year ended June 30, 2015, and a decrease to beginning net position of $22,203,298 due to a pension related accounting change, resulting in negative net position of $15,219,501 at June 30, 2015.

Note 13 - Principal Tax Revenues

The principal taxing authorities for the State of Nevada are the Nevada Tax Commission and the Nevada Gaming Commission.

The Nevada Tax Commission was created under NRS 360.010 and is the taxing and collecting authority for most non-gaming taxes. The following are the primary non-gaming tax revenues:

Sales and Use Taxes are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.25%, on all taxable sales and taxable items of use. The State receives tax revenue of 2% of total sales with the balance distributed to local governmental entities and school districts.

Modified Business Tax is imposed at different rates for businesses and financial institutions. If the sum of all the wages paid by the employer exceeds $85,000 for the calendar quarter, the tax is 1.17% of the amounts the wages exceed $85,000. Modified Business Tax is imposed on financial institutions at 2% on gross wages paid by the employer during the calendar quarter. There is an allowable deduction from the gross wages for amounts paid by the employer for qualified health insurance or a qualified health benefit plan.

Insurance Premium Tax is imposed at 3.5% on insurance premiums written in Nevada. A "Home Office Credit" is given to insurance companies with home or regional offices in Nevada, but not to exceed 80% of the taxes due.

Motor Vehicle Fuel Tax is levied at 24.805 cents per gallon on gasoline and gasohol sales. 17.65 cents of the tax goes to the State Highway Fund, .75 cents goes to the Cleaning Up Petroleum Discharges Fund, .055 cents goes to the General Fund and the remaining 6.35 cents goes to the counties. The counties have an option to levy up to an additional 9 cents per gallon.

(Note 13 Continued)

Other Sources of tax revenues include: Cigarette Tax, Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), Lodging Tax, Business License Fees, Motor Carrier Fees, Motor Vehicle Registration Fees, Net Proceeds of Minerals Tax, Property Tax, Real Property Transfer Tax, Short-Term Lessor Fees and Tire Tax.

The Nevada Gaming Commission was created under NRS 463.022 and is charged with collecting State gaming taxes and fees. The following sources account for gaming tax revenues:

Percentage Fees are the largest of several State levies on gaming. They are based upon gross revenue and are collected monthly. The fee is applied on a graduated basis at the following monthly rates: 3.5% of the first $50,000 of gross revenue; 4.5% of the next $84,000 of gross revenue; and 6.75% of the gross revenue in excess of $134,000.

Live Entertainment Taxes are imposed at 10% of all amounts paid for admission, food, merchandise or refreshment, while the establishment is providing entertainment in facilities with less than occupancy/seating of 7,500. A 5% rate is imposed for facilities with at least 7,500 occupancy/seating.

Flat Fee Collections are levied on the number of gambling games and slot machines operated. Licensees pay fees at variable rates on the number of gaming devices operated per quarter.

Other Sources of gaming tax revenues include: Unredeemed Slot Machine Wagering Vouchers, Annual State Slot Machine Taxes, Annual License Fees and Miscellaneous Collections, which consists of penalties and fines, manufacturer's, distributor's and slot route operator's fees, advance payments, race wire fees, pari-mutuel wagering tax and other nominal miscellaneous items.

Note 14 - Works of Art and Historical Treasures

The State possesses certain works of art, historical treasures, and similar assets that are not included in the capital assets shown in Note 7. The mission of the Lost City Museum in Overton is to study, preserve, and protect prehistoric Pueblo sites found in the Moapa Valley and adjacent areas and to interpret these sites through exhibits and public programs. In Reno, the Nevada Historical Society exhibits and maintains a large number of historical collections preserving the cultural heritage of Nevada. These collections are divided into four sections: library, manuscripts, photography, and museum. The Nevada State Museum in Carson City collects, preserves, and documents three general types of collections: anthropology, history, and natural history as it relates to Nevada and the Great Basin. The mission of the Nevada State Museum, Las Vegas, is to inspire and educate a diverse public about the history and natural history of Nevada. Its major collections include transportation, mining, and tourism as well as daily artifacts such as clothing, historical correspondence, business records, and photography. The Nevada State Railroad Museum, which is located in Carson City, is dedicated to educating visitors and the community through the collection, preservation and interpretation of objects directly related to railroads and railroading in Nevada. The East Ely Depot Museum, located in the historic Nevada Northern Railroad Depot building, exhibits artifacts, documents, and photographs of early Eastern Nevada mining and railroad transportation. The Nevada Arts Council with locations in Carson City and Las Vegas exhibits artwork. Its mission is to enrich the cultural life of the State and make excellence in the arts accessible to all Nevadans.

These collections are not capitalized by the State because they are:

- Held for public exhibition, education or research in furtherance of public service, rather than financial gain,
- Protected, kept unencumbered, cared for and preserved, and
- Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Note 15 - Commitments and Contingencies

A. Primary Government

Lawsuits - The State Attorney General's Office reported that the State of Nevada or its officers and employees were parties to numerous lawsuits, in addition to those described below. In view of the financial condition of the State, the State Attorney General is of the opinion that the State's financial condition will not be materially affected by this litigation, based on information known at this time.

Several of the actions pending against the State are based upon the State's (or its agents') alleged negligence in which the State must be named as a party defendant. However, there is a statutory limit to the State's liability of $50,000 per cause of action through October 1, 2007 and $75,000 per cause of action through October 1, 2011 and $100,000 per cause of action thereafter. Such limitation does not apply to federal actions such as civil rights actions under 42 U.S.C. Section 1983 brought under federal law or to actions in other states. Building and contents are insured on a blanket replacement cost basis for all risk except certain specified exclusions.

The State and/or its officers and employees are parties to a number of lawsuits filed under the federal civil rights statutes. However, the State is statutorily required to indemnify its officers and employees held liable in damages for acts or omissions on the part of its officers and employees occurring in the course of their public employment. Several claims may thus be filed against the State based on alleged civil rights violations by its officers and employees. Since the statutory limit of liability (discussed above) does not apply in federal civil rights cases, the potential liability of the State is not ascertainable at the present time. Currently, the State is involved in several actions alleging federal civil rights violations that could result in substantial liability to the State.

The State is litigating vigorously a Fair Labor Standards Act action brought by correctional officers against the State of Nevada's Department of Corrections, for back wages and overtime pay. The plaintiffs have yet to provide their actual damage amount. If the plaintiffs are successful in obtaining certification and in proving all of their claims, the back wages and overtime pay for three years could result in liability of $28.1 million or more.

In litigation filed against the Department of Taxation (DOT), the plaintiff is seeking a declaration that the Live Entertainment Tax is unconstitutional on its face and that they do not have to pay the tax. The Live Entertainment Tax is collected by the DOT as well as the Gaming Control Board. The Gaming Control Board's collection of the Live Entertainment Tax has not been challenged. Should a refund be granted, the estimated amount to date is $128.6 million. However, if the tax is found to be unconstitutional on its face, the statute may be completely stricken.

The Department of Taxation has litigated vigorously two lawsuits of like nature against utility companies. The lawsuits arose out of claims for the refund of $253.0 million in use tax paid, plus interest, on coal purchased out of the state and used in Nevada. The companies claim the use tax is unconstitutional. The State won both cases in the Nevada Supreme Court and the 1st Judicial District Court. The utility companies have yet to appeal. The use tax distribution is shared between the State, counties and local governments. If the utility companies appeal and are successful, the State's exposure upon a potentially unfavorable outcome is $45.3 million.

The Nevada Department of Transportation (NDOT) in an inverse condemnation case is taking a parcel for the I-15 road improvement project known as Project NEON, in Las Vegas. The landowner filed its preemptory claim against NDOT in hope to recover attorney fees. NDOT filed a motion to dismiss. There is a reasonable possibility of an unfavorable outcome for NDOT in the amount of $6.6 million, before federal participation.

PERS - The Public Employees' Retirement System (PERS) has entered into investment funding commitments related to private markets to fund an additional $1,073.3 million at some future date.

Leases- The State is obligated by leases for buildings and equipment accounted for as operating leases. Operating leases do not give rise to property rights as capital leases do. Therefore, the results of the lease agreements are not reflected in the Statement of Net Position. Primary government lease expense for the year ended June 30, 2015 amounted to $37.0 million. The following is the primary government's schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015 (expressed in thousands):

For the Year Ending June 30	Amount
2016	$ 29,195
2017	24,926
2018	19,504
2019	15,463
2020	11,572
2021-2025	30,345
2026-2030	4,578
2031-2035	235
Total	$ 135,818

Federal Grants - The State receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 2015, the State is unable to estimate the amount, if any, of expenditures that may be disallowed, although the State expects such amounts, if any, to be immaterial.

Rebate Arbitrage - The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds

(Note 15 Continued)

issued by the State. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments (other than certain specified exceptions) over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds, and (b) any income earned on the excess described in (a) is required to be rebated to the U.S. Treasury, in order for the interest on the bonds to be excluded from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The present value of the rebatable arbitrage is $961,000 and has been recorded as a liability in the Statement of Net Position at June 30, 2015. Future calculations might result in different rebatable arbitrage amounts.

Nonexchange Financial Guarantees – The 1997 Nevada Legislature added NRS 387.513 through 387.528, allowing school districts to enter into guarantee agreements with the State Treasurer whereby money in the Permanent School Fund may be used to guarantee the debt service payments on certain bonds issued by Nevada school districts. The amount of the guarantee for bonds of each school district outstanding, at any one time, must not exceed $40 million. Total bond guarantees at June 30, 2015 were $242.9 million which includes accrued interest of $1.5 million. The bonds mature at various intervals through fiscal year 2042. In the event any school district was unable to make a required payment, the State Treasurer would withdraw from the State Permanent School Fund the amount needed to cover the debt service payment. Any amount withdrawn would be deemed a loan to the school district from the State Permanent School Fund, and the State Treasurer would determine the rate of interest on the loan. Repayment would be taken from distributions from the State Distributive School Account.

Encumbrances – As of June 30, 2015, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	$ 4,066
State Highway	3,015
Total	$ 7,081

Construction Commitments – As of June 30, 2015, the Nevada Department of Transportation had total contractual commitments of approximately $177.5 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total $17.2 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2015, NSHE is a defendant or co-defendant in legal actions. Based on present knowledge and advice of legal counsel, NSHE management believes any ultimate liability in these matters, in excess of insurance coverage, will not materially affect the net position, changes in net position or cash flows of NSHE.

The NSHE has an actuarial study of its workers' compensation losses completed every other year. The study addresses the reserves necessary to pay open claims from prior years and projects the rates needed for the coming year. The NSHE uses a third party administrator to adjust its workers' compensation claims.

The NSHE is self-insured for its unemployment liability. The NSHE is billed by the State each quarter based on the actual unemployment benefits paid by the State. Each year the NSHE budgets resources to pay for the projected expenditures. The amount of future benefits payments to claimants and the resulting liability to the NSHE cannot be reasonably determined as of June 30, 2015.

The NSHE receives Federal grants and awards, and amounts are subject to change based on outcomes of Federal audits. Management believes any changes made will not materially affect the net position, changes in net position or cash flows of the NSHE.

The estimated cost to complete property authorized or under construction at June 30, 2015 is $156.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.
The Board of Regents, at its June 12, 2015 meeting, approved the issuance of a Promissory Note in an amount up to $20.9 million. The authorized note is not expected to be issued by the end of calendar year 2015.

Colorado River Commission (CRC) - The CRC may from time to time be a party in various litigation matters. It is management's opinion, based upon advice from legal counsel, that the risk of financial losses to CRC from such litigation, if any, will not have a material adverse effect on CRC's future financial position, results of operations or cash flows. Accordingly, no provision has been made for any such losses.

The CRC does not accrue for estimated future legal defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund of $50.0 million (the First Tranche). As of June 30, 2015, the NCIC has fulfilled $21.7 million of its total commitment. The NCIC has the right, but not the obligation, to increase its capital commitment by which would be effective after the end of the First Tranche (or such other date as the NCIC and Manager may agree). If the NCIC elects to make such an additional commitment, both the amount of the NCIC's additional commitment and an additional commitment from the Manager shall be established by agreement between the NCIC and the Manager (the Second Tranche).

Note 16 - Subsequent Events

A. Primary Government

Bonds – On October 14, 2015, the State issued $339,030,000 in General Obligation Bonds. The bonds were issued primarily to finance various capital improvement projects including: construction of a new Department of Motor Vehicle Service Office, improvements for publicly owned water systems and to finance property acquisition and renovations by the Division of State Parks. Bonds were also issued to finance or refinance loans to certain local governments within the State for water and sewer projects and to provide State matching funds for the State's Safe Drinking Water Revolving Fund Program.

B. Discretely Presented Component Units

Nevada System of Higher Education – The Board of Regents, at its October 23, 2015 meeting, authorized the formation of DRI-Tennessee, a nonprofit organization that will be reported as a component unit of the System once operations commence.

C. New Accounting Pronouncement

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72), which addresses accounting and financial reporting issues related to fair value measurements. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes in addition to providing guidance for applying fair value to certain investments and disclosures related to all fair value measurement. GASB 72 is effective for fiscal years beginning after June 15, 2015. The anticipated impact of this pronouncement is uncertain at this time.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73), which improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. GASB 73 is effective for fiscal years beginning after June 15, 2015. The anticipated impact of this pronouncement is uncertain at this time.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75), which improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support of OPEB that is provided by other entities. GASB 75 is effective for fiscal years beginning after June 15, 2017. The anticipated impact of this pronouncement is uncertain at this time.

Note 17 - Accounting Changes and Restatements

A. Primary Government

The State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Accordingly, the fiscal year 2015 financial statements have been adjusted with a prior year restatement of the beginning net position to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made during the year ended June 30, 2014.

In addition, a prior period adjustment was made to correct the amortization period on refunding losses.

The following table shows the changes to the beginning net position as of July 1, 2014 for the primary government (expressed in thousands):

	Governmental Activities	Business-type Activities
Net position at June 30, 2014 as previously reported	$ 5,414,465	$ 379,253
Net pension liability as of June 30, 2013	(2,169,389)	(39,850)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	176,883	3,271
Debt refunding loss amortization	38,009	-
Net position at June 30, 2014 as restated	$ 3,459,968	$ 342,674

(Note 17 Continued)

The following table shows the changes to the beginning net position as of July 1, 2014 for the proprietary funds (expressed in thousands):

	Major Enterprise Funds				
	Housing Division	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Internal Service Funds
Net position at June 30, 2014 as previously reported	$ 190,186	$ 332,690	$ 43,480	$ 50,370	$ 85,821
Net pension liability as of June 30, 2013	(2,933)	(781)	(215)	(35,921)	(55,966)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	242	60	16	2,953	4,851
Net position at June 30, 2014 as restated	$ 187,495	$ 331,969	$ 43,281	$ 17,402	$ 34,706

B. Discretely Presented Component Units

The Colorado River Commission and the Nevada System of Higher Education implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Accordingly, the fiscal year 2015 financial statements have been adjusted with a prior year restatement of the beginning net position to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made during the year ended June 30, 2014.

During fiscal year 2015, the Colorado River Commission discovered capital assets originally constructed by a third party and donated to the Commission in 2002 had not been properly recorded. The cost basis of the assets is $12,555,784 and an adjustment to capital assets was made to the prior period for that amount. Corresponding increases to accumulated depreciation, unearned revenue and net position were recorded on the proprietary fund financial statements.

In addition, the Colorado River Commission determined in the current year that the previously refunded portion of the 2005i bonds in 2012 should have been recorded as unearned revenue and therefore, a prior period adjustment was recorded to increase unearned revenue and net position, and decrease the payable to customers on the proprietary fund financial statements.

Lastly, the Colorado River Commission prior year net position was determined to be understated as a result of unrecorded revenue in fiscal years 2013 and 2014; therefore, a prior period adjustment increasing net position and decreasing the payable to customers was recorded on the proprietary fund financial statements.

The following table shows the changes to the beginning net position as of July 1, 2014 (expressed in thousands):

	Colorado River Commission	Nevada System of Higher Education
Net position at June 30, 2014 as previously reported	$ 7,816	$ 2,968,196
Net pension liability as of June 30, 2013	(6,305)	(369,489)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	527	29,192
Donated capital assets in fiscal year 2002	951	-
Unearned revenue on refunded portion of the 2005i bonds	907	-
Unrecorded revenue in fiscal years 2013 and 2014	4,475	-
Contributions receivable	-	333
Net position at June 30, 2014 as restated	$ 8,371	$ 2,628,232

April 12, 2014, Las Vegas, Nevada: Manny Pacquiao wins a 12-round unanimous decision over Timothy Bradley to earn the WBO World Welterweight belt at the MGM Grand Garden Arena.

Photo Credits:
Chris Farina
Top Rank
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Required Supplementary Information

May 2, 2015, Las Vegas, Nevada:
Floyd Mayweather wins a
12-round unanimous decision
over Manny Pacquiao at the
MGM Grand Garden Arena

Photo Credits : Chris Farina
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For the Fiscal Year Ended June 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Sources of Financial Resources				
Fund balances, July 1	$ 579,982,174	$ 579,982,174	$ 579,982,174	$ -
Revenues:				
Sales taxes	1,023,194,100	1,037,822,100	1,033,453,997	(4,368,103)
Gaming taxes, fees, licenses	908,293,432	865,810,133	878,143,350	12,333,217
Intergovernmental	2,798,126,345	3,830,366,049	3,350,672,190	(479,693,859)
Other taxes	1,458,385,149	1,463,514,033	1,487,350,493	23,836,460
Sales, charges for services	248,153,992	265,107,631	256,195,055	(8,912,576)
Licenses, fees and permits	589,799,146	633,993,495	625,655,497	(8,337,998)
Interest	8,831,334	10,033,227	2,586,910	(7,446,317)
Other	305,935,227	383,437,222	337,641,337	(45,795,885)
Other financing sources:				
Transfers	528,491,375	728,352,462	580,601,887	(147,750,575)
Reversions from other funds	-	-	1,496,463	1,496,463
Total sources	8,449,192,274	9,798,418,526	9,133,779,353	(664,639,173)
Uses of Financial Resources				
Expenditures and encumbrances:				
Elected officials	153,088,564	141,940,023	113,349,962	28,590,061
Legislative and judicial	84,566,581	87,299,449	61,707,097	25,592,352
Finance and administration	76,676,025	81,733,333	61,594,658	20,138,675
Education - K to 12	2,035,502,964	2,158,321,781	2,061,755,614	96,566,167
Education - higher education	756,471,241	791,256,985	779,462,075	11,794,910
Human services	4,070,314,718	5,054,036,030	4,493,345,234	560,690,796
Commerce and industry	330,282,985	348,142,939	268,781,463	79,361,476
Public safety	405,551,942	435,902,358	368,517,075	67,385,283
Infrastructure	314,660,716	378,769,271	169,523,688	209,245,583
Special purpose agencies	57,559,447	110,089,838	72,058,973	38,030,865
Other financing uses:				
Transfers to other funds	31,350,818	49,320,818	49,320,818	-
Reversions to other funds	-	-	1,501,844	(1,501,844)
Projected reversions	(49,712,029)	(49,712,029)	-	(49,712,029)
Total uses	8,266,313,972	9,587,100,796	8,500,918,501	1,086,182,295
Fund balances, June 30	$ 182,878,302	$ 211,317,730	$ 632,860,852	$ 421,543,122

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 333,445,914	$ 333,445,914	$ 333,445,914	$ -	$ 2,211	$ 2,211	$ 2,211	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
322,400,309	361,043,338	312,263,094	(48,780,244)	-	-	-	-
262,642,984	287,538,489	295,189,486	7,650,997	-	-	-	-
15,970,750	18,282,540	18,507,328	224,788	-	-	-	-
184,028,988	188,281,192	206,555,537	18,274,345	-	-	-	-
202,814	384,305	1,461,123	1,076,818	16,501,819	16,501,819	10,837,721	(5,664,098)
37,220,420	38,417,389	18,445,274	(19,972,115)	-	-	4,925,000	4,925,000
8,105,093	12,786,769	11,327,920	(1,458,849)	-	-	-	-
-	-	-	-	-	-	-	-
1,164,017,272	1,240,179,936	1,197,195,676	(42,984,260)	16,504,030	16,504,030	15,764,932	(739,098)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
190,061,565	209,381,434	173,622,906	35,758,528	-	-	-	-
694,706,319	806,722,664	629,575,377	177,147,287	-	-	-	-
-	-	-	-	-	-	-	-
72,016,009	76,481,109	76,481,109	-	16,501,819	16,504,030	15,764,932	739,098
-	-	154,736	(154,736)	-	-	-	-
(46,302,875)	(76,302,875)	-	(76,302,875)	-	-	-	-
910,481,018	1,016,282,332	879,834,128	136,448,204	16,501,819	16,504,030	15,764,932	739,098
$ 253,536,254	$ 223,897,604	$ 317,361,548	$ 93,463,944	$ 2,211	$ -	$ -	$ -

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The accompanying Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds presents both the original and the final legally adopted budgets, as well as actual data on a budgetary basis. (Note 2 of the basic financial statements identifies the budgeting process and control.)

The original budget is adopted through passage of the General Appropriations Act, which allows for expenditures from unrestricted revenues, while the Authorized Expenditures Act allows for expenditures from revenues collected for specific purposes (restricted revenues). For programs financed from restricted revenues, spending authorization is generally contingent upon recognition of the related revenue. Reductions of spending authority occur if revenues fall short of estimates. If revenues exceed the estimate, supplemental appropriations are required before the additional resources can be spent.

Generally Accepted Accounting Principles (GAAP) require that the final legal budget be reflected in the "final budget" column. Therefore, updated revenue estimates available for appropriations as of August 19 are reported instead of the amounts disclosed in the original budget. The August 19, 2015 date is used because this is the date for which the Legislative Interim Finance Committee affected the last changes to the fiscal year ended June 30, 2015 budget as permitted by NRS 353.220.

Since the budgetary and GAAP presentations of actual data differ, a reconciliation of ending fund balances is presented below (expressed in thousands):

	General Fund	State Highway	Municipal Bond Bank
Fund balances (budgetary basis) June 30, 2015	$ 632,861	$ 317,362	$ -
Adjustments:			
Basis differences:			
Petty cash or outside bank accounts	5,526	175	-
Investments not recorded on the budgetary basis	14,560	-	227,845
Accrual of certain other receivables	239,435	1,423	1,025
Inventory	9,193	16,329	-
Advances to other funds	3,050	-	-
Accrual of certain accounts payable and other liabilities	(428,148)	(4,085)	-
Unearned revenues	(147,457)	-	-
Deferred inflows - unavailable	(137,927)	-	-
Encumbrances	4,065	3,015	-
Other	(1,411)	(288)	-
Perspective differences:			
Special revenue fund reclassified to General Fund for GAAP purposes	13,540	-	-
Fund balances (GAAP basis) June 30, 2015	$ 207,287	$ 333,931	$ 228,870

Total fund balance on the budgetary basis in the General Fund at June 30, 2015, is composed of both restricted funds, which are not available for appropriation, and unrestricted funds as follows (expressed in thousands):

Total fund balance (budgetary basis)	$ 632,861
Restricted funds	(398,117)
Unrestricted fund balance (budgetary basis)	$ 234,744

For the Fiscal Year Ended June 30, 2015

A. Multiple-employer Cost Sharing Plan

The following schedule presents the State's (primary government's) proportionate share of the net pension liability for the Public Employees' Retirement System at June 30, 2014 (expressed in thousands):

	2014
State's proportion of the net pension liability	16.6%
State's proportionate share of the net pension liability	$ 1,730,601
State's covered-employee payroll	$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198%
Plan fiduciary net position as a percentage of the total pension liability	76%

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents a ten year history of the State's (primary government's) contributions to the Public Employees' Retirement System (expressed in thousands):

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribtutions	$ 176,579	$ 174,712	$ 162,484	$ 163,219	$ 160,959	$ 164,630	$ 153,768	$ 146,754	$ 136,270	$ 129,981
Contributions in relation to the statutorialy required contribution	176,579	174,712	162,484	163,219	160,959	164,630	153,768	146,754	136,270	129,981
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	874,098	872,316	855,179	859,047	946,818	968,412	961,050	917,213	851,688	859,873
Contributions as a percentage of covered employee payroll	20%	20%	19%	19%	17%	17%	16%	16%	16%	15%

B. Single-employer Plan

The following schedule presents the changes in the net pension liability for the Legislators' Retirement System for the year ended June 30, 2014 (expressed in thousands):

	2014
Total pension liability	
Service cost	$ 37
Interest	428
Benefit payments, including refunds	(494)
Net change in total pension liability	(29)
Total pension liability - beginning	5,560
Total pension liability - ending (a)	$ 5,531
Plan fiduciary net position	
Contributions - employer	$ 213
Contributions - employee	27
Net investment income	804
Benefit payments, including refunds	(494)
Administrative expense	(46)
Other	46
Net change in plan fiduciary net position	550
Plan fiduciary net position - beginning	4,323
Plan fiduciary net position - ending (b)	$ 4,873
Net pension liability - ending (a) - (b)	$ 658
Plan fiduciary net position as a percentage of total pension liability	88%
Covered-employee payroll	N/A
Net pension liability as a percentage of covered-employee payroll	N/A

Note: This schedule requires ten years of information to be presented. However, until ten years of data is is available, only those years for which information is available will be presented

(Continued)

The following schedule presents the State's (primary government's) contributions to the Legislators' Retirement System (expressed in thousands):

	2015
Statutorily required contribtutions	$ 312
Contributions in relation to the statutorily required contribution	$ 312
Contribution (deficiency) excess	$ -
Covered-employee payroll	N/A
Contributions as a percentage of covered-employee payroll	N/A

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented

C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System for the year ended June 30, 2014 (expressed in thousands):

	2014
Total pension liability	
Service cost	$ 3,411
Interest	8,367
Differences between expected and actual experience	(2,666)
Benefit payments, including refunds	(4,295)
Other	990
Net change in total pension liability	5,807
Total pension liability - beginning	102,823
Total pension liability - ending (a)	$ 108,630
Plan fiduciary net position	
Contributions - employer	$ 6,002
Net investment income	14,252
Benefit payments, including refunds	(4,295)
Administrative expense	(83)
Other	990
Net change in plan fiduciary net position	16,866
Plan fiduciary net position - beginning	75,247
Plan fiduciary net position - ending (b)	$ 92,113
Net pension liability - ending (a) - (b)	$ 16,517
Plan fiduciary net position as a percentage of total pension liability	85%
Covered-employee payroll (measurement as of end of fiscal year)	$ 18,934
Net pension liability as a percentage of covered-employee payroll	87%

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented.

The following schedule presents the State's (primary government's) contributions to the Judicial Retirement System (expressed in thousands):

	2015
Actuarially determined contribution	$ 5,266
Contributions in relation to the actuarially determined contribution	$ 5,535
Contribution (deficiency) excess	$ 269
Covered-employee payroll	$ 17,132
Contributions as a percentage of covered-employee payroll	32%

Note: This schedule requires ten years of information to be presented. However, until ten years of data is available, only those years for which information is available will be presented

Notes to Required Supplementary Information – actuarial assumptions used in calculating the actuarially determined contributions can be found in Note 10C.

The State has adopted the modified approach for reporting infrastructure assets defined as a single roadway network that includes bridges. Bridges are not considered a subsystem as they are included in the cost of road construction. Under this approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. The single roadway network accounted for under the modified approach includes the combination of approximately 5,400 centerline miles of roads and approximately 1,150 bridges.

The State manages its roadway network by dividing the roadway system into five categories based on the traffic load. The categories range from category I, representing the busiest roadways and interstates, to category V, representing the least busy rural routes with an average daily traffic of less than 400 vehicles. To monitor the condition of the roadways the State uses the International Roughness Index (IRI). IRI measures the cumulative deviation from a smooth surface. The lower the IRI value, the better the condition of the roadway. The State has set a policy to maintain a certain percentage of each category of its roadways with an IRI of less than 80. Considering the results of all three condition assessments together, they provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for categories I, II and III. The condition level for categories IV and V, which are non-national highways and the least busy rural roads, are below the State's minimum percentage. On January 5, 2015 the Pavement and Bridge Condition Notice of Proposed Rulemaking was released by the Federal Highway Administration (FHWA). The State may align its goals for condition assessments to be consistent with the FHWA guidance if the proposed rules are enacted. The current condition assessment would meet its roadway condition level policy goals under the proposed rules. The State has set a policy to maintain its bridges so that not more than 10 percent are structurally deficient or functionally obsolete. The following tables show the State's policy and the condition level of the roadways and bridges.

Condition Level of the Roadways

Percentage of roadways with an IRI of less than 80

	Category				
	I	II	III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2014 condition assessment	84%	71%	62%	33%	7%
Actual results of 2012 condition assessment	84%	85%	84%	32%	9%
Actual results of 2011 condition assessment	56%	79%	67%	30%	9%

Condition Level of the Bridges

Percentage of substandard bridges

	2014	2012	2011
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	4%	4%	4%

The following table shows the State's estimate of spending necessary to preserve and maintain the roadway network at, or above, the established condition level and the actual amount spent during the past five fiscal years.

Maintenance and Preservation Costs

(Expressed in Thousands)

	2015	2014	2013	2012	2011
Estimated	$ 386,093	$ 433,338	$ 402,650	$ 322,210	$ 490,910
Actual	329,677	360,904	325,313	304,333	404,871

Maintenance and preservation costs are primarily funded with highway user revenue, fuel taxes, vehicle registration and license fees. The funding level for maintenance and preservation costs is affected by the amount of taxes and fees collected and the amount appropriated for construction of new roadways.

Combining Statements and Schedules

Rose Regatta
A Dragon Boat Festival
To Benefit Breast Cancer Services at St. Rose Dominican Hospitals

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Employment Security Accounts for the administration of employment training programs (NRS 612.607), unemployment compensation claims (NRS 612.605), and employment security laws (NRS 612.615).

Unemployment Comp Bond Fund Accounts for special bond contributions assessed on employers for the purpose of retiring the bonds in the Unemployment Compensation Fund (NRS 612.613)

Regulatory Accounts for receipts and expenditures related to enforcement of regulations on manufactured housing (NRS 489.491), enforcement of regulations pursuant to dairy products (NRS 584.053), legal judgments against real estate licensees (NRS 645.842), regulation of public utilities (NRS 703.147), and regulation of taxicabs (NRS 706.8825).

Higher Education Capital Construction Accounts for the first $5,000,000 and 20% of the remaining annual slot machine tax, which is designated for capital construction and payment of principal and interest of construction bonds for higher education (NRS 463.385).

Cleaning Up Petroleum Discharges Accounts for fees collected and claims paid related to the use, storage or discharge of petroleum (NRS 590.830).

Hospital Care to Indigent Persons Accounts for taxes levied to provide care to indigent persons hospitalized from motor vehicle accidents, and for taxes received and payments to counties for supplemental medical assistance to indigent persons (NRS 428.175).

Tourism Promotion Accounts for room taxes and other monies designated for the support of the Commission on Tourism (NRS 231.250).

Offenders' Store Accounts for operations of the general merchandise stores and snack bars used by offenders. Earnings, except interest, must be expended for the welfare and benefit of all offenders (NRS 209.221).

Tobacco Settlement Accounts for proceeds from settlement agreements with and civil actions against manufacturers of tobacco products, forty percent of which is allocated to the Millennium Scholarship fund for the purpose of increasing the number of State residents who enroll in and attend a university or community college of the Nevada System of Higher Education (NRS 396.926), and sixty percent of which is allocated to the Healthy Nevada fund (NRS 439.620) for the purpose of assisting Nevada residents in obtaining and maintaining good health.

Attorney General Settlement Accounts for receipts from the National Mortgage Settlement for purposes of foreclosure relief and housing programs.

Gift Accounts for gifts and grants received by the Department of Conservation and Natural Resources (NRS 232.070), the Department of Wildlife (NRS 501.3585), the State Board of Education (NRS 385.095), the State Library and Archives (NRS 378.090), the Division of State Parks (NRS 407.075), the Rehabilitation Division of the Department of Employment, Training and Rehabilitation (NRS 232.960), and the Department of Health and Human Services (NRS 232.355).

Natural Resources Accounts for grants to publicly owned water systems for water conservation and capital improvements (NRS 349.952).

NV Real Property Corp General Fund Accounts for the general fund activity of the Nevada Real Property Corporation, a blended component unit incorporated to finance certain construction projects.

Miscellaneous Accounts for receipts and expenditures related to compensation of victims of crime (NRS 217.260); fees related to private investigators and recoveries for unfair trade practices (NRS 228.096); prosecution of racketeering (NRS 207.415); and the office of advocate for customers of public utilities (NRS 228.310). It also accounts for private money received by the Division of Museums and History for the Dedicated Trust Fund (NRS 381.0031; receipts for the care of sites for the disposal of radioactive waste (NRS 459.231); and fees collected from owners of mobile home parks to provide mobile home lot rent assistance to low-income mobile home owners (NRS 118B.215).

NONMAJOR DEBT SERVICE FUNDS

Consolidated Bond Interest and Redemption Fund Accumulates monies for the payment of leases and of principal and interest on general obligation bonds of the State (NRS 349.090).

Highway Revenue Bonds Accumulates monies for the payment of principal and interest on highway revenue bonds of the State (NRS 349.300).

NONMAJOR CAPITAL PROJECTS FUNDS

Parks Capital Project Construction Accounts for the parks improvements program for the Division of State Parks of the Department of Conservation and Natural Resources (NRS 407.065).

Capital Improvement Program - Motor Vehicle Accounts for capital improvement projects for the Department of Motor Vehicles and Public Safety (NRS 341.146).

Capital Improvement Program - Human Resources Accounts for capital improvement projects for the Department of Health and Human Services (NRS 341.146).

Capital Improvement Program - University System Accounts for capital improvement projects for the Nevada System of Higher Education (NRS 341.146).

Capital Improvement Program - General State Government Accounts for capital improvement projects for general government (NRS 341.146).

Capital Improvement Program - Prison System Accounts for capital improvement projects for the Department of Corrections (NRS 341.146).

Capital Improvement Program - Military Accounts for capital improvement projects for the Department of Military (NRS 341.146).

Capital Improvement Program - Wildlife Accounts for capital improvement projects for the Department of Wildlife (NRS 341.146).

NONMAJOR PERMANENT FUND

Henry Wood Christmas Fund Accounts for the bequest of the late Henry Wood to provide Christmas gifts to orphans.

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 187,123,503	$ 143,843,935	$ 55,905,445	$ 51,213	$ 386,924,096
Cash in custody of other officials	60,543,755	-	-	-	60,543,755
Investments	1,574,376	-	-	-	1,574,376
Receivables:					
Accounts receivable	61,056,654	-	-	-	61,056,654
Taxes receivable	743,194	-	-	-	743,194
Intergovernmental receivables	6,130,523	798,354	193,291	-	7,122,168
Accrued interest and dividends	2,208	1,072,399	-	-	1,074,607
Other receivables	-	-	30,822	-	30,822
Due from other funds	15,626,454	3,028,068	6,847,737	125	25,502,384
Due from fiduciary funds	1,015,944	-	-	-	1,015,944
Due from component units	60	-	-	-	60
Inventory	455,333	-	-	-	455,333
Advances to other funds	-	753,183	-	-	753,183
Prepaid items	13,670	-	-	-	13,670
Total assets	$ 334,285,674	$ 149,495,939	$ 62,977,295	$ 51,338	$ 546,810,246
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 8,959,617	$ 24,822	$ 77,882	$ -	$ 9,062,321
Accrued payroll and related liabilities	3,056,551	-	-	-	3,056,551
Intergovernmental payables	1,548,984	-	135,263	-	1,684,247
Contracts payable	-	-	6,191,723	-	6,191,723
Retention payable	-	-	646,433	-	646,433
Due to other funds	22,179,629	202,162	2,643,673	183	25,025,647
Due to fiduciary funds	18,682	-	-	-	18,682
Due to component units	9,756,749	-	7,714,214	-	17,470,963
Unearned revenues	1,338,978	-	-	-	1,338,978
Other liabilities	1,945,039	-	-	-	1,945,039
Total liabilities	48,804,229	226,984	17,409,188	183	66,440,584
Deferred Inflows of Resources					
Unavailable revenue:					
Sales and charges for services	5,172	-	-	-	5,172
Settlement income	20,469,114	-	-	-	20,469,114
Interest	51,538	60,296	406	17	112,257
Other	443,397	-	-	-	443,397
Total deferred inflows of resources	20,969,221	60,296	406	17	21,029,940
Fund Balances					
Nonspendable	872,714	-	-	30,000	902,714
Restricted	167,200,765	28,472,293	42,001,491	21,138	237,695,687
Committed	96,438,745	120,736,366	3,566,210	-	220,741,321
Total fund balances	264,512,224	149,208,659	45,567,701	51,138	459,339,722
Total liabilities, deferred inflows of resources and fund balances	$ 334,285,674	$ 149,495,939	$ 62,977,295	$ 51,338	$ 546,810,246

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

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For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	$ 13,686,408	$ -	$ -	$ -	$ 13,686,408
Property and transfer taxes	12,075,458	139,417,273	-	-	151,492,731
Motor and special fuel taxes	-	67,814,955	-	-	67,814,955
Other taxes	241,019,387	-	-	-	241,019,387
Intergovernmental	77,186,240	42,046,487	1,588,699	-	120,821,426
Licenses, fees and permits	24,931,235	-	-	-	24,931,235
Sales and charges for services	18,171,422	300,913	-	-	18,472,335
Interest and investment income	3,279,615	2,545,442	4	926	5,825,987
Settlement income	39,788,181	-	-	-	39,788,181
Other	6,144,464	-	411,772	-	6,556,236
Total revenues	436,282,410	252,125,070	2,000,475	926	690,408,881
Expenditures					
Current:					
General government	25,046,557	398,683	-	-	25,445,240
Health and social services	95,910,909	-	-	-	95,910,909
Education - higher education	37,361,625	86,244,636	-	-	123,606,261
Law, justice and public safety	23,868,883	-	-	-	23,868,883
Regulation of business	20,060,300	-	-	-	20,060,300
Recreation, resource development	28,012,113	-	-	-	28,012,113
Capital outlay	-	-	39,564,118	-	39,564,118
Debt service:					
Principal	-	197,855,000	-	-	197,855,000
Interest, fiscal charges	375	102,748,372	-	-	102,748,747
Debt issuance costs	-	1,940,676	-	-	1,940,676
Arbitrage payments	13,013	-	-	-	13,013
Total expenditures	230,273,775	389,187,367	39,564,118	-	659,025,260
Excess (deficiency) of revenues over expenditures	206,008,635	(137,062,297)	(37,563,643)	926	31,383,621
Other Financing Sources (Uses)					
Sale of general obligation bonds	-	78,335,000	-	-	78,335,000
Sale of general obligation refunding bonds	-	213,270,000	-	-	213,270,000
Premium on general obligation bonds	-	54,686,183	-	-	54,686,183
Payment to refunded bond agent	-	(261,893,503)	-	-	(261,893,503)
Sale of capital assets	38,311	-	-	-	38,311
Transfers in	14,618,102	56,706,936	8,285,034	-	79,610,072
Transfers out	(232,735,724)	(1,583)	(1,980,996)	(183)	(234,718,486)
Total other financing sources (uses)	(218,079,311)	141,103,033	6,304,038	(183)	(70,672,423)
Net change in fund balances	(12,070,676)	4,040,736	(31,259,605)	743	(39,288,802)
Fund balances, July 1	276,582,900	145,167,923	76,827,306	50,395	498,628,524
Fund balances, June 30	$ 264,512,224	$149,208,659	$ 45,567,701	$ 51,138	$ 459,339,722

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2015

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 9,165,762	$ -	$ 13,535,198	$ 5,700,563
Cash in custody of other officials	125	47,993,921	2,000	-
Investments	-	-	-	-
Receivables:				
Accounts receivable	4,902	38,198,190	708,673	-
Taxes receivable	294,397	-	-	8,200
Intergovernmental receivables	5,711,543	-	-	-
Accrued interest and dividends	-	-	-	-
Due from other funds	2,379,926	10,334	215,181	8,318,983
Due from fiduciary funds	-	-	-	-
Due from component units	60	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	13,670	-
Total assets	$ 17,556,715	$ 86,202,445	$ 14,474,722	$ 14,027,746
Liabilities				
Accounts payable and accruals:				
Accounts payable	$ 2,429,009	$ -	$ 223,039	$ -
Accrued payroll and related liabilities	1,666,234	-	841,053	-
Intergovernmental payables	444,636	-	19,521	-
Due to other funds	2,197,887	1,784,401	296,286	10,012,047
Due to fiduciary funds	303	-	-	-
Due to component units	269,126	-	-	-
Unearned revenues	-	-	1,338,978	-
Other liabilities	-	-	-	-
Total liabilities	7,007,195	1,784,401	2,718,877	10,012,047
Deferred Inflows of Resources				
Unavailable revenue:				
Sales and charges for services	-	-	5,172	-
Settlement income	-	-	-	-
Interest	2,928	1,381	2,270	-
Other	-	-	-	-
Total deferred inflows of resources	2,928	1,381	7,442	-
Fund Balances				
Nonspendable	-	-	13,670	-
Restricted	7,537,776	84,416,663	6,241,493	-
Committed	3,008,816	-	5,493,240	4,015,699
Total fund balances	10,546,592	84,416,663	11,748,403	4,015,699
Total liabilities, deferred inflows of resources and fund balances	$ 17,556,715	$ 86,202,445	$ 14,474,722	$ 14,027,746

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
$ 10,388,545	$ 3,536,597	$ 5,682,690	$ 7,809,616	$ 66,564,605	$ 26,808,585
-	-	-	-	-	-
-	-	-	-	-	-
500	-	28,140	996,236	20,469,114	-
-	438,637	1,960	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,939	6,962	3,983,476	35,041	425,578	65,910
-	-	-	966,381	-	-
-	-	-	-	-	-
-	-	-	264,571	-	-
-	-	-	-	-	-
$ 10,408,984	$ 3,982,196	$ 9,696,266	$ 10,071,845	$ 87,459,297	$ 26,874,495
$ 21,730	$ -	$ 4,184,643	$ 733,094	$ 582,073	$ 508,654
243	-	123,299	214,215	21,072	21,109
5,073	-	191,153	150	76,784	-
2,885,154	372,361	140,939	455,251	3,262,198	170,778
-	-	-	18,379	-	-
-	-	-	-	30,257	-
-	-	-	-	-	-
-	-	-	-	-	-
2,912,200	372,361	4,640,034	1,421,089	3,972,384	700,541
-	-	-	-	-	-
-	-	-	-	20,469,114	-
2,480	931	46	4,386	20,426	8,810
-	-	-	443,397	-	-
2,480	931	46	447,783	20,489,540	8,810
-	-	-	264,571	-	-
-	-	-	7,938,402	-	26,165,144
7,494,304	3,608,904	5,056,186	-	62,997,373	-
7,494,304	3,608,904	5,056,186	8,202,973	62,997,373	26,165,144
$ 10,408,984	$ 3,982,196	$ 9,696,266	$ 10,071,845	$ 87,459,297	$ 26,874,495

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 2,365,738	$ 11,044,297	$ 665,453	$ 23,855,854	$ 187,123,503
Cash in custody of other officials	9,248	-	12,441,732	96,729	60,543,755
Investments	255,072	-	-	1,319,304	1,574,376
Receivables:					
Accounts receivable	1,580	-	-	649,319	61,056,654
Taxes receivable	-	-	-	-	743,194
Intergovernmental receivables	-	60,280	-	358,700	6,130,523
Accrued interest and dividends	2,208	-	-	-	2,208
Due from other funds	106,722	27,112	1,049	30,241	15,626,454
Due from fiduciary funds	-	-	-	49,563	1,015,944
Due from component units	-	-	-	-	60
Inventory	-	-	-	190,762	455,333
Prepaid items	-	-	-	-	13,670
Total assets	$ 2,740,568	$ 11,131,689	$ 13,108,234	$ 26,550,472	$ 334,285,674
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 10,902	$ 41,300	$ -	$ 225,173	$ 8,959,617
Accrued payroll and related liabilities	-	-	-	169,326	3,056,551
Intergovernmental payables	-	811,490	-	177	1,548,984
Due to other funds	-	86,588	-	515,739	22,179,629
Due to fiduciary funds	-	-	-	-	18,682
Due to component units	-	-	1,742,366	7,715,000	9,756,749
Unearned revenues	-	-	-	-	1,338,978
Other liabilities	-	-	-	1,945,039	1,945,039
Total liabilities	10,902	939,378	1,742,366	10,570,454	48,804,229
Deferred Inflows of Resources					
Unavailable revenue:					
Sales and charges for services	-	-	-	-	5,172
Settlement income	-	-	-	-	20,469,114
Interest	723	3,624	140	3,393	51,538
Other	-	-	-	-	443,397
Total deferred inflows of resources	723	3,624	140	3,393	20,969,221
Fund Balances					
Nonspendable	-	-	-	594,473	872,714
Restricted	2,441,906	10,188,687	11,365,728	10,904,966	167,200,765
Committed	287,037	-	-	4,477,186	96,438,745
Total fund balances	2,728,943	10,188,687	11,365,728	15,976,625	264,512,224
Total liabilities, deferred inflows of resources and fund balances	$ 2,740,568	$ 11,131,689	$ 13,108,234	$ 26,550,472	$ 334,285,674


HWY
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WELCOME TO EUREKA NEVADA
PONY EXPRESS
THE FRIENDLIEST TOWN
ON
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THE LONELIEST ROAD IN AMERICA
DISCOVER
NV
EUREKA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2015

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ 13,686,408
Property and transfer taxes	-	-	-	-
Other taxes	12,559,194	191,535,563	61,378	-
Intergovernmental	70,446,609	-	587,571	-
Licenses, fees and permits	308,655	-	19,316,209	-
Sales and charges for services	610,000	-	2,135	-
Interest and investment income	220,185	12,678	126,416	-
Settlement income	-	-	-	-
Other	1,065	-	428,364	-
Total revenues	84,145,708	191,548,241	20,522,073	13,686,408
Expenditures				
Current:				
General government	-	-	-	-
Health and social services	87,926,825	-	-	-
Education - higher education	-	-	-	5,000,000
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	19,130,436	-
Recreation, resource development	-	-	-	-
Debt service:				
Interest	-	-	50	325
Arbitrage payments	-	-	-	-
Total expenditures	87,926,825	-	19,130,486	5,000,325
Excess (deficiency) of revenues over expenditures	(3,781,117)	191,548,241	1,391,587	8,686,083
Other Financing Sources (Uses)				
Sale of capital assets	4,116	-	31,495	-
Transfers in	5,572,470	-	259,237	-
Transfers out	(3,209,142)	(162,362,267)	(500,659)	(11,689,375)
Total other financing sources (uses)	2,367,444	(162,362,267)	(209,927)	(11,689,375)
Net change in fund balances	(1,413,673)	29,185,974	1,181,660	(3,003,292)
Fund balances, July 1	11,960,265	55,230,689	10,566,743	7,018,991
Fund balances, June 30	$ 10,546,592	$ 84,416,663	$ 11,748,403	$ 4,015,699

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement
$ -	$ -	$ -	$ -	$ -	$ -
-	12,075,458	-	-	-	-
12,982,804	-	20,471,650	-	-	-
-	3,577,750	-	-	-	-
413,300	-	50,815	-	-	-
-	-	-	16,913,962	-	-
186,331	193,757	693	176,772	1,297,013	574,103
-	-	-	-	39,788,181	-
-	-	6,754	12,583	14,420	-
13,582,435	15,846,965	20,529,912	17,103,317	41,099,614	574,103
-	-	-	-	25,019,987	-
-	60,000	-	-	7,739,938	-
-	-	-	-	-	-
-	-	-	11,798,369	-	2,887,920
-	-	-	-	-	-
8,899,332	-	14,137,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,899,332	60,000	14,137,120	11,798,369	32,759,925	2,887,920
4,683,103	15,786,965	6,392,792	5,304,948	8,339,689	(2,313,817)
-	-	-	-	-	-
-	-	145,174	-	7,937,798	-
(4,531,423)	(11,987,932)	(5,992,141)	(2,195,890)	(22,270,792)	(1,493,610)
(4,531,423)	(11,987,932)	(5,846,967)	(2,195,890)	(14,332,994)	(1,493,610)
151,680	3,799,033	545,825	3,109,058	(5,993,305)	(3,807,427)
7,342,624	(190,129)	4,510,361	5,093,915	68,990,678	29,972,571
$ 7,494,304	$ 3,608,904	$ 5,056,186	$ 8,202,973	$ 62,997,373	$ 26,165,144

	Gift	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues					
Gaming taxes, fees, licenses	$ -	$ -	$ -	$ -	$ 13,686,408
Property and transfer taxes	-	-	-	-	12,075,458
Other taxes	-	-	-	3,408,798	241,019,387
Intergovernmental	-	170,901	-	2,403,409	77,186,240
Licenses, fees and permits	-	-	-	4,842,256	24,931,235
Sales and charges for services	-	-	-	645,325	18,171,422
Interest and investment income	53,511	269,177	13,814	155,165	3,279,615
Settlement income	-	-	-	-	39,788,181
Other	397,274	-	2,983,476	2,300,528	6,144,464
Total revenues	450,785	440,078	2,997,290	13,755,481	436,282,410
Expenditures					
Current:					
General government	25,544	-	1,026	-	25,046,557
Health and social services	92,776	-	-	91,370	95,910,909
Education - higher education	-	-	32,361,625	-	37,361,625
Law, justice and public safety	-	-	-	9,182,594	23,868,883
Regulation of business	-	-	-	929,864	20,060,300
Recreation, resource development	307,801	4,667,860	-	-	28,012,113
Debt service:					
Interest	-	-	-	-	375
Arbitrage payments	-	13,013	-	-	13,013
Total expenditures	426,121	4,680,873	32,362,651	10,203,828	230,273,775
Excess (deficiency) of revenues over expenditures	24,664	(4,240,795)	(29,365,361)	3,551,653	206,008,635
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	2,700	38,311
Transfers in	104,127	-	-	599,296	14,618,102
Transfers out	-	(316,631)	(5,523,307)	(662,555)	(232,735,724)
Total other financing sources (uses)	104,127	(316,631)	(5,523,307)	(60,559)	(218,079,311)
Net change in fund balances	128,791	(4,557,426)	(34,888,668)	3,491,094	(12,070,676)
Fund balances, July 1	2,600,152	14,746,113	46,254,396	12,485,531	276,582,900
Fund balances, June 30	$ 2,728,943	$ 10,188,687	$ 11,365,728	$ 15,976,625	$ 264,512,224

THE GREAT RENO BALLOON RACE 2015

SEPTEMBER 11-13

Combining Balance Sheet
Other Nonmajor Governmental Funds

June 30, 2015

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	**Highway Revenue Bonds**	**Total**	**Parks Capital Project Construction**	**CIP Motor Vehicle**
Assets					
Cash and pooled investments:					
Cash with treasurer	$ 115,371,642	$ 28,472,293	$ 143,843,935	$ 433,301	$ 222,274
Receivables:					
Intergovernmental receivables	798,354	-	798,354	-	-
Accrued interest and dividends	1,072,399	-	1,072,399	-	-
Other receivables	-	-	-	-	-
Due from other funds	3,028,068	-	3,028,068	14,197	195,719
Advances to other funds	753,183	-	753,183	-	-
Total assets	$ 121,023,646	$ 28,472,293	$ 149,495,939	$ 447,498	$ 417,993
Liabilities					
Accounts payable and accruals:					
Accounts payable	$ 24,822	$ -	$ 24,822	$ 1,525	$ 31,736
Intergovernmental payables	-	-	-	-	-
Contracts payable	-	-	-	7,143	146,616
Retentions payable	-	-	-	-	51,647
Due to other funds	202,162	-	202,162	438,830	17,367
Due to component units	-	-	-	-	-
Total liabilities	226,984	-	226,984	447,498	247,366
Deferred Inflows of Resources					
Unavailable revenue:					
Interest	60,296	-	60,296	-	-
Total deferred inflows of resources	60,296	-	60,296	-	-
Fund Balances					
Restricted	-	28,472,293	28,472,293	-	-
Committed	120,736,366	-	120,736,366	-	170,627
Total fund balances	120,736,366	28,472,293	149,208,659	-	170,627
Total liabilities, deferred inflows of resources and fund balances	$ 121,023,646	$ 28,472,293	$ 149,495,939	$ 447,498	$ 417,993

Capital Projects Funds

	CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
	$ 2,579	$ 3,150,818	$ 21,468,754	$ 22,439,836	$ 7,990,593	$ 197,290	$ 55,905,445
	-	-	-	145,382	-	47,909	193,291
	-	-	-	-	-	-	-
	-	-	30,822	-	-	-	30,822
	-	5,003,038	1,333,576	390	171,588	129,229	6,847,737
	-	-	-	-	-	-	-
	$ 2,579	$ 8,153,856	$ 22,833,152	$ 22,585,608	$ 8,162,181	$ 374,428	$ 62,977,295
	$ -	$ 1,325	$ 14,646	$ 14,114	$ 3,820	$ 10,716	$ 77,882
	-	-	23,212	-	97,787	14,264	135,263
	-	405,127	3,229,848	1,352,658	871,366	178,965	6,191,723
	-	2,307	273,120	274,991	44,368	-	646,433
	2,579	30,477	413,095	1,155,143	586,182	-	2,643,673
	-	7,714,214	-	-	-	-	7,714,214
	2,579	8,153,450	3,953,921	2,796,906	1,603,523	203,945	17,409,188
	-	406	-	-	-	-	406
	-	406	-	-	-	-	406
	-	-	16,791,965	19,423,649	5,615,394	170,483	42,001,491
	-	-	2,087,266	365,053	943,264	-	3,566,210
	-	-	18,879,231	19,788,702	6,558,658	170,483	45,567,701
	$ 2,579	$ 8,153,856	$ 22,833,152	$ 22,585,608	$ 8,162,181	$ 374,428	$ 62,977,295

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2015

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	**Highway Revenue Bonds**	**Total**	**Parks Capital Project Construction**	**CIP Motor Vehicle**
Revenues					
Property and transfer taxes	$ 139,417,273	$ -	$ 139,417,273	$ -	$ -
Motor and special fuel taxes	-	67,814,955	67,814,955	-	-
Intergovernmental	42,046,487	-	42,046,487	32,011	-
Sales and charges for services	300,913	-	300,913	-	-
Interest and investment income	2,545,442	-	2,545,442	4	-
Other	-	-	-	-	-
Total revenues	184,310,115	67,814,955	252,125,070	32,015	-
Expenditures					
Current:					
General government	398,683	-	398,683	-	-
Education - higher education	86,244,636	-	86,244,636	-	-
Capital outlay	-	-	-	311,697	3,608,761
Debt service:					
Principal	156,545,000	41,310,000	197,855,000	-	-
Interest	78,403,604	24,344,768	102,748,372	-	-
Debt issuance costs	1,940,676	-	1,940,676	-	-
Total expenditures	323,532,599	65,654,768	389,187,367	311,697	3,608,761
Excess (deficiency) of revenues over expenditures	(139,222,484)	2,160,187	(137,062,297)	(279,682)	(3,608,761)
Other Financing Sources (Uses)					
Sale of general obligation bonds	78,335,000	-	78,335,000	-	-
Sale of general obligation refunding bonds	213,270,000	-	213,270,000	-	-
Premium on general obligation bonds	54,686,183	-	54,686,183	-	-
Payment to refunded bond agent	(261,893,503)	-	(261,893,503)	-	-
Transfers in	56,706,936	-	56,706,936	229,031	3,557,114
Transfers out	(1,583)	-	(1,583)	-	-
Total other financing sources (uses)	141,103,033	-	141,103,033	229,031	3,557,114
Net change in fund balances	1,880,549	2,160,187	4,040,736	(50,651)	(51,647)
Fund balances, July 1	118,855,817	26,312,106	145,167,923	50,651	222,274
Fund balances, June 30	$ 120,736,366	$ 28,472,293	$ 149,208,659	$ -	$ 170,627

Capital Projects Funds

CIP Human Resources	CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	309,928	587,969	658,791	1,588,699
-	-	-	-	-	-	-
-	-	-	-	-	-	4
-	-	400,174	-	11,598	-	411,772
-	-	400,174	309,928	599,567	658,791	2,000,475
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,105	-	15,993,455	12,836,015	5,322,391	1,490,694	39,564,118
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,105	-	15,993,455	12,836,015	5,322,391	1,490,694	39,564,118
(1,105)	-	(15,593,281)	(12,526,087)	(4,722,824)	(831,903)	(37,563,643)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,495,014	-	1,109,498	894,377	8,285,034
(2,579)	-	(377,188)	(1,056,037)	(545,192)	-	(1,980,996)
(2,579)	-	2,117,826	(1,056,037)	564,306	894,377	6,304,038
(3,684)	-	(13,475,455)	(13,582,124)	(4,158,518)	62,474	(31,259,605)
3,684	-	32,354,686	33,370,826	10,717,176	108,009	76,827,306
$ -	$ -	$ 18,879,231	$ 19,788,702	$ 6,558,658	$ 170,483	$ 45,567,701

	Final Budget	Actual	Variance
General Fund Unbudgeted Activity/Refunds	$ -	$ 7,571,098	$ (7,571,098)
Elected Officials			
Office of the Governor	2,370,083	2,227,170	142,913
Governor's Mansion Maintenance	385,591	308,496	77,095
Governor's Washington Office	259,433	259,433	-
Ethics Commission	813,824	677,529	136,295
High Level Nuclear Waste	1,838,728	1,439,557	399,171
Governor's Office Energy Conservation	1,821,093	1,631,941	189,152
Renewable Energy/Energy Efficiency Loan Program	2,620,596	1,347,471	1,273,125
Renewable Energy	10,031,253	1,531,224	8,500,029
Lieutenant Governor	520,366	511,608	8,758
Attorney General Administrative Account	27,027,352	26,363,939	663,413
Attorney General Extradition Coordinator	730,977	633,086	97,891
Attorney General Special Fund	2,543,738	1,523,524	1,020,214
Attorney General Workers' Compensation Fraud	3,930,922	3,376,185	554,737
Attorney General Crime Prevention	281,725	274,389	7,336
Attorney General Medicaid Fraud	3,506,706	1,897,754	1,608,952
Attorney General Violence Against Women Grants	4,531,357	2,318,752	2,212,605
Attorney General Council For Prosecuting Attorneys	390,197	174,147	216,050
Attorney General Victims of Domestic Violence	537,833	284,947	252,886
Private Investigators Licensing Board	1,602,609	1,365,609	237,000
Secretary of State	15,801,527	14,697,053	1,104,474
Secretary of State HAVA Elections Account	2,787,043	928,709	1,858,334
Secretary of State Advisory Committee Gift	61	-	61
Secretary of State Notary Training	281,090	110,851	170,239
Securities Forfeiture Account	1,682,403	1,503,062	179,341
State Treasurer	2,579,122	2,456,115	123,007
Silicosis and Disabled Pensions	108,806	34,999	73,807
Nevada College Savings Trust	4,133,251	3,787,570	345,681
Endowment Account	12,388,245	7,232,267	5,155,978
College Savings Private Entity	83,419	-	83,419
Unclaimed Property	2,310,891	1,853,527	457,364
Controller's Office	4,960,942	4,431,864	529,078
Debt Recovery	1,017,734	106,078	911,656
Rainy Day	28,061,106	28,061,106	-
	141,940,023	113,349,962	28,590,061
Legislative–Judicial			
Judicial Branch			
Administrative Office of the Courts	5,183,815	3,123,888	2,059,927
Judicial Programs and Services Division	1,158,768	993,663	165,105
Uniform System of Judicial Records	3,658,428	1,267,393	2,391,035
Judicial Education	1,725,124	895,211	829,913
Court of Appeals	997,088	875,978	121,110
State Judicial Elected Officials	21,709,600	21,386,793	322,807
Judicial Support, Governance and Special Events	1,021,039	377,489	643,550
Judicial Retirement System State Share	2,061,891	2,061,891	-
Supreme Court	11,589,598	11,226,458	363,140
Specialty Courts	7,549,907	5,436,480	2,113,427
Senior Justice and Senior Judge Program	1,491,981	1,389,701	102,280
Judicial Selection	30,432	27,719	2,713
Foreclosure Mediation Program	2,285,974	1,415,972	870,002
Law Library Gift Fund	76,729	7,090	69,639
Law Library	1,659,970	1,604,422	55,548
Judicial Discipline	643,129	550,968	92,161
Legislative Branch			
Interim Finance Committee	15,701,127	7,050,272	8,650,855
Disaster Relief	8,748,511	2,015,709	6,732,802
So Nevada Community Project Fund	6,338	-	6,338
	87,299,449	61,707,097	25,592,352

	Final Budget	Actual	Variance
Finance and Administration			
Department of Administration			
Construction Education Account	$ 249,792	$ 165,360	$ 84,432
Commission For Women	1,504	-	1,504
State Archives	1,184,792	1,148,540	36,252
NSLA - IPS Equipment/Software	36,330	4,618	31,712
Nevada State Library	4,986,028	4,538,567	447,461
Nevada State Library - CLAN	436,490	303,247	133,243
Special Appropriations	1,234,691	515,718	718,973
Judicial College/Juvenile and Family Justice	130,430	130,430	-
Budget and Planning	4,667,926	4,362,510	305,416
Internal Audit	1,259,557	1,240,723	18,834
Graffiti Reward Fund	11,521	-	11,521
Merit Award Board	1,100	418	682
Roof Maintenance Reserve	736,787	92,750	644,037
Public Works Division Administration	858,577	857,745	832
Public Works Division	270,927	267,144	3,783
Public Works Inspection	3,711,799	3,578,118	133,681
Public Works Retention Payment	3,127	391	2,736
Building Official Admin	3,124,514	657,223	2,467,291
State Unemployment Compensation	4,884,508	1,603,922	3,280,586
Hearings and Appeals	4,637,614	4,290,590	347,024
General Fund Salary Adjustment	16,021,435	247,404	15,774,031
Stale Claims	2,343,895	399,453	1,944,442
Emergency Fund	222,814	42,973	179,841
Statutory Contingency	3,375,841	3,292,620	83,221
Department of Taxation			
Department of Taxation	27,341,334	26,283,096	1,058,238
	81,733,333	54,023,560	27,709,773
Education K-12			
Department of Education			
Distributive School Account	1,486,852,731	1,475,722,426	11,130,305
Educator Effectiveness	170,000	165,946	4,054
School Remediation	114,568,246	112,615,194	1,953,052
State Supplemental School Support	151,133,653	150,556,077	577,576
Education State Programs	6,068,916	5,852,923	215,993
Educational Trust Fund	563,279	88,899	474,380
Career and Technical Education	12,601,522	10,139,014	2,462,508
Gear Up	7,541,588	4,175,066	3,366,522
Gear Up Scholarship Trust	10,065,057	1,331,091	8,733,966
Continuing Education	7,483,222	6,085,149	1,398,073
Proficiency Testing	6,697,029	5,371,030	1,325,999
Other State Education Programs	30,849,418	30,225,272	624,146
Account for Health Education of Minors	550	-	550
Education Technology Trust	20,400	19,328	1,072
Professional Licensing and Testing	2,978,252	1,524,393	1,453,859
Discretionary Grants - Unrestricted	524,421	315,982	208,439
Public Charter School Loan Program	704,998	527,227	177,771
Discretionary Grants - Restricted	30,326,929	17,104,167	13,222,762
Elementary and Secondary Ed - Title I	126,349,524	111,721,957	14,627,567
Elementary and Secondary Ed Titles II, V & VI	46,786,815	30,492,761	16,294,054
Individuals with Disabilities (IDEA)	90,888,929	80,194,599	10,694,330
Education Staffing Services	1,908,298	1,908,297	1
Education Support Services	3,983,060	2,445,373	1,537,687
Incentives for Licensed Educational Personnel	9,619,234	5,992,661	3,626,573
Student Indemnification Account	1,562,621	1,181,531	381,090
State Public Charter School Authority	7,632,466	5,564,156	2,068,310
Commission on Postsecondary Education	440,623	435,095	5,528
	2,158,321,781	2,061,755,614	96,566,167

	Final Budget	Actual	Variance
Higher Education			
Nevada System of Higher Education			
Special Projects	$ 3,418,603	$ 1,535,787	$ 1,882,816
Education for Dependent Children	45,422	-	45,422
University of Nevada - Reno	178,888,666	178,254,028	634,638
School of Medical Sciences	37,179,365	36,771,755	407,610
Intercollegiate Athletics UNR	4,972,752	4,972,475	277
Statewide Programs - UNR	7,699,493	7,698,256	1,237
University System Administration	4,429,850	4,429,836	14
University of Nevada Las Vegas	238,459,818	237,871,905	587,913
Intercollegiate Athletics UNLV	7,049,245	7,049,245	-
Agricultural Experiment Station	6,540,550	6,540,550	-
Cooperative Extension Service	5,426,727	5,136,805	289,922
System Computing Center	16,870,709	16,870,709	-
UNLV Law School	12,569,066	11,875,808	693,258
National Direct Student Loan Program	35,793	35,793	-
University Press	406,989	406,989	-
Statewide Programs - UNLV	2,866,667	2,866,667	-
Business Center North	1,829,353	1,829,353	-
Business Center South	1,642,847	1,642,847	-
Anatomical Gift Account	393,912	70,000	323,912
UNLV Dental School	15,629,761	15,494,960	134,801
Collegiate License Plate Account	407,353	-	407,353
Nevada State College at Henderson	19,732,683	19,010,552	722,131
College of Southern Nevada	133,803,128	131,488,034	2,315,094
NSHE Performance Funding Pool	27,174	-	27,174
Laboratory and Research	1,502,862	1,502,862	-
Great Basin College	16,409,317	16,203,455	205,862
Desert Research Institute	7,674,943	7,674,943	-
Western Nevada College	19,827,722	18,127,897	1,699,825
Truckee Meadows Community College	43,986,540	42,877,763	1,108,777
WICHE Loan and Stipend	1,191,567	884,693	306,874
WICHE Administration	338,108	338,108	-
	791,256,985	779,462,075	11,794,910
Human Services			
Director's Office			
DHR Administration	1,535,669	1,441,517	94,152
Grants Management Unit	28,450,805	26,739,848	1,710,957
Prevention/Treatment of Problem Gambling	2,046,153	1,677,062	369,091
IDEA Part C Compliance	3,972,105	3,521,480	450,625
Developmental Disabilities	668,635	638,348	30,287
Victims of Human Trafficking	58,628	-	58,628
Public Defender	3,684,296	3,607,615	76,681
Consumer Health Assistance	1,359,625	1,204,916	154,709
DHR Children's Trust Account	1,026,089	636,465	389,624
UPL Holding Account	6,517,000	2,781,023	3,735,977
Aging and Disability Services Division			
Early Intervention Services	37,031,631	32,279,231	4,752,400
Family Preservation Program	2,859,604	2,731,696	127,908
Rural Regional Center	15,768,714	15,196,960	571,754
Desert Regional Center	104,219,632	101,905,679	2,313,953
Sierra Regional Center	36,523,403	34,453,884	2,069,519
Aging Federal Programs and Administration	31,101,764	22,362,508	8,739,256
Disability Services	31,869,753	25,153,975	6,715,778
Division of Health Care Financing and Policy			
Intergovernmental Transfer Program	190,335,847	109,063,422	81,272,425
Health Care Financing and Policy	171,390,569	150,785,383	20,605,186
Increased Quality of Nursing Care	32,204,514	29,999,786	2,204,728
Nevada Check-Up Program	47,873,554	46,113,964	1,759,590
Nevada Medicaid	3,233,979,480	2,975,550,583	258,428,897

	Final Budget	Actual	Variance
Division of Public and Behavioral Health			
Radiological Health	$ 4,980,345	$ 2,884,432	$ 2,095,913
Cancer Control Registry	1,378,437	913,889	464,548
HHS - SAPTA	22,535,761	18,486,908	4,048,853
Health Statistics and Planning	2,630,012	1,333,613	1,296,399
Consumer Protection	2,460,591	1,674,443	786,148
So NV Adult Mental Health Services	87,960,647	77,724,434	10,236,213
No NV Adult Mental Health Services	30,628,970	28,056,411	2,572,559
Behavioral Health Information System	2,776,970	2,428,617	348,353
Behavioral Health Administration	11,720,574	8,163,288	3,557,286
Facility for the Mental Offender	10,750,375	10,480,488	269,887
Alcohol Tax Program	1,459,371	1,099,999	359,372
Rural Clinics	13,305,360	13,072,408	232,952
Immunization Program	9,214,674	7,416,495	1,798,179
Marijuana Health Registry	5,682,309	2,710,260	2,972,049
WIC Food Supplement	78,237,592	65,709,886	12,527,706
Communicable Diseases	17,956,284	15,819,879	2,136,405
Health Facilities	17,602,564	8,850,843	8,751,721
Health Facilities-Admin Penalty	321,166	155,805	165,361
Public Health Preparedness Program	12,900,547	9,920,059	2,980,488
Biostatistics and Epidemiology	5,562,570	4,809,555	753,015
Chronic Disease	8,603,352	7,261,146	1,342,206
Maternal Child Health Services	11,329,313	9,114,429	2,214,884
Office of State Health Administration	6,076,580	4,118,432	1,958,148
Community Health Services	3,753,347	3,055,881	697,466
Emergency Medical Services	1,052,338	836,660	215,678
Child Care Services	1,596,943	1,256,753	340,190
Division of Welfare and Supportive Services			
Welfare Administration	80,644,722	70,665,268	9,979,454
Temp Assistance for Needy Families	53,327,698	50,111,778	3,215,920
Assistance to Aged and Blind	8,998,285	8,998,285	-
Welfare Field Services	102,514,283	94,764,461	7,749,822
Child Support Enforcement Program	20,304,608	13,780,929	6,523,679
Collection and Distribution Account	41,032,899	20,863,450	20,169,449
Child Care Assistance and Development	39,268,474	34,254,121	5,014,353
Energy Assistance - Welfare	22,659,924	21,368,169	1,291,755
Division of Child and Family Services			
Community Juvenile Justice Programs	4,509,816	3,071,209	1,438,607
Washoe County Integration	36,550,340	30,553,716	5,996,624
Clark County Child Welfare	95,668,619	90,121,460	5,547,159
UNITY/SACWIS	5,761,288	5,306,928	454,360
Children, Youth and Family Administration	23,031,291	18,309,771	4,721,520
Youth Alternative Placement	4,191,465	4,191,464	1
Juvenile Correctional Facility	4,764,659	4,126,399	638,260
Caliente Youth Center	8,225,684	7,907,353	318,331
Victims of Domestic Violence	3,479,385	2,634,751	844,634
Rural Child Welfare	21,999,852	18,745,409	3,254,443
Transition from Foster Care	2,140,836	509,502	1,631,334
Review of Death of Children	396,413	64,044	332,369
Nevada Youth Training Center	7,266,973	6,668,392	598,581
Youth Parole Services	5,711,725	5,282,424	429,301
Farm Account - Youth Training Center	11,650	-	11,650
No NV Child and Adolescent Services	8,586,161	8,224,031	362,130
So NV Child and Adolescent Services	26,246,838	23,312,778	2,934,060
Department of Employment, Training and Rehabilitation			
Blind Business Enterprise Program	5,645,993	1,216,735	4,429,258
Services to the Blind	4,293,032	3,583,527	709,505
Vocational Rehabilitation	17,814,814	15,366,594	2,448,220
Rehabilitation Administration	1,438,916	1,170,173	268,743
Disability Adjudication	16,982,500	13,392,657	3,589,843
Office of Equal Rights	1,446,237	1,354,881	91,356

	Final Budget	Actual	Variance
DETR Administrative Services	$ 6,151,533	$ 5,091,355	$ 1,060,178
Research and Analysis	2,915,662	2,432,701	482,961
Information Develoment and Processing	13,098,993	10,700,161	2,398,832
	5,054,036,030	4,493,345,234	560,690,796
Commerce and Industry			
Office of Economic Development			
Governor's Office of Economic Development	8,985,092	8,889,633	95,459
Motion Pictures	979,827	539,602	440,225
Rural Community Development	2,457,016	1,944,270	512,746
NV SSBCI Program	7,315,358	3,947,917	3,367,441
Nevada Catalyst Fund	11,585,940	8,271,000	3,314,940
GOED Nevada Knowledge Fund	9,230,672	7,118,999	2,111,673
Small Business and Procurement	581,717	551,605	30,112
Commission on Mineral Resources			
Minerals	3,106,781	2,127,148	979,633
Bond Reclamation	5,493,130	437,324	5,055,806
Department of Agriculture			
Nevada Beef Council	288,609	240,716	47,893
Commodity Food Program	16,382,352	13,405,695	2,976,657
Nutrition Education Programs	133,633,211	129,342,599	4,290,612
Weed Abatement and Control	100,396	-	100,396
Plant Health and Quarantine Services	446,579	429,229	17,350
Agriculture Research and Promotion	121,341	1,508	119,833
Agricultural Registration/Enforcement	4,701,217	3,138,323	1,562,894
Livestock Inspection	1,591,209	1,322,069	269,140
Agriculture License Plates	33,145	23,164	9,981
Veterinary Medical Services	1,199,979	1,113,301	86,678
Consumer Equitibility	3,526,116	2,103,118	1,422,998
Pest, Plant Disease and Noxious Weed	868,636	672,476	196,160
Junior Agricultural Loan Program	254,845	-	254,845
Agriculture Administration	2,771,614	2,696,118	75,496
Rangeland Resources Commission	268,520	82,448	186,072
Rangeland Grasshopper and Morman Cricket	409,460	72,131	337,329
Predatory Animal and Rodent Control	1,122,224	860,836	261,388
Department of Tourism and Cultural Affairs			
Lost City Museum	430,687	413,531	17,156
LV Springs Preserve Museum Dev	429,298	409,397	19,901
Nevada Historical Society	593,624	479,243	114,381
Nevada State Museum	1,622,949	1,552,806	70,143
Museums and History Administration	365,467	362,058	3,409
Nevada State Museum, Las Vegas	1,515,687	1,408,756	106,931
State Railroad Museums	1,295,015	1,157,868	137,147
Nevada Humanities	50,000	50,000	-
Nevada Arts Council	2,087,518	1,995,078	92,440
Indian Commission	256,688	248,468	8,220
Gaming Control Board			
Gaming Control Board	43,103,935	38,378,700	4,725,235
Gaming Control Federal Forfeiture	630,635	1,447	629,188
Gaming Control - Forfeiture Account	561,004	-	561,004
Gaming Control - Other State Forfeiture	505,440	-	505,440
Federal Forfeiture Treasury	6,039,116	196,757	5,842,359
Gaming Commission	412,148	363,441	48,707
Department of Business and Industry			
Business and Industry Administration	4,320,830	3,905,544	415,286
New Market Performance Guarantee	6,250,000	1,000,000	5,250,000
Industrial Development Bonds	619,140	26,836	592,304
Special Housing Assistance	2,497,934	149,104	2,348,830
Low Income Housing Trust Fund	20,577,762	5,148,903	15,428,859
DOE Weatherization	6,797,684	4,834,482	1,963,202
Employee Management Relations	707,881	362,038	345,843
Common Interest Communities	3,799,934	1,767,375	2,032,559

	Final Budget	Actual	Variance
Real Estate	$ 2,666,225	$ 2,233,245	$ 432,980
Athletic Commission	870,057	676,873	193,184
Labor Relations	1,410,758	1,211,841	198,917
Division of Mortgage Lending	5,740,660	1,877,962	3,862,698
Attorney for Injured Workers	3,350,657	3,175,644	175,013
Financial Institutions Investigations	1,093,714	43,866	1,049,848
Financial Institutions	6,249,795	3,164,359	3,085,436
Financial Institutions Audit	267,566	101,464	166,102
Transportation Services Authority	2,903,425	2,618,592	284,833
TSA Administrative Fines	664,720	134,556	530,164
	348,142,939	268,781,463	79,361,476
Public Safety			
Department of Corrections			
Prison Medical Care	41,714,843	41,270,369	444,474
Corrections Administration	20,961,856	20,380,544	581,312
Correctional Programs	7,914,352	6,955,653	958,699
So Nevada Correctional Center	263,373	234,990	28,383
Warm Springs Correctional Center	10,288,882	10,195,879	93,003
No Nevada Correctional Center	26,267,853	26,014,200	253,653
Nevada State Prison	107,980	101,948	6,032
Stewart Conservation Camp	1,716,552	1,701,854	14,698
Pioche Conservation Camp	1,568,763	1,496,752	72,011
Restitution Center North	1,210,530	1,179,579	30,951
Three Lakes Valley Conservation Camp	2,268,475	2,173,896	94,579
Southern Desert Correctional Center	21,679,566	21,455,365	224,201
Wells Conservation Camp	1,192,893	1,146,684	46,209
Humboldt Conservation Camp	1,241,538	1,200,368	41,170
Ely Conservation Camp	1,230,577	1,172,030	58,547
Jean Conservation Camp	1,445,501	1,398,377	47,124
Silver Springs Conservation Camp	2,049	2,048	1
Ely State Prison	24,916,624	24,099,776	816,848
Carlin Conservation Camp	1,181,221	1,137,721	43,500
Tonopah Conservation Camp	1,251,776	1,182,215	69,561
Lovelock Correctional Center	22,211,095	22,031,199	179,896
Florence McClure Women's Correctional Center	14,985,843	14,936,092	49,751
High Desert State Prison	45,301,487	44,949,774	351,713
Casa Grande Transitional Housing	4,624,672	4,473,780	150,892
Department of Public Safety			
Emergency Management Division	6,145,270	3,637,465	2,507,805
Emergency Mgmt Assistance Grant	40,914,143	11,698,054	29,216,089
Emergency Assistance Subaccount	450,636	135,387	315,249
Parole and Probation	43,441,807	42,025,100	1,416,707
Fund for Reentry Programs	6,953	1,458	5,495
Investigations	7,141,116	6,037,730	1,103,386
Training Division	1,055,585	982,223	73,362
Parole Board	2,463,680	2,433,085	30,595
Fire Marshal	2,856,234	2,735,059	121,175
Traffic Safety	12,048,695	5,629,891	6,418,804
Highway Safety Plan and Administration	6,946,557	3,880,440	3,066,117
Motorcycle Safety Program	818,062	496,606	321,456
Public Safety General Services	6,362,627	5,401,501	961,126
K-9 Program	47,896	13,677	34,219
Forfeitures	1,676,103	480,318	1,195,785
Justice Assistance Account	2,506,554	725,473	1,781,081
Justice Assistance Grant	3,730,026	2,286,328	1,443,698
Criminal History Repository	24,882,858	15,425,449	9,457,409
Office of Homeland Security	428,274	391,567	36,707
Child Volunteer Background Checks Trust	15,087	15,087	-
Contingency Account for Haz Mat	566,391	457,074	109,317
Cigarette Fire Safety Standard	173,183	33,384	139,799
Justice Grant	523,721	507,268	16,453

	Final Budget	Actual	Variance
Dignitary Protection	$ 1,077,905	$ 944,414	$ 133,491
Department of Motor Vehicles			
Motor Vehicle Pollution Control	11,834,662	9,483,818	2,350,844
Peace Officers Standards and Training	2,240,032	1,768,126	471,906
	435,902,358	368,517,075	67,385,283
Infrastructure			
Department of Wildlife			
Conservation Education	2,545,548	2,301,768	243,780
Law Enforcement	7,226,573	6,492,284	734,289
Game Management	5,555,683	4,857,588	698,095
Fisheries Management	8,223,629	6,702,855	1,520,774
Diversity	2,575,328	2,436,137	139,191
Habitat	7,057,882	5,691,898	1,365,984
Wildlife Director's Office	3,683,248	3,452,540	230,708
Wildlife Operations	8,249,868	7,391,417	858,451
Wildlife Heritage Account	8,156,898	486,885	7,670,013
Wildlife Fund	33,687,075	19,476,697	14,210,378
Wildlife Habitat Enhancements	6,904,316	361,653	6,542,663
Department of Conservation and Natural Resources			
State Environmental Commission	414,656	206,071	208,585
Natural Resources Administration	1,167,462	1,056,421	111,041
Conservation and Natural Resources Gift	214,187	-	214,187
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Water Resources Legal Cost	2,503,614	173,601	2,330,013
Tahoe Regional Planning Agency	14,796,760	1,526,553	13,270,207
Conservation Districts	588,764	521,024	67,740
Cultural Resource Program	993,224	385,161	608,063
Historic Preservation and Archives	1,613,298	1,325,727	287,571
Comstock Historic District	171,837	168,835	3,002
Comstock Historical District Gifts	40,167	18,825	21,342
Parks Federal Grant Programs	6,624,415	1,829,418	4,794,997
State Parks	12,368,877	9,849,035	2,519,842
State Parks Interpretive and Educational Program	925,381	527,091	398,290
Maintenance of State Parks	2,286,483	473,279	1,813,204
State Parks Facility and Grounds Maintenance	14,857,235	138,425	14,718,810
Coyote Srings Groundwater Basin	36,601	869	35,732
Flood Control Revenue Fund	241,070	22	241,048
USGS Co-Op	673,107	527,328	145,779
Groundwater Recharge Projects	314,149	60,349	253,800
Water Right Surveyors	70,368	9,657	60,711
Well Driller's Licenses	40,491	15,057	25,434
Water Resources	11,224,452	5,833,256	5,391,196
Water Resources Cooperative Project	2,722,414	494,036	2,228,378
State Engineer Revenue	324,169	156,576	167,593
Little Humboldt River	141,719	21,609	120,110
Quinn River Distribution	70,127	2,598	67,529
Water Studies	277,000	-	277,000
Adjudication Emergency	15,946	203	15,743
Steptoe Valley Water Basin	30,021	2,403	27,618
Diamond Valley Ground Water	45,137	8,659	36,478
Lake Valley Ground Water Basin	38,109	1,235	36,874
Middle Reese River Ground Water Basin	35,841	3,033	32,808
Dixie Creek/10 Mi Ground Water	16,696	2,288	14,408
Churchill Valley Ground Water	19,047	3,207	15,840
Colorado River Valley	17,258	-	17,258
Washoe Valley Ground Water	17,854	5,398	12,456
Amargosa Valley Ground Water	24,691	6,486	18,205
Las Vegas Basin Water District	4,398,757	1,446,353	2,952,404
San Emidio Desert Ground Water Basin	6,895	1,900	4,995
Hualapai Flat Ground Water Basin	10,872	102	10,770
Pine Forest Valley Water Basin	7,574	-	7,574

	Final Budget	Actual	Variance
Kings River Valley Water Basin	$ 12,288	$ -	$ 12,288
Desert Valley Water Basin	5,430	-	5,430
Silver State Valley Water Basin	7,937	-	7,937
Quinn River Valley Water Basin	12,101	-	12,101
Kobeh Valley Groundwater Basin	6,186	-	6,186
Mary's River Water Basin	5,229	-	5,229
Lamoille Valley Water Basin	3,878	-	3,878
Huntington Valley Water Basin	3,909	-	3,909
Elko Segment Water Basin	12,366	-	12,366
Mary's Creek Area Water Basin	4,000	-	4,000
Pine Valley Water Basin	5,735	-	5,735
Winnemucca Segment Water Basin	5,122	-	5,122
Fernley Area Water Basin	3,000	73	2,927
Tracy Segment Water Basin	2,000	-	2,000
Spanish Springs Valley Water Basin	3,000	-	3,000
Lake Tahoe Water Basin	5,800	-	5,800
Truckee Cyn Segment Water Basin	3,000	45	2,955
Carson Desert Water Basin	3,000	-	3,000
Buena Vista Valley Water Basin	3,481	-	3,481
Muddy River Surface Water	26,552	12,384	14,168
Pahranagat Lake	84,109	42,586	41,523
Pahrump Artesian Basin	202,539	32,361	170,178
Boulder Flat Ground Water	131,541	21,489	110,052
Dayton Valley Ground Water	24,944	8,107	16,837
Mason Valley Ground Water	170,555	115,722	54,833
Humboldt Water District	401,832	256,699	145,133
Water District Revenue Fund	3,727,144	3,697,144	30,000
Smith Valley Artesian Basin	55,528	34,830	20,698
Currant Creek	5,251	-	5,251
Duckwater Creek	53,323	13,833	39,490
Paradise Valley Ground Water	55,775	15,387	40,388
Upper White River	8,966	3,163	5,803
Muddy River Springs	19,883	2,828	17,055
Kingston Creek	7,917	699	7,218
Warm Springs/Winnemucca Creek	18,502	3,261	15,241
Eagle Valley	86,617	5,918	80,699
Carson Valley Ground Water	53,355	9,127	44,228
Fish Lake Valley Artesian	23,688	5,893	17,795
Carico Creek	431	191	240
Lemmon Valley	63,489	6,285	57,204
Truckee Meadows/Sun Valley	150,248	19,976	130,272
Antelope Valley Ground Water Basin	17,998	2,931	15,067
Warm Springs Ground Water	36,493	8,196	28,297
Lower Moapa Valley Groundwater	12,251	324	11,927
Honey Lake Valley	22,449	1,933	20,516
Whirlwind Valley	12,290	410	11,880
Crescent Water Groundwater	30,834	9,752	21,082
Pumpernickel Valley	6,224	2,545	3,679
Clovers Area Groundwater	50,493	5,610	44,883
Cold Springs Valley	28,678	1,099	27,579
Imlay Ground Water	7,252	991	6,261
Kelly Creek Ground Water	43,709	6,661	37,048
Lower Reese River Valley	31,676	1,736	29,940
Maggie Creek	55,202	10,016	45,186
North Fork Ground Water	27,421	4,635	22,786
Pleasant Valley	8,207	1,183	7,024
Forestry	15,102,480	8,819,180	6,283,300
Forest Fire Suppression/Emergency Response	8,890,174	4,838,833	4,051,341
Forestry Conservation Camps	10,305,207	9,049,308	1,255,899
Forestry Inter-Gov Agreements	2,942,659	2,238,581	704,078
Wildland Fire Protection Program	3,242,536	967,125	2,275,411

	Final Budget	Actual	Variance
Tahoe License Plates	$ 2,158,085	$ 554,140	$ 1,603,945
Nevada Tahoe Regional Planning Agency	1,318	493	825
State Lands	2,045,794	1,691,379	354,415
State Lands Revolving Account	68,434	21,909	46,525
Tahoe Bond Sale	1,063,781	44,988	1,018,793
Tahoe Mitigation	2,973,696	51,573	2,922,123
Nevada Natural Heritage	991,126	704,323	286,803
AB9/Q1 Bonds	8,961,486	3,150,154	5,811,332
Storage Tank Management	331,586	-	331,586
Environmental Protection Administration	7,275,986	5,717,653	1,558,333
Chemical Hazard Prevention	1,291,934	486,690	805,244
Reclamation Surety Account	32,641,966	-	32,641,966
Air Quality Management Account	11,878,212	4,572,173	7,306,039
Air Quality	8,964,659	6,364,053	2,600,606
Bureau of Water	7,326,724	3,650,101	3,676,623
Water Quality Planning	7,277,793	3,677,574	3,600,219
Safe Drinking Water Regulatory Program	5,102,742	2,991,738	2,111,004
Bureau of Waste Management and Corrective Actions	18,910,791	11,244,314	7,666,477
Mining Regulation/Reclamation	7,183,464	2,429,027	4,754,437
Interim Fluid Management Trust	1,284,587	-	1,284,587
Hazardous Waste Management	18,311,113	4,287,367	14,023,746
Hazardous Waste - Beatty Site	11,437,886	1,140,854	10,297,032
Water Planning - Capital Improvement	169,451	10,323	159,128
	378,769,271	169,523,688	209,245,583
Special Purpose Agencies			
Department of Veterans' Services			
Department of Veterans' Services	3,349,793	3,094,344	255,449
Veterans' Home Account	24,627,520	16,578,059	8,049,461
Veterans' Gifts and Donations	1,037,317	612,593	424,724
Veterans' Home Donation	48,408	8,111	40,297
Gift Account for Veterans	1,481,185	766,517	714,668
Office of the Military			
Military	26,491,995	17,911,674	8,580,321
Military Emergency Operations Center	576,548	333,102	243,446
Military Carlin Armory	1,009,337	823,774	185,563
Adjutant General Special Facilities Account	38,258	403	37,855
National Guard Benefits	59,100	52,716	6,384
Patriot Relief Account	150,053	111,679	38,374
Silver State Health Insurance Exchange Admin	50,391,219	31,402,650	18,988,569
Deferred Compensation Committee	778,629	327,014	451,615
Civil Air Patrol	50,476	36,337	14,139
	110,089,838	72,058,973	38,030,865
Appropriated Transfers to Other Funds			
Legislative Fund	48,246,658	48,246,658	-
Attorney General Special Fund	625,303	625,303	-
Highway Fund	43,777	43,777	-
Internal Service Funds	405,080	405,080	-
	49,320,818	49,320,818	-
Reversions to Other Funds			
Reversion to Highway Fund	-	727,179	(727,179)
Reversion to Workers' Comp and Safety Fund	-	736,714	(736,714)
Reversion to Tourism Promotion Fund	-	332	(332)
Reversion to Healthy Nevada Fund	-	37,596	(37,596)
Reversion to Contingency Fund	-	23	(23)
	-	1,501,844	(1,501,844)
Projected Reversions	(49,712,029)	-	(49,712,029)
Total General Fund	$ 9,587,100,796	$ 8,500,918,501	$ 1,086,182,295

	Final Budget	Actual	Variance
State Highway			
Finance and Administration			
Unbudgeted Activity	$ -	$ 585,511	$ (585,511)
Appropriations to Other Funds	8,666,154	8,666,154	-
Infrastructure			
Transportation Administration	657,914,389	565,201,643	92,712,746
Bond Construction	94,090,812	39,901,579	54,189,233
Aviation Trust Fund	29,532	-	29,532
AB 595 Revenue Rental Car Tax	2,020	949	1,071
AB 595 Revenue Clark Co.	37,712,883	17,656,392	20,056,491
AB 595 Revenue Washoe Co.	4,020,874	3,589,272	431,602
NDOT - SB 5 RTC Public Road Project	12,504,487	2,536,630	9,967,857
System of Providing Information to the Traveling Public	447,667	103,401	344,266
Public Safety			
Director's Office - Public Safety	3,147,781	2,874,163	273,618
Professional Responsibility	592,854	573,866	18,988
Records Search	6,669,788	6,593,980	75,808
Highway Patrol	81,971,669	69,923,745	12,047,924
DMV Motor Vehicle Information Technology	10,700,141	8,661,080	2,039,061
Motor Carrier	5,358,867	3,781,746	1,577,121
PS Highway Safety Grants Account	2,759,671	1,930,585	829,086
Emergency Response Commission	2,791,954	1,172,905	1,619,049
Verification of Insurance	3,278,681	1,855,368	1,423,313
License Plate Factory	4,137,915	2,551,446	1,586,469
Hearings - DMV	1,223,231	1,022,663	200,568
Special Plates Trust Account	2,188,439	183,479	2,004,960
Salvage Titles Trust Account	295,116	158,407	136,709
DMV Local Fuel Tax Indexing Fund	126,452	-	126,452
DMV Special Fuel Ind Reimb Clark	488,340	-	488,340
DMV Field Services	46,191,068	38,246,795	7,944,273
Forfeitures	405	-	405
Compliance Enforcement	4,801,412	4,370,842	430,570
Central Services	11,103,338	10,018,052	1,085,286
Evidence Vault	553,940	533,682	20,258
Management Services	1,884,042	1,591,859	292,183
Admin Off Highway Vehicle Titling and Registration	800,920	265,851	535,069
Assistance of Off Highway Vehicle Titling	29,849	857	28,992
Director's Office - DMV	4,710,564	4,618,638	91,926
DMV Real ID	252,794	252,793	1
Administrative Services	13,322,203	12,594,840	727,363
Debt Service Transfers			
Debt Service	67,814,955	67,814,955	-
Projected Reversions	(76,302,875)	-	(76,302,875)
Total	1,016,282,332	879,834,128	136,448,204
Municipal Bond Bank			
Elected Officials			
Municipal Bond Bank Revenue	16,504,030	15,764,932	739,098
Total	16,504,030	15,764,932	739,098
Employment Security			
Human Services			
Employment Security	112,175,732	88,279,822	23,895,910
Employment Security Special Fund	11,622,345	3,768,721	7,853,624
Total	123,798,077	92,048,543	31,749,534
Unemployment Comp Bond Fund			
Elected Officials			
Unemployment Comp Bond Account	173,469,000	153,586,223	19,882,777
Total	173,469,000	153,586,223	19,882,777

	Final Budget	Actual	Variance
Regulatory			
Commerce and Industry			
Manufactured Housing	$ 1,688,491	$ 860,980	$ 827,511
Real Estate Education and Research	1,144,611	528,639	615,972
Real Estate Recovery	507,000	197,323	309,677
Mobile Home Parks	359,026	162,591	196,435
Mfg Housing-Education/Recovery	333,453	50,518	282,935
Regulatory Fund	14,612,966	10,503,047	4,109,919
Administrative Fines	122,700	122,700	-
Taxicab Authority	11,067,934	6,102,999	4,964,935
Dairy Commission	1,876,325	1,013,071	863,254
Total	31,712,506	19,541,868	12,170,638
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	9,189,700	9,189,700	-
Total	14,189,700	14,189,700	-
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	21,762,007	13,430,756	8,331,251
Total	21,762,007	13,430,756	8,331,251
Hospital Care to Indigent Persons			
Finance and Administration			
Supplemental Fund - Indigents	19,223,037	12,047,932	7,175,105
Total	19,223,037	12,047,932	7,175,105
Tourism Promotion			
Commerce and Industry			
Tourism Development	225,550	188,000	37,550
Commission on Tourism	25,032,467	20,018,980	5,013,487
Total	25,258,017	20,206,980	5,051,037
Offenders' Store			
Public Safety			
Offenders' Store Fund	21,374,711	13,656,755	7,717,956
Inmate Welfare Account	5,177,829	3,498,808	1,679,021
Total	26,552,540	17,155,563	9,396,977
Tobacco Settlement			
Elected Officials			
Millennium Scholarship Fund	48,800,758	24,662,556	24,138,202
Millennium Scholarship Administration	374,750	337,798	36,952
Guinn Memorial Millennium Scholarship Fund	442,339	9,000	433,339
Trust Fund for Healthy Nevada	67,937,351	29,376,648	38,560,703
MSA Compliance Administration	975,493	631,287	344,206
Human Services			
Tobacco Settlement Program	5,429,581	5,030,895	398,686
Senior RX and Disability RX	5,048,144	3,201,523	1,846,621
Healthy Nevada Fund Administration	9,032,561	-	9,032,561
Total	138,040,977	63,249,707	74,791,270
Attorney General Settlement			
Public Safety			
National Settlement Administration	30,566,018	4,378,454	26,187,564
Total	30,566,018	4,378,454	26,187,564
Gift			
Education			
Education Gift Fund	21,000	-	21,000
Library and Archives Gift Fund	645,203	25,545	619,658

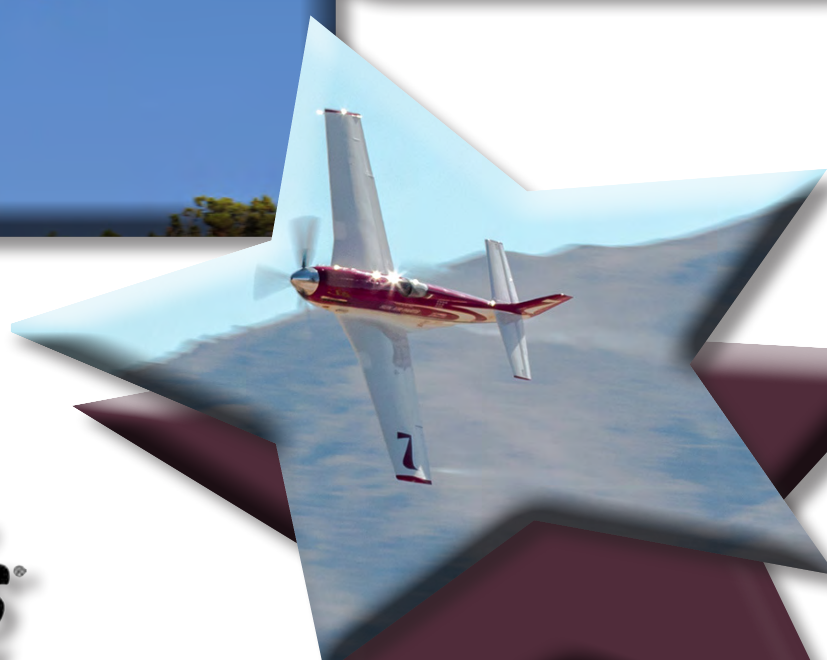
	Final Budget	Actual	Variance
Human Services			
Rural Services Gift Account	$ 12,622	$ -	$ 12,622
SNAMHS Gift Fund	29,198	-	29,198
Health Division Gifts	36,911	34,865	2,046
Aging Services Gift	55,709	700	55,009
CBS Washoe Gift Fund	23,023	-	23,023
Indian Commission Gift Acct	72,531	6,802	65,729
Hospital Gift Fund	236,550	-	236,550
SRC Gift Fund	10,831	-	10,831
NV Equal Rights Commission Gift Fund	9,441	2,181	7,260
Blind Gift Fund	401,063	10,000	391,063
Welfare Gift Fund	9,887	-	9,887
Rehabilitation Gift Fund	36,804	10,220	26,584
Henry Woods Christmas Fund	598	-	598
Nevada Children's Gift Account	592,808	10,000	582,808
CYC Gift Fund	3,296	800	2,496
Youth Training Center Gift Fund	40,453	-	40,453
DRC Gift Fund	8,678	-	8,678
Infrastructure			
Wildlife Trust Account	625,917	231,251	394,666
Park Gift and Grants	316,712	76,551	240,161
Total	3,189,235	408,915	2,780,320
Natural Resources			
Infrastructure			
Grants To Water Purveyors	130,273	-	130,273
Erosion Control Bond Q12	694,416	145,296	549,120
Protect Lake Tahoe	14,961,005	4,852,209	10,108,796
Total	15,785,694	4,997,505	10,788,189
Miscellaneous			
Elected Officials			
Racketeering-Prosecution Account	125	-	125
Consumer Advocate	6,265,886	3,273,874	2,992,012
Unfair Trade Practices	750,000	264,639	485,361
Commerce and Industry			
Lot Rent Trust Subsidy	637,907	368,460	269,447
Museums and History Board Trust	23,275	17,272	6,003
Museums Administrator Trust	38,997	23,284	15,713
Nevada Historical Society Trust	297,123	72,065	225,058
Nevada State Museum Trust	656,297	368,743	287,554
Nevada Railroad Museum Trust	314,131	212,212	101,919
Lost City Museum Trust	127,390	97,296	30,094
LV Museum and Historical Society Trust	134,350	65,038	69,312
Human Services			
Radioactive Material Disposal	1,244,610	598,411	646,199
Finance and Administration			
Victims of Crime	16,322,524	5,833,184	10,489,340
Total	26,812,615	11,194,478	15,618,137
Legislative (Non-GAAP Fund)			
Legislative Branch			
Nevada Legislative Interim	633,802	535,664	98,138
Legislative Counsel Bureau	57,278,173	45,573,345	11,704,828
Audit Contingency Account	361,766	333,457	28,309
Total	58,273,741	46,442,466	11,831,275
Total Special Revenue Funds	$ 1,741,419,526	$ 1,368,478,150	$ 372,941,376

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis
All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			**Unemployment Compensation Bond**		
Fund balances, July 1	$ 13,200,672	$ 13,200,672	$ -	$ -	$ -	$ -
Revenues:						
Federal	92,547,991	72,443,812	(20,104,179)	-	-	-
Other taxes	-	-	-	173,394,000	153,567,476	(19,826,524)
Sales and charges for services	1,017,991	613,291	(404,700)	-	-	-
Licenses, fees and permits	340,000	308,655	(31,345)	-	-	-
Interest	17,433	35,451	18,018	75,000	18,748	(56,252)
Other	14,916,701	14,678,569	(238,132)	-	-	-
Other financing sources:						
Transfer from other funds	1,757,289	1,241,894	(515,395)	-	-	-
Total sources	$123,798,077	$102,522,344	$ (21,275,733)	$ 173,469,000	$ 153,586,224	$(19,882,776)
	Regulatory			**Higher Education Capital Construction**		
Fund balances, July 1	$ 10,477,910	$ 10,477,910	$ -	$ -	$ -	$ -
Revenues:						
Gaming taxes, fees, licenses	-	-	-	13,686,409	13,686,409	-
Federal	446,806	601,652	154,846	-	-	-
Other taxes	11,920,918	11,559,448	(361,470)	-	-	-
Sales, charges for services	5,642,894	5,571,570	(71,324)	-	-	-
Licenses, fees and permits	2,387,813	2,248,599	(139,214)	-	-	-
Interest	19,651	26,017	6,366	-	-	-
Other	429,851	489,007	59,156	-	-	-
Other financing sources:						
Transfer from other funds	386,663	413,466	26,803	-	-	-
Total sources	$ 31,712,506	$ 31,387,669	$ (324,837)	$ 13,686,409	$ 13,686,409	$ -
	Cleaning Up Petroleum Discharges			**Hospital Care to Indigent Persons**		
Fund balances, July 1	$ 7,512,007	$ 7,512,007	$ -	$ -	$ -	$ -
Revenues:						
Other taxes	13,500,000	12,982,804	(517,196)	19,077,445	12,075,458	(7,001,987)
Intergovernmental	-	-	-	-	3,499,750	3,499,750
Licenses, fees and permits	550,000	413,300	(136,700)	-	-	-
Interest	100,000	28,360	(71,640)	31,592	7,230	(24,362)
Other	100,000	-	(100,000)	114,000	78,000	(36,000)
Total sources	$ 21,762,007	$ 20,936,471	$ (825,536)	$ 19,223,037	$ 15,660,438	$ (3,562,599)
	Tourism Promotion			**Offenders' Store**		
Fund balances, July 1	$ 4,493,337	$ 4,493,337	$ -	$ 4,803,851	$ 4,803,851	$ -
Revenues:						
Other taxes	20,588,026	20,469,690	(118,336)	-	-	-
Sales, charges for services	-	-	-	17,058,372	16,914,774	(143,598)
Licenses, fees and permits	50,815	50,815	-	-	-	-
Interest	-	495	495	29,488	26,283	(3,205)
Other	10,012	6,754	(3,258)	423,595	496,892	73,297
Other financing sources:						
Transfer from other funds	115,827	245,174	129,347	4,237,234	2,880,000	(1,357,234)
Total sources	$ 25,258,017	$ 25,266,265	$ 8,248	$ 26,552,540	$ 25,121,800	$ (1,430,740)

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Tobacco Settlement			**Attorney General Settlement**		
Fund balances, July 1	$ 70,147,469	$ 70,147,469	$ -	$ 30,448,672	$ 30,448,672	$ -
Revenues:						
Interest	152,502	186,561	34,059	117,346	117,346	-
Other	40,255,970	39,802,601	(453,369)	-	-	-
Other financing sources:						
Transfer from other funds	27,485,036	16,170,216	(11,314,820)	-	-	-
Total sources	$138,040,977	$126,306,847	$ (11,734,130)	$ 30,566,018	$ 30,566,018	$ -
	Gift			**Natural Resources**		
Fund balances, July 1	$ 2,356,556	$ 2,356,556	$ -	$ 14,980,785	$ 14,980,785	$ -
Revenues:						
Federal	-	-	-	631,257	170,901	(460,356)
Interest	24,182	8,589	(15,593)	171,652	43,413	(128,239)
Other	804,253	405,797	(398,456)	2,000	-	(2,000)
Other financing sources:						
Transfer from other funds	4,244	104,127	99,883	-	-	-
Total sources	$ 3,189,235	$ 2,875,069	$ (314,166)	$ 15,785,694	$ 15,195,099	$ (590,595)
	Miscellaneous			**Legislative (Non-GAAP Fund)**		
Fund balances, July 1	$ 10,910,320	$ 10,910,320	$ -	$ 7,926,470	$ 7,926,470	$ -
Revenues:						
Federal	3,281,526	2,403,409	(878,117)	-	-	-
Other taxes	2,906,531	2,897,918	(8,613)	-	-	-
Sales, charges for services	694,804	700,971	6,167	997,200	946,142	(51,058)
Licenses, fees and permits	5,175,327	4,627,783	(547,544)	190,000	213,210	23,210
Interest	18,238	35,159	16,921	-	-	-
Other	5,100,566	4,312,830	(787,736)	364,268	365,879	1,611
Other financing sources:						
Transfer from other funds	725,303	725,303	-	48,795,803	48,782,503	(13,300)
Total sources	$ 28,812,615	$ 26,613,693	$ (2,198,922)	$ 58,273,741	$ 58,234,204	$ (39,537)
	Total Nonmajor Special Revenue Funds					
Fund balances, July 1	$177,258,049	$177,258,049	$ -			
Revenues:						
Gaming taxes, fees, licenses	13,686,409	13,686,409	-			
Federal	96,907,580	75,619,774	(21,287,806)			
Other taxes	241,386,920	213,552,794	(27,834,126)			
Sales, charges for services	25,411,261	24,746,748	(664,513)			
Intergovernmental	-	3,499,750	3,499,750			
Licenses, fees and permits	8,693,955	7,862,362	(831,593)			
Interest	757,084	533,652	(223,432)			
Other	62,521,216	60,636,329	(1,884,887)			
Other financing sources:						
Transfer from other funds	83,507,399	70,562,683	(12,944,716)			
Total sources	$710,129,873	$647,958,550	$ (62,171,323)			



NATIONAL CHAMPIONSHIP
AIR RACES
AND AIR SHOW

Nonmajor Enterprise Funds

Workers' Compensation and Safety Records assessments on insurers for compensation of injured workers and administration of regulations for employee safety (NRS 616A.425), assesses self-insurers to pay claims against insolvent self-insured employers (NRS 616B.309), accounts for compensation benefits to physically impaired employees from a subsequent injury in the course of employment (NRS 616B.554, 616B.575, 616B.584), and accounts for injury claims of employees of uninsured employers (NRS 616A.430).

Insurance Administration and Enforcement Accounts for activities related to the administration and enforcement of the Nevada Insurance Code and other laws and regulations enforced by the Department of Business and Industry Division of Insurance (NRS 680C.100).

Gaming Investigative Accounts for activities related to investigations of gaming license applicants (NRS 463.331).

Forestry Nurseries Accounts for the self-supporting operation of State nurseries, which propagate, maintain and distribute plants for conservation purposes (NRS 528.100).

Prison Industry Accounts for a self-supporting program of job training through the employment of inmates in farming and manufacturing (NRS 209.189).

Nevada Magazine Accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism (NRS 231.290).

Marlette Lake Water System Accounts for the costs of operating the State-owned Marlette Lake Water System. The system serves the State Buildings and Grounds Division and portions of Carson City and Storey County (NRS 331.180).

Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2015

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 35,201,792	$ 6,903,468	$ 10,919,649	$ 464,255
Cash in custody of other officials	250	-	218,271	100
Receivables:				
Accounts receivable	5,544,629	277,585	98,406	5,981
Assessments receivable	-	250	-	-
Intergovernmental receivables	292,114	75,034	-	-
Due from other funds	946,722	25,499	997	42,131
Due from fiduciary funds	-	-	-	-
Inventory	-	-	-	190,061
Prepaid items	-	157,219	4,392	-
Total current assets	41,985,507	7,439,055	11,241,715	702,528
Noncurrent assets:				
Receivables:				
Other assets	-	-	-	-
Capital assets:				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	2,414,920	220,621	163,726	60,965
Construction in progress	-	-	-	-
Less accumulated depreciation	(2,199,916)	(194,805)	(163,726)	(60,965)
Total noncurrent assets	215,004	25,816	-	-
Total assets	42,200,511	7,464,871	11,241,715	702,528
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Pension contributions	1,936,722	693,942	-	16,424
Total deferred outflows of resources	1,936,722	693,942	-	16,424
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	926,727	92,135	39,800	3,886
Accrued payroll and related liabilities	898,639	321,242	-	9,094
Interest payable	-	-	-	-
Intergovernmental payables	3,586	-	224	-
Due to other funds	85,398	36,822	1,727,562	22,582
Due to fiduciary funds	3	-	-	548
Unearned revenues	-	-	9,222,129	-
Other liabilities	-	-	-	-
Short-term portion of long-term liabilities:				
Compensated absences	749,749	245,080	-	4,777
Bonds payable	-	-	-	-
Total current liabilities	2,664,102	695,279	10,989,715	40,887
Noncurrent liabilities:				
Advances from general fund	-	-	-	227,370
Net pension obligation	18,437,910	6,606,436	-	156,359
Compensated absences	441,569	100,310	-	1,146
Bonds payable	-	-	-	-
Total noncurrent liabilities	18,879,479	6,706,746	-	384,875
Total liabilities	21,543,581	7,402,025	10,989,715	425,762
Deferred Inflows of Resources				
Pension related amounts	5,277,971	1,891,135	-	44,759
Total deferred inflows of resources	5,277,971	1,891,135	-	44,759
Net Position				
Net investment in capital assets	215,004	25,816	-	-
Restricted for workers' compensation	38,481,574	-	-	-
Restricted for regulation of business	-	-	2,000	-
Unrestricted (deficit)	(21,380,897)	(1,160,163)	250,000	248,431
Total net position	$ 17,315,681	$ (1,134,347)	$ 252,000	$ 248,431

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 2,777,827	$ 164,771	$ 746,775	$ 57,178,537
100	-	-	218,721
469,863	89,927	-	6,486,391
-	-	-	250
176,982	-	79,131	623,261
109,595	4,211	23	1,129,178
9,712	-	-	9,712
1,293,404	31,886	-	1,515,351
-	9,058	-	170,669
4,837,483	299,853	825,929	67,332,070
15,000	-	-	15,000
153,140	-	414,672	567,812
2,890,227	-	498,613	3,388,840
-	-	630,647	630,647
1,037,007	-	1,464,725	5,361,964
-	-	10,703,713	10,703,713
(3,411,231)	-	(2,505,357)	(8,536,000)
684,143	-	11,207,013	12,131,976
5,521,626	299,853	12,032,942	79,464,046
-	-	94,412	94,412
249,010	65,905	28,396	2,990,399
249,010	65,905	122,808	3,084,811
171,933	33,856	59,067	1,327,404
80,514	33,764	9,017	1,352,270
-	-	44,315	44,315
30	-	358	4,198
16,505	5,322	2,465	1,896,656
56,705	-	-	57,256
73,507	135,307	-	9,430,943
10,000	-	2,050	12,050
91,664	19,086	16,887	1,127,243
-	-	229,358	229,358
500,858	227,335	363,517	15,481,693
-	-	-	227,370
2,370,618	627,430	270,331	28,469,084
104,021	4,579	6,743	658,368
-	-	8,496,953	8,496,953
2,474,639	632,009	8,774,027	37,851,775
2,975,497	859,344	9,137,544	53,333,468
678,605	179,606	77,384	8,149,460
678,605	179,606	77,384	8,149,460
669,143	-	2,480,702	3,390,665
-	-	-	38,481,574
-	-	-	2,000
1,447,391	(673,192)	460,120	(20,808,310)
$ 2,116,534	$ (673,192)	$ 2,940,822	$ 21,065,929

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2015

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	$ -	$ -	$ -	$ 456,719
Assessments	-	300,596	-	-
Charges for services	7,195	2,288	12,547,166	-
Rental income	-	-	-	-
Licenses, fees and permits	27,254,067	11,346,714	-	-
Fines	3,382,655	53,545	-	-
Other	4,159,772	-	-	75,807
Total operating revenues	34,803,689	11,703,143	12,547,166	532,526
Operating Expenses				
Salaries and benefits	15,862,401	5,759,898	10,390,162	112,272
Operating	5,249,985	4,452,720	932,180	57,849
Claims and benefits expense	5,884,877	-	-	-
Materials or supplies used	-	-	-	204,163
Depreciation	118,091	48,118	-	-
Total operating expenses	27,115,354	10,260,736	11,322,342	374,284
Operating income (loss)	7,688,335	1,442,407	1,224,824	158,242
Nonoperating Revenues (Expenses)				
Interest and investment income	1,293,652	71,388	-	-
Interest expense	-	-	-	-
Bond issuance costs	-	-	-	-
Federal grants	2,442,451	815,034	-	-
Total nonoperating revenues (expenses)	3,736,103	886,422	-	-
Income (loss) before transfers	11,424,438	2,328,829	1,224,824	158,242
Transfers				
Transfers in	-	13,720	-	-
Transfers out	(10,094,133)	(968,150)	(1,224,824)	-
Change in net position	1,330,305	1,374,399	-	158,242
Net position, July 1 (as restated)	15,985,376	(2,508,746)	252,000	90,189
Net position, June 30	$ 17,315,681	$ (1,134,347)	$ 252,000	$ 248,431

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 4,111,807	$ 1,011,446	$ 883,413	$ 6,463,385
-	-	-	300,596
531,502	-	-	13,088,151
106,100	-	-	106,100
-	-	-	38,600,781
-	-	-	3,436,200
110,715	11,680	145,188	4,503,162
4,860,124	1,023,126	1,028,601	66,498,375
1,595,484	570,469	189,430	34,480,116
2,113,590	169,669	259,154	13,235,147
-	-	-	5,884,877
2,375,577	296,551	-	2,876,291
113,266	-	30,776	310,251
6,197,917	1,036,689	479,360	56,786,682
(1,337,793)	(13,563)	549,241	9,711,693
36,949	-	-	1,401,989
-	-	(381,198)	(381,198)
-	-	(12,300)	(12,300)
1,989,738	-	-	5,247,223
2,026,687	-	(393,498)	6,255,714
688,894	(13,563)	155,743	15,967,407
-	-	1,606	15,326
(32,167)	-	-	(12,319,274)
656,727	(13,563)	157,349	3,663,459
1,459,807	(659,629)	2,783,473	17,402,470
$ 2,116,534	$ (673,192)	$ 2,940,822	$ 21,065,929

Combining Statement of Cash Flows
Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2015

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative
Cash flows from operating activities			
Receipts from customers and users	$ 50,682,079	$ 10,628,533	$ 12,379,489
Receipts for interfund services provided	57,528	893,361	-
Payments to suppliers, other governments and beneficiaries	(33,844,575)	(2,458,649)	(895,143)
Payments to employees	(15,232,926)	(5,618,778)	(11,090,162)
Payments for interfund services used	(3,545,607)	(2,275,532)	(39,434)
Payments to component units	(215)	-	-
Net cash provided by (used for) operating activities	(1,883,716)	1,168,935	354,750
Cash flows from noncapital financing activities			
Grant receipts	2,150,337	740,000	-
Transfers and advances from other funds	-	13,720	-
Transfers and advances to other funds	(10,475,622)	(968,150)	(1,183,212)
Net cash provided by (used for) noncapital financing activities	(8,325,285)	(214,430)	(1,183,212)
Cash flows from capital and related financing activities			
Proceeds from capital debt	-	-	-
Purchase of capital assets	(81,706)	-	-
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Bond issuance costs	-	-	-
Payments on construction projects	-	-	-
Net cash provided by (used for) capital and related financing activities	(81,706)	-	-
Cash flows from investing activities			
Interest, dividends and gains (losses)	1,368,724	76,424	-
Net cash provided by (used for) investing activities	1,368,724	76,424	-
Net increase (decrease) in cash	(8,921,983)	1,030,929	(828,462)
Cash and cash equivalents, July 1	44,124,025	5,872,539	11,966,382
Cash and cash equivalents, June 30	$ 35,202,042	$ 6,903,468	$ 11,137,920
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	$ 7,688,335	$ 1,442,407	$ 1,224,824
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	118,091	48,118	-
Decrease (increase) in accrued interest and receivables	974,571	(181,249)	36,871
Decrease (increase) in inventory, deferred charges, other assets	136,297	(100,615)	19,769
Decrease (increase) in deferred outflows of resources	(53,769)	19,406	-
Increase (decrease) in accounts payable, accruals, other liabilities	(11,199,272)	(221,098)	(926,714)
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in net pension liability	(4,825,940)	(1,729,169)	-
Increase (decrease) in deferred inflows of resources	5,277,971	1,891,135	-
Total adjustments	(9,572,051)	(273,472)	(870,074)
Net cash provided by (used for) operating activities	$ (1,883,716)	$ 1,168,935	$ 354,750

NEVADA

Forestry Nurseries	Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
$ 223,263	$ 3,364,633	$ 694,094	$ 1,028,353	$ 79,000,444
371,293	1,651,728	319,481	-	3,293,391
(247,895)	(2,939,699)	(410,153)	(141,746)	(40,937,860)
(115,697)	(1,538,625)	(539,632)	(176,330)	(34,312,150)
(22,440)	(1,663,427)	(42,087)	(64,377)	(7,652,904)
-	(185)	-	(3,514)	(3,914)
208,524	(1,125,575)	21,703	642,386	(612,993)
-	1,981,014	-	-	4,871,351
-	-	-	1,606	15,326
-	(32,167)	-	-	(12,659,151)
-	1,948,847	-	1,606	(7,772,474)
-	-	-	1,020,000	1,020,000
-	(63,675)	-	-	(145,381)
(20,670)	-	-	(1,170,000)	(1,190,670)
-	-	-	(461,454)	(461,454)
-	-	-	(12,300)	(12,300)
-	-	-	(365,639)	(365,639)
(20,670)	(63,675)	-	(989,393)	(1,155,444)
-	34,603	-	-	1,479,751
-	34,603	-	-	1,479,751
187,854	794,200	21,703	(345,401)	(8,061,160)
276,501	1,983,727	143,068	1,092,176	65,458,418
$ 464,355	$ 2,777,927	$ 164,771	$ 746,775	$ 57,397,258
$ 158,242	$ (1,337,793)	$ (13,563)	$ 549,241	$ 9,711,693
-	113,266	-	30,776	310,251
54,939	193,441	17,854	(248)	1,096,179
571	(97,974)	26,122	1,490	(14,340)
(1,585)	(7,696)	6,821	(325)	(37,148)
(7,477)	(46,938)	(3,509)	54,824	(12,350,184)
-	-	(27,405)	-	(27,405)
(40,925)	(620,486)	(164,223)	(70,756)	(7,451,499)
44,759	678,605	179,606	77,384	8,149,460
50,282	212,218	35,266	93,145	(10,324,686)
$ 208,524	$ (1,125,575)	$ 21,703	$ 642,386	$ (612,993)

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Internal Service Funds

Self-Insurance Accounts for self-insured group life, accident and health insurance plans for State and other government employees (NRS 287.0435).

Buildings and Grounds Accounts for the maintenance, housekeeping and security of most State buildings (NRS 331.101).

Fleet Services Accounts for the operations of the State vehicle fleet (NRS 336.110).

Communications Accounts for the operation of mail services for State agencies in Carson City, Reno, Las Vegas and Elko (NRS 378.143).

Insurance Premiums Allocates the costs of fidelity insurance, property insurance and workers' compensation insurance to State agencies (NRS 331.187).

Administrative Services Provides administrative and accounting services to various divisions of the Department of Administration (NRS 232.219).

Personnel Accounts for the costs of administering the State personnel system. Operations are financed by assessments charged to user agencies (NRS 284.110).

Purchasing Provides purchasing services to State agencies and other governmental units. The operation is financed by an administrative charge on purchase orders and warehouse orders (NRS 333.120).

Information Services Accounts for designing, programming, and maintaining data processing software and also operating the State's central computer facility, radio communication and telecommunication systems (NRS 242.211).

Printing Accounts for the operation of the State printing facilities (NRS 344.090).

Combining Statement of Net Position
Internal Service Funds

June 30, 2015

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
Current assets:				
Cash and pooled investments:				
Cash with treasurer	$ 143,287,592	$ 4,374,940	$ 1,330,326	$ 383,376
Receivables:				
Accounts receivable	548,971	8,947	1,940	-
Intergovernmental receivables	2,963,060	-	1,685	1,210
Notes receivable	-	-	-	-
Due from other funds	4,953,747	690,167	442,821	630,687
Due from fiduciary funds	2,892,614	-	-	89
Due from component units	15,321	-	12,699	115
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Total current assets	154,661,305	5,074,054	1,789,471	1,015,477
Noncurrent assets:				
Notes receivable	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	355,040	747,041	17,606,702	1,082,604
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(317,876)	(2,281,447)	(13,641,235)	(1,205,435)
Total noncurrent assets	37,164	1,045,278	7,344,212	299,620
Total assets	154,698,469	6,119,332	9,133,683	1,315,097
Deferred Inflows of Resources				
Pension contributions	281,658	687,858	90,454	130,530
Liabilities				
Current liabilities:				
Accounts payable and accruals:				
Accounts payable	6,233,685	1,184,506	213,891	5,390
Accrued payroll and related liabilities	129,761	277,730	48,272	55,345
Intergovernmental payables	-	40,787	332	-
Bank overdraft	4,000,485	-	-	-
Due to other funds	10,155	83,391	188,378	28,514
Due to fiduciary funds	702	6,849	211	-
Due to component units	-	12	-	-
Unearned revenues	298,605	-	-	-
Short-term portion of long-term liabilities:				
Reserve for losses	60,658,342	-	-	-
Compensated absences	119,712	250,491	43,298	59,324
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total current liabilities	71,451,447	1,843,766	494,382	148,573
Noncurrent liabilities:				
Advances:				
Advances from general fund	-	-	2,187,500	-
Advances from debt service fund	-	-	-	-
Reserve for losses	-	-	-	-
Net pension obligation	2,681,426	6,548,516	861,143	1,242,666
Compensated absences	69,693	127,611	50,179	51,673
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	-	-
Total noncurrent liabilities	2,751,119	6,676,127	3,098,822	1,294,339
Total liabilities	74,202,566	8,519,893	3,593,204	1,442,912
Deferred Inflows of Resources				
Pension related amounts	767,576	1,874,555	246,507	355,721
Net Position				
Net investment in capital assets	37,164	1,045,278	7,344,212	299,620
Unrestricted (deficit)	79,972,821	(4,632,536)	(1,959,786)	(652,626)
Total net position	$ 80,009,985	$ (3,587,258)	$ 5,384,426	$ (353,006)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 14,073,447	$ 731,023	$ 1,331,102	$ 499,017	$ 3,526,532	$ 1,100,736	$ 170,638,091
574	-	-	-	13,828	39,904	614,164
-	-	-	25	58,384	-	3,024,364
5,000	-	-	-	-	-	5,000
1,201,701	-	3,127	39	2,641,859	312,083	10,876,231
-	-	-	-	-	-	2,892,703
44	-	-	-	1,804	-	29,983
-	-	-	-	-	275,320	275,320
186,992	-	5,278	-	-	-	192,270
15,467,758	731,023	1,339,507	499,081	6,242,407	1,728,043	188,548,126
80,000	-	-	-	-	-	80,000
-	-	-	-	4,445	-	4,445
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
36,877	52,240	161,062	152,380	30,274,863	3,870,870	54,339,679
-	-	15,323,810	-	-	-	15,323,810
(32,848)	(52,064)	(15,465,166)	(292,380)	(32,601,561)	(4,994,387)	(70,884,399)
84,029	176	19,706	95,554	12,455,585	2,747,054	24,128,378
15,551,787	731,199	1,359,213	594,635	18,697,992	4,475,097	212,676,504
86,662	273,054	688,134	290,536	2,021,811	120,718	4,671,415
514,998	4,112	39,730	14,508	586,526	11,917	8,809,263
47,720	113,641	294,380	109,233	816,543	74,539	1,967,164
-	-	-	35	6,832	-	47,986
-	-	-	-	-	-	4,000,485
16,323	14,446	318,140	21,201	636,659	7,148	1,324,355
-	-	-	-	12	5,949	13,723
17,846	-	-	-	-	-	17,858
-	-	-	-	-	-	298,605
16,712,388	-	-	-	-	-	77,370,730
36,206	113,260	311,541	115,483	792,676	74,347	1,916,338
-	-	-	-	513,323	-	513,323
-	-	-	-	689,650	-	689,650
17,345,481	245,459	963,791	260,460	4,042,221	173,900	96,969,480
-	-	-	-	383,185	-	2,570,685
-	-	-	-	753,183	-	753,183
48,026,180	-	-	-	-	-	48,026,180
825,038	2,599,515	6,551,158	2,765,945	19,247,972	1,032,823	44,356,202
24,348	56,905	249,570	103,448	617,661	70,180	1,421,268
-	-	-	-	4,736,249	-	4,736,249
-	-	-	-	648,976	-	648,976
48,875,566	2,656,420	6,800,728	2,869,393	26,387,226	1,103,003	102,512,743
66,221,047	2,901,879	7,764,519	3,129,853	30,429,447	1,276,903	199,482,223
236,173	744,128	1,875,311	791,769	5,509,857	291,424	12,693,021
4,029	176	19,706	95,554	5,979,413	2,747,054	17,572,206
(50,822,800)	(2,641,930)	(7,612,189)	(3,132,005)	(21,198,914)	280,434	(12,399,531)
$ (50,818,771)	$ (2,641,754)	$ (7,592,483)	$ (3,036,451)	$ (15,219,501)	$ 3,027,488	$ 5,172,675

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds

For the Fiscal Year Ended June 30, 2015

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	$ 318,205,286	$ -	$ -	$ -
Sales	-	-	-	-
Charges for services	-	1,234,060	59,288	6,687,280
Rental income	-	14,676,028	4,880,387	-
Other	282,212	60,967	-	-
Total operating revenues	318,487,498	15,971,055	4,939,675	6,687,280
Operating Expenses				
Salaries and benefits	2,175,236	5,459,454	887,607	1,037,026
Operating	6,999,305	10,945,964	2,099,234	5,727,903
Claims expense	221,214,737	-	-	-
Materials or supplies used	-	-	261,241	-
Depreciation	19,751	121,174	1,348,252	37,158
Insurance premiums	122,796,623	-	-	-
Total operating expenses	353,205,652	16,526,592	4,596,334	6,802,087
Operating income (loss)	(34,718,154)	(555,537)	343,341	(114,807)
Nonoperating Revenues (Expenses)				
Interest and investment income	3,147,036	-	-	-
Interest expense	-	-	-	-
Gain (loss) on disposal of assets	-	2,366	122,876	-
Total nonoperating revenues (expenses)	3,147,036	2,366	122,876	-
Income (loss) before transfers	(31,571,118)	(553,171)	466,217	(114,807)
Transfers				
Transfers in	-	332	891,319	-
Transfers out	-	-	-	-
Change in net position	(31,571,118)	(552,839)	1,357,536	(114,807)
Net position, July 1 (as restated)	111,581,103	(3,034,419)	4,026,890	(238,199)
Net position, June 30	$ 80,009,985	$ (3,587,258)	$ 5,384,426	$ (353,006)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 23,921,110	$ -	$ -	$ -	$ -	$ -	$ 342,126,396
-	-	-	-	-	2,433,621	2,433,621
-	2,469,094	7,323,870	2,691,102	24,943,869	-	45,408,563
-	-	-	-	203,544	-	19,759,959
93,632	-	31,553	24	1,174	14,009	483,571
24,014,742	2,469,094	7,355,423	2,691,126	25,148,587	2,447,630	410,212,110
693,647	2,085,743	5,099,655	1,955,841	15,141,401	1,358,071	35,893,681
2,015,206	313,856	2,873,540	725,334	7,479,029	488,229	39,667,600
11,898,923	-	-	-	-	-	233,113,660
-	-	-	-	-	464,801	726,042
800	1,018	10,475	316	3,841,230	271,354	5,651,528
5,045,782	-	-	-	-	-	127,842,405
19,654,358	2,400,617	7,983,670	2,681,491	26,461,660	2,582,455	442,894,916
4,360,384	68,477	(628,247)	9,635	(1,313,073)	(134,825)	(32,682,806)
430	-	-	-	-	-	3,147,466
-	-	-	-	(4,848)	-	(4,848)
-	-	-	-	(1,766,718)	-	(1,641,476)
430	-	-	-	(1,771,566)	-	1,501,142
4,360,814	68,477	(628,247)	9,635	(3,084,639)	(134,825)	(31,181,664)
-	-	-	-	688,430	159,280	1,739,361
(50,000)	-	-	-	(41,132)	-	(91,132)
4,310,814	68,477	(628,247)	9,635	(2,437,341)	24,455	(29,533,435)
(55,129,585)	(2,710,231)	(6,964,236)	(3,046,086)	(12,782,160)	3,003,033	34,706,110
$ (50,818,771)	$ (2,641,754)	$ (7,592,483)	$ (3,036,451)	$ (15,219,501)	$ 3,027,488	$ 5,172,675

Combining Statement of Cash Flows
Internal Service Funds

For the Fiscal Year Ended June 30, 2015

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Cash flows from operating activities				
Receipts from customers and users	$ 51,278,488	$ 22,690	$ 1,393	$ 9,533
Receipts for interfund services provided	176,065,722	15,816,414	4,814,503	6,679,147
Receipts from component units	70,719,703	-	90,489	5,293
Receipts of principal on loans and notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(334,667,160)	(8,781,093)	(1,369,951)	(5,319,670)
Payments to employees	(2,085,929)	(5,324,056)	(848,587)	(983,396)
Payments for interfund services used	(1,189,570)	(1,925,345)	(894,533)	(400,411)
Payments to component units	-	(156)	-	-
Net cash provided by (used for) operating activities	(39,878,746)	(191,546)	1,793,314	(9,504)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	77,910	761,976	-
Transfers and advances to other funds	-	-	(187,500)	-
Net cash provided by (used for) noncapital financing activities	-	77,910	574,476	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	2,366	128,241	-
Purchase of capital assets	(5,160)	(42,729)	(2,074,403)	(11,435)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(5,160)	(40,363)	(1,946,162)	(11,435)
Cash flows from investing activities				
Interest, dividends and gains (losses)	3,328,721	-	-	-
Net cash provided by (used for) investing activities	3,328,721	-	-	-
Net increase (decrease) in cash	(36,555,185)	(153,999)	421,628	(20,939)
Cash and cash equivalents, July 1	179,842,777	4,528,939	908,698	404,315
Cash and cash equivalents, June 30	$ 143,287,592	$ 4,374,940	$ 1,330,326	$ 383,376
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	$ (34,718,154)	$ (555,537)	$ 343,341	$ (114,807)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	19,751	121,174	1,348,252	37,158
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	(6,781,676)	(131,951)	(33,290)	6,268
Decrease (increase) in inventory, deferred charges, other assets	22,344	58,094	9,682	13,406
Decrease (increase) in deferred outflows of resources	164	86,287	(8,411)	9,691
Increase (decrease) in accounts payable, accruals, other liabilities	15,154,995	69,840	112,628	8,314
Increase (decrease) in unearned revenue	(13,641,909)	-	-	-
Increase (decrease) in net pension liability	(701,837)	(1,714,008)	(225,395)	(325,255)
Increase (decrease) in deferred inflows of resources	767,576	1,874,555	246,507	355,721
Total adjustments	(5,160,592)	363,991	1,449,973	105,303
Net cash provided by (used for) operating activities	$ (39,878,746)	$ (191,546)	$ 1,793,314	$ (9,504)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
$ 197,598	$ -	$ 12,001	$ 939	$ 703,280	$ 235,896	$ 52,461,818
23,590,917	2,469,094	7,243,786	2,702,355	24,200,951	1,997,519	265,580,408
244,024	-	246,442	-	-	-	71,305,951
5,000	-	-	-	-	-	5,000
(8,675,106)	(44,154)	(804,958)	(86,706)	(6,794,338)	(794,006)	(367,337,142)
(654,425)	(1,979,111)	(4,831,700)	(1,880,464)	(14,422,774)	(1,314,735)	(34,325,177)
(11,128,052)	(267,605)	(2,180,828)	(702,985)	(258,726)	(348,285)	(19,296,340)
(86,071)	-	(14,563)	-	(78,293)	-	(179,083)
3,493,885	178,224	(329,820)	33,139	3,350,100	(223,611)	(31,784,565)
-	-	-	-	754,992	159,280	1,754,158
(50,000)	-	-	-	(41,132)	-	(278,632)
(50,000)	-	-	-	713,860	159,280	1,475,526
-	-	-	-	-	-	130,607
-	-	-	-	(3,885,579)	(6,675)	(6,025,981)
-	-	(202,987)	-	(1,277,345)	-	(1,480,332)
-	-	-	-	(4,848)	-	(4,848)
-	-	(202,987)	-	(5,167,772)	(6,675)	(7,380,554)
430	-	-	-	-	-	3,329,151
430	-	-	-	-	-	3,329,151
3,444,315	178,224	(532,807)	33,139	(1,103,812)	(71,006)	(34,360,442)
10,629,132	552,799	1,863,909	465,878	4,630,344	1,171,742	204,998,533
$ 14,073,447	$ 731,023	$ 1,331,102	$ 499,017	$ 3,526,532	$ 1,100,736	$ 170,638,091
$ 4,093,384	$ 68,477	$ (628,247)	$ 9,635	$ (1,313,073)	$ (134,825)	$ (32,949,806)
800	1,018	10,475	316	3,841,230	271,354	5,651,528
5,000	-	-	-	-	-	5,000
17,797	-	146,806	12,168	(241,414)	(214,215)	(7,219,507)
6,378	23,833	55,218	17,875	118,032	(544)	324,318
1,544	24,822	8,173	8,322	60,828	(11,240)	180,180
(651,245)	(3,657)	(82,856)	(82,988)	412,605	(155,235)	14,782,401
-	-	-	-	-	-	(13,641,909)
(215,946)	(680,397)	(1,714,700)	(723,958)	(5,037,965)	(270,330)	(11,609,791)
236,173	744,128	1,875,311	791,769	5,509,857	291,424	12,693,021
(599,499)	109,747	298,427	23,504	4,663,173	(88,786)	1,165,241
$ 3,493,885	$ 178,224	$ (329,820)	$ 33,139	$ 3,350,100	$ (223,611)	$ (31,784,565)


TAHOE RIM
TRAIL

Fiduciary Funds

Pension and Other Employee Benefit Trust

Public Employees' Retirement Accounts for the operations of the Public Employees' Retirement System which provides income benefits to qualified public employees (NRS 286.220).

Legislators' Retirement Accounts for the operations of the Legislators' Retirement System (NRS 218.2375).

Judicial Retirement Accounts for the operations of the Judicial Retirement System which provides benefits for justices of the Supreme Court and district judges (NRS 1A.160).

State Retirees' Fund Accounts for the assets accumulated and the payments made for other postemployment benefits provided to current and future State retirees. Administered as a defined benefit Other Postemployment Benefit Plan (OPEB). Funding comes from employer contributions and investment earnings (NRS 287.0436).

Investment Trust

Local Government Investment Pool Accounts for investment funds received from local governments and pooled to obtain greater interest earnings (NRS 355.167).

Nevada Enhanced Savings Term Accounts for the establishment of one or more separate subaccounts for identified investments that are made for and allocated to specific participating local governments (NRS 355.165).

Retirement Benefits Investment Fund Accounts for investment of contributions made by participating entities to support financing of other post employment benefits at some time in the future (NRS 355.220).

Private Purpose Trust

Prisoners' Personal Property Accounts for personal property held in trust for prisoners pending their release (NRS 209.241).

Nevada College Savings Plan Accounts for participant contributions used to pay for future college expenses (NRS 353B.340).

Agency

Intergovernmental Accounts for taxes and fees, such as sales and use, property tax and motor vehicle privilege tax, collected by the Department of Taxation on behalf of local governments (NRS 353.254).

State Agency Fund for Bonds Accounts for surety bonds and deposits held by the State (NRS 353.251).

Motor Vehicle Accounts for taxes and fees collected by the Department of Motor Vehicles pending distribution to counties (NRS 482.180).

Child Support Disbursement Accounts for the centralized collection and disbursement of child support payments in accordance with 42 U.S.C. Sec. 654b (NRS 425.363).

Child Welfare Trust Accounts for survivor benefits held in trust for children receiving welfare services (NRS 432.037).

Restitution Trust Accounts for money received from parolees making restitution (NRS 213.126).

State Payroll Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc. (NRS 227.130).

Combining Statement of Fiduciary Net Position
Pension and Other Employee Benefit Trust, Investment Trust and Private–Purpose Trust Funds

June 30, 2015

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	$ -	$ -	$ -	$ 4,971,859	$ 4,971,859
Cash in custody of other officials	264,196,276	65,098	357,490	-	264,618,864
Investments:					
Investments	-	-	-	1,296,388	1,296,388
Fixed income securities	9,449,725,984	1,369,342	27,677,905	-	9,478,773,231
Marketable equity securities	14,600,247,164	3,362,231	68,094,094	-	14,671,703,489
International securities	7,324,919,557	115,609	2,325,519	-	7,327,360,685
Real estate	1,454,303,113	-	-	-	1,454,303,113
Alternative investments	1,319,000,149	-	-	-	1,319,000,149
Collateral on loaned securities	373,833,323	-	-	-	373,833,323
Receivables:					
Accounts receivable	-	-	-	-	-
Accrued interest and dividends	91,334,239	9,755	277,119	-	91,621,113
Trades pending settlement	129,448,044	15,086	336	-	129,463,466
Intergovernmental receivables	101,981,995	-	316,760	9,996	102,308,751
Contributions receivable	-	-	-	-	-
Other receivables	-	-	194,495	-	194,495
Due from other funds	-	-	-	122,332	122,332
Due from fiduciary funds	19,306,997	-	-	-	19,306,997
Due from component units	-	-	-	1,488,231	1,488,231
Other assets	3,633,781	-	-	-	3,633,781
Furniture and equipment	40,412,280	-	-	-	40,412,280
Accumulated depreciation	(36,462,089)	-	-	-	(36,462,089)
Total assets	35,135,880,813	4,937,121	99,243,718	7,888,806	35,247,950,458
Liabilities					
Accounts payable and accruals:					
Accounts payable	10,447,810	1,874	4,566	-	10,454,250
Intergovernmental payables	-	-	-	-	-
Redemptions payable	-	-	-	-	-
Trades pending settlement	140,879,407	21,724	294,453	-	141,195,584
Bank overdraft	-	-	-	-	-
Obligations under securities lending	373,833,323	-	-	-	373,833,323
Due to other funds	89	-	-	2,892,614	2,892,703
Due to fiduciary funds	-	-	-	-	-
Other liabilities	-	178,709	-	-	178,709
Total liabilities	525,160,629	202,307	299,019	2,892,614	528,554,569
Net Position					
Restricted for:					
Employees' pension benefits	34,610,720,184	4,734,814	98,944,699	-	34,714,399,697
OPEB benefits	-	-	-	4,996,192	4,996,192
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	$ 34,610,720,184	$ 4,734,814	$ 98,944,699	$ 4,996,192	$ 34,719,395,889

	Investment Trust Funds				Private Purpose Trust Funds		
	Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
	$ -	$ 10,612	$ -	$ 10,612	$ 6,597,414	$ -	$ 6,597,414
	-	-	7,011,215	7,011,215	-	17,282,677	17,282,677
	406,997,401	253,988,957	282,877,276	943,863,634	-	15,857,000,441	15,857,000,441
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	8,734	-	8,734	84,858	-	84,858
	222,200	463,108	1,625,028	2,310,336	-	3,488,328	3,488,328
	-	-	-	-	-	3,976,716	3,976,716
	-	-	-	-	89,585	-	89,585
	-	-	-	-	-	12,857,154	12,857,154
	-	-	-	-	-	-	-
	17,216	135	-	17,351	172,939	-	172,939
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	48,222	-	48,222
	-	-	-	-	(48,222)	-	(48,222)
	407,236,817	254,471,546	291,513,519	953,221,882	6,944,796	15,894,605,316	15,901,550,112
	-	78,166	29,578	107,744	118,991	2,745,320	2,864,311
	33,588	-	-	33,588	8,591	-	8,591
	-	-	-	-	-	5,789,195	5,789,195
	-	-	2,490,065	2,490,065	-	12,905,426	12,905,426
	-	-	-	-	-	3,061,000	3,061,000
	-	-	-	-	-	-	-
	9,743	30,618	-	40,361	1,348,374	-	1,348,374
	-	-	-	-	26,840	-	26,840
	-	-	-	-	-	-	-
	43,331	108,784	2,519,643	2,671,758	1,502,796	24,500,941	26,003,737
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	407,193,486	254,362,762	288,993,876	950,550,124	-	-	-
	-	-	-	-	5,442,000	15,870,104,375	15,875,546,375
	$ 407,193,486	$ 254,362,762	$ 288,993,876	$ 950,550,124	$ 5,442,000	$15,870,104,375	$ 15,875,546,375

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Employee Benefit Trust, Investment Trust and Private–Purpose Trust Funds

For the Fiscal Year Ended June 30, 2015

	Pension Trust Funds				
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement	Other Employee Benefit Trust Fund - State Retirees' Fund	Total
Additions					
Contributions:					
Employer	$ 1,436,652,815	$ 155,855	$ 8,511,779	$ 37,758,981	$ 1,483,079,430
Plan members	114,302,545	22,854	-	-	114,325,399
Participants	-	-	-	-	-
Repayment and purchase of service	82,485,688	-	95,812	-	82,581,500
Total contributions	1,633,441,048	178,709	8,607,591	37,758,981	1,679,986,329
Investment income:					
Net increase (decrease) in fair value of investments	520,754,925	124,110	2,111,876	31,512	523,022,423
Interest, dividends	784,929,413	56,352	1,114,177	45,152	786,145,094
Securities lending	4,694,725	-	-	-	4,694,725
Other	124,491,007	-	-	-	124,491,007
	1,434,870,070	180,462	3,226,053	76,664	1,438,353,249
Less investment expense:					
Other	(39,577,974)	(1,096)	(19,994)	(405)	(39,599,469)
Net investment income	1,395,292,096	179,366	3,206,059	76,259	1,398,753,780
Other:					
Investment from local governments	-	-	-	-	-
Reinvestment from interest income	-	-	-	-	-
Other	2,786,066	85,697	-	-	2,871,763
Total other	2,786,066	85,697	-	-	2,871,763
Total additions	3,031,519,210	443,772	11,813,650	37,835,240	3,081,611,872
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	1,958,237,104	497,304	4,896,513	34,362,539	1,997,993,460
Refunds	25,637,753	-	-	-	25,637,753
Contribution distributions	2,356,700	-	-	-	2,356,700
Dividends to investors	-	-	-	-	-
Administrative expense	9,648,626	84,654	85,650	-	9,818,930
Total deductions	1,995,880,183	581,958	4,982,163	34,362,539	2,035,806,843
Change in net position	1,035,639,027	(138,186)	6,831,487	3,472,701	1,045,805,029
Net position, July 1	33,575,081,157	4,873,000	92,113,212	1,523,491	33,673,590,860
Net position, June 30	$ 34,610,720,184	$ 4,734,814	$ 98,944,699	$ 4,996,192	$ 34,719,395,889

Investment Trust Funds				Private Purpose Trust Funds		
Local Government Investment Pool	Nevada Enhanced Savings Term	Retirement Benefits Investment Fund	Total	Prisoners' Personal Property	Nevada College Savings Plan	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	19,711,461	3,983,442,252	4,003,153,713
-	-	-	-	-	-	-
-	-	-	-	19,711,461	3,983,442,252	4,003,153,713
38,394	(4,518,778)	1,966,895	(2,513,489)	-	77,529,742	77,529,742
608,160	6,625,742	6,423,884	13,657,786	-	336,462,462	336,462,462
-	-	-	-	-	-	-
-	-	-	-	-	-	-
646,554	2,106,964	8,390,779	11,144,297	-	413,992,204	413,992,204
-	-	(48,666)	(48,666)	-	-	-
646,554	2,106,964	8,342,113	11,095,631	-	413,992,204	413,992,204
948,724,944	7,849,718	44,913,500	1,001,488,162	-	-	-
494,725	-	-	494,725	-	-	-
-	-	385	385	-	-	-
949,219,669	7,849,718	44,913,885	1,001,983,272	-	-	-
949,866,223	9,956,682	53,255,998	1,013,078,903	19,711,461	4,397,434,456	4,417,145,917
969,947,250	162,255,353	-	1,132,202,603	-	2,732,372,357	2,732,372,357
-	-	-	-	19,599,236	-	19,599,236
-	-	-	-	-	-	-
-	-	200,000	200,000	-	-	-
580,755	-	-	580,755	-	-	-
27,405	394,188	33,585	455,178	-	28,703,974	28,703,974
970,555,410	162,649,541	233,585	1,133,438,536	19,599,236	2,761,076,331	2,780,675,567
(20,689,187)	(152,692,859)	53,022,413	(120,359,633)	112,225	1,636,358,125	1,636,470,350
427,882,673	407,055,621	235,971,463	1,070,909,757	5,329,775	14,233,746,250	14,239,076,025
$ 407,193,486	$ 254,362,762	$ 288,993,876	$ 950,550,124	$ 5,442,000	$ 15,870,104,375	$15,875,546,375

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2015

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
Cash and pooled investments:				
Cash with treasurer	$ 11,207,370	$ 23,385,174	$ 34,478,187	$ -
Cash in custody of other officials	-	21,839,680	6,103,919	3,207,217
Investments	-	222,312,599	-	-
Receivables:				
Taxes receivable	10,255,493	-	48,078,572	-
Intergovernmental receivables	-	-	-	-
Other receivables	-	-	99,064	-
Due from other funds	492,659,580	33,221,865	453,417	-
Due from fiduciary funds	13,293,048	-	1,101	-
Due from component units	-	-	-	-
Prepaid items	-	-	-	-
Total assets	$ 527,415,491	$ 300,759,318	$ 89,214,260	$ 3,207,217
Liabilities				
Accounts payable and accruals:				
Accrued payroll and related liabilities	$ -	$ -	$ -	$ -
Intergovernmental payables	527,415,491	-	68,096,487	-
Due to fiduciary funds	-	-	13,293,048	-
Other liabilities:				
Deposits	-	300,759,318	7,705,809	-
Other liabilities	-	-	118,916	3,207,217
Total liabilities	$ 527,415,491	$ 300,759,318	$ 89,214,260	$ 3,207,217

Child Welfare Trust	Restitution Trust	State Payroll	Total
$ 89,788	$ 1,660,281	$ 9,896,401	$ 80,717,201
-	-	-	31,150,816
-	-	-	222,312,599
-	-	-	58,334,065
-	-	20,178	20,178
-	-	-	99,064
265	20	7,207,194	533,542,341
-	25,739	-	13,319,888
-	-	2,263,225	2,263,225
-	-	-	-
$ 90,053	$ 1,686,040	$ 19,386,998	$ 941,759,377
$ -	$ -	$ 80,001	$ 80,001
-	-	-	595,511,978
-	-	19,306,997	32,600,045
-	-	-	308,465,127
90,053	1,686,040	-	5,102,226
$ 90,053	$ 1,686,040	$ 19,386,998	$ 941,759,377

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Intergovernmental				
Assets				
Cash with treasurer	$ 14,821,002	$ 3,197,118,944	$ 3,200,732,576	$ 11,207,370
Taxes receivable	10,184,131	41,266,636	41,195,274	10,255,493
Due from other funds	465,946,223	492,657,050	465,943,693	492,659,580
Due from fiduciary funds	11,468,873	13,293,048	11,468,873	13,293,048
Total assets	$ 502,420,229	$ 3,744,335,678	$ 3,719,340,416	$ 527,415,491
Liabilities				
Intergovernmental payables	$ 502,420,229	$ 3,745,904,015	$ 3,720,908,753	$ 527,415,491
Total liabilities	$ 502,420,229	$ 3,745,904,015	$ 3,720,908,753	$ 527,415,491
State Agency Fund for Bonds				
Assets				
Cash with treasurer	$ 24,979,085	$ 8,098,283	$ 9,692,194	$ 23,385,174
Cash in custody of other officials	23,371,884	3,846,903	5,379,107	21,839,680
Investments	216,538,645	42,843,500	37,069,546	222,312,599
Due from other funds	32,221,701	1,444,253	444,089	33,221,865
Total assets	$ 297,111,315	$ 56,232,939	$ 52,584,936	$ 300,759,318
Liabilities				
Deposits	$ 297,111,315	$ 56,246,748	$ 52,598,745	$ 300,759,318
Total liabilities	$ 297,111,315	$ 56,246,748	$ 52,598,745	$ 300,759,318
Motor Vehicle				
Assets				
Cash with treasurer	$ 25,881,768	$ 1,236,477,560	$ 1,227,881,141	$ 34,478,187
Cash in custody of other officials	5,741,705	563,469	201,255	6,103,919
Taxes receivable	45,507,803	39,214,306	36,643,537	48,078,572
Other receivables	96,690	2,374	-	99,064
Due from other funds	884,880	453,417	884,880	453,417
Due from fiduciary funds	774	1,101	774	1,101
Total assets	$ 78,113,620	$ 1,276,712,227	$ 1,265,611,587	$ 89,214,260
Liabilities				
Intergovernmental payables	$ 59,202,069	$ 1,260,368,051	$ 1,251,473,633	$ 68,096,487
Due to fiduciary funds	11,468,873	13,293,048	11,468,873	13,293,048
Deposits	7,323,762	722,001	339,954	7,705,809
Other liabilities	118,916	-	-	118,916
Total liabilities	$ 78,113,620	$ 1,274,383,100	$ 1,263,282,460	$ 89,214,260
Child Support Disbursement				
Assets				
Cash in custody of other officials	$ 3,636,326	$ 210,599,817	$ 211,028,926	$ 3,207,217
Total assets	$ 3,636,326	$ 210,599,817	$ 211,028,926	$ 3,207,217
Liabilities				
Other liabilities	$ 3,636,326	$ 210,924,991	$ 211,354,100	$ 3,207,217
Total liabilities	$ 3,636,326	$ 210,924,991	$ 211,354,100	$ 3,207,217
Child Welfare Trust				
Assets				
Cash with treasurer	$ 45,714	$ 493,114	$ 449,040	$ 89,788
Due from other funds	629	265	629	265
Total assets	$ 46,343	$ 493,379	$ 449,669	$ 90,053
Liabilities				
Intergovernmental payables	$ 1,432	$ -	$ 1,432	$ -
Other liabilities	44,911	494,227	449,085	90,053
Total liabilities	$ 46,343	$ 494,227	$ 450,517	$ 90,053

(Continued)

		Balance July 1, 2014		Additions		Deletions		Balance June 30, 2015
Restitution Trust								
Assets								
Cash with treasurer	$	1,392,695	$	3,291,605	$	3,024,019	$	1,660,281
Due from other funds		100		20		100		20
Due from fiduciary funds		24,742		25,739		24,742		25,739
Total assets	$	1,417,537	$	3,317,364	$	3,048,861	$	1,686,040
Liabilities								
Other liabilities	$	1,417,537	$	3,170,822	$	2,902,319	$	1,686,040
Total liabilities	$	1,417,537	$	3,170,822	$	2,902,319	$	1,686,040
State Payroll								
Assets								
Cash with treasurer	$	19,358,207	$	707,245,964	$	716,707,770	$	9,896,401
Intergovernmental receivables		16,521		20,178		16,521		20,178
Due from other funds		2,510,192		7,207,194		2,510,192		7,207,194
Due from fiduciary funds		41,991		-		41,991		-
Due from component unit		1,202,326		2,263,225		1,202,326		2,263,225
Total assets	$	23,129,237	$	716,736,561	$	720,478,800	$	19,386,998
Liabilities								
Accrued payroll and related liabilities	$	1,025,191	$	374,245,785	$	375,190,975	$	80,001
Due to fiduciary funds		19,120,277		252,694,321		252,507,601		19,306,997
Deposits		2,983,769		90,093,743		93,077,512		-
Total liabilities	$	23,129,237	$	717,033,849	$	720,776,088	$	19,386,998
Totals - All Agency Funds								
Assets								
Cash with treasurer	$	86,478,471	$	5,152,725,470	$	5,158,486,740	$	80,717,201
Cash in custody of other officials		32,749,915		215,010,189		216,609,288		31,150,816
Investments		216,538,645		42,843,500		37,069,546		222,312,599
Taxes receivable		55,691,934		80,480,942		77,838,811		58,334,065
Intergovernmental receivables		16,521		20,178		16,521		20,178
Other receivables		96,690		2,374		-		99,064
Due from other funds		501,563,725		501,762,199		469,783,583		533,542,341
Due from fiduciary funds		11,536,380		13,319,888		11,536,380		13,319,888
Due from component unit		1,202,326		2,263,225		1,202,326		2,263,225
Total assets	$	905,874,607	$	6,008,427,965	$	5,972,543,195	$	941,759,377
Liabilities								
Accrued payroll and related liabilities	$	1,025,191	$	374,245,785	$	375,190,975	$	80,001
Intergovernmental payables		561,623,730		5,006,272,066		4,972,383,818		595,511,978
Due to fiduciary funds		30,589,150		265,987,369		263,976,474		32,600,045
Deposits		307,418,846		147,062,492		146,016,211		308,465,127
Other liabilities		5,217,690		214,590,040		214,705,504		5,102,226
Total liabilities	$	905,874,607	$	6,008,157,752	$	5,972,272,982	$	941,759,377

Heli Skiing
Ruby Mountains

Spooner Summit
Lake Tahoe

Wildhorse State
Recreation Area

Statistical Section

This part of the State of Nevada's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report of the relevant year.

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Table 1 - Net Position by Component

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

Governmental Activities	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net investment in capital assets	$ 3,445,629	$ 3,486,155	$ 3,522,177	$ 3,492,205	$ 3,622,787	$ 3,875,141	$ 4,017,147	$ 4,357,735	$ 4,672,738	$ 4,895,213
Restricted	675,966	613,375	697,168	702,743	683,526	749,818	700,341	741,250	866,071	976,650
Unrestricted (deficit)	504,541	623,787	289,123	(236,912)	(224,799)	(276,924)	(59,069)	(3,135)	(124,344)	(2,223,609)
Total governmental activities net position	$ 4,626,136	$ 4,723,317	$ 4,508,468	$ 3,958,036	$ 4,081,514	$ 4,348,035	$ 4,658,419	$ 5,095,850	$ 5,414,465	$ 3,648,254
Business-type Activities										
Net investment in capital assets	$ 2,824	$ 2,783	$ 3,393	$ 3,286	$ 3,615	$ 3,120	$ 3,076	$ 3,422	$ 3,434	$ 3,791
Restricted	1,143,248	1,293,737	1,297,613	819,348	464,346	503,090	538,143	560,410	599,806	651,863
Unrestricted (deficit)	6,428	9,441	10,206	(5,466)	(303,705)	(558,265)	(544,418)	(360,488)	(223,987)	88,253
Total business-type activities net position	$ 1,152,500	$ 1,305,961	$ 1,311,212	$ 817,168	$ 164,256	$ (52,055)	$ (3,199)	$ 203,344	$ 379,253	$ 743,907
Primary Government										
Net investment in capital assets	$ 3,448,453	$ 3,488,938	$ 3,525,570	$ 3,495,491	$ 3,626,402	$ 3,878,261	$ 4,020,223	$ 4,361,157	$ 4,676,172	$ 4,899,004
Restricted	1,819,214	1,907,112	1,994,781	1,522,091	1,147,872	1,252,908	1,238,484	1,301,660	1,465,877	1,628,513
Unrestricted (deficit)	510,969	633,228	299,329	(242,378)	(528,504)	(835,189)	(603,487)	(363,623)	(348,331)	(2,135,356)
Total primary government net position	$ 5,778,636	$ 6,029,278	$ 5,819,680	$ 4,775,204	$ 4,245,770	$ 4,295,980	$ 4,655,220	$ 5,299,194	$ 5,793,718	$ 4,392,161

Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 349,224	$ 421,291	$ 439,682	$ 389,943	$ 375,219	$ 334,616	$ 240,417	$ 229,136	$ 202,620	$ 280,465
Health and social services	2,198,551	2,340,884	2,454,843	2,667,419	3,017,013	3,209,237	3,250,926	3,464,334	3,784,055	4,887,130
Education - K to 12 **(b)**	1,261,533	1,547,378	1,663,725	1,770,627	1,810,353	1,818,869	1,794,579	1,812,992	1,830,605	1,892,519
Education - higher education **(b)**	568,703	707,248	718,006	704,789	620,570	574,667	486,320	477,852	495,893	490,407
Law, justice and public safety	578,049	624,149	650,657	687,410	690,104	667,598	646,701	657,728	662,330	695,023
Regulation of business	101,857	104,385	114,786	118,086	100,380	122,679	101,687	85,688	303,020	259,106
Transportation	508,569	680,281	576,815	762,610	644,976	630,657	801,797	505,354	327,519	462,386
Recreation and resource development	156,933	173,037	167,627	165,741	161,048	153,404	138,599	134,578	139,188	145,000
Interest on long-term debt	132,969	150,486	146,312	138,304	132,238	128,606	122,080	106,126	121,224	94,987
Unallocated depreciation	1,513	720	992	976	1,448	1,402	1,755	2,023	2,150	2,137
Total governmental activities expenses	5,857,901	6,749,859	6,933,445	7,405,905	7,553,349	7,641,735	7,584,861	7,475,811	7,868,604	9,209,160
Business-type activities:										
Unemployment insurance	239,232	296,784	439,632	1,336,043	2,233,382	1,767,632	1,286,839	867,600	552,246	380,166
Housing	45,397	46,152	43,953	44,382	57,342	83,467	50,979	34,247	31,954	23,442
Water loans	8,226	7,885	6,836	6,218	14,697	16,476	8,249	8,942	7,837	6,372
Workers' compensation and safety	23,991	25,381	26,258	26,801	26,084	29,642	27,706	28,685	26,715	27,644
Higher education tuition	18,940	10,504	8,109	13,103	14,051	18,959	26,067	25,081	21,325	25,768
Other	15,601	16,424	20,496	16,967	23,175	28,905	26,187	32,107	32,944	30,263
Total business-type activities expenses	351,387	403,130	545,284	1,443,514	2,368,731	1,945,081	1,426,027	996,662	673,021	493,655
Total primary government expenses	$ 6,209,288	$ 7,152,989	$ 7,478,729	$ 8,849,419	$ 9,922,080	$ 9,586,816	$ 9,010,888	$ 8,472,473	$ 8,541,625	$ 9,702,815

Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 226,191	$ 254,947	$ 254,198	$ 281,997	$ 285,927	$ 301,856	$ 183,278	$ 180,169	$ 174,265	$ 172,468
Health and social services	138,675	125,915	147,785	141,473	131,408	156,698	212,730	212,310	172,459	222,917
Law, justice and public safety	242,262	256,015	257,355	252,755	236,004	234,385	253,431	267,060	273,895	295,582
Other	162,028	148,959	135,034	118,668	143,689	177,342	145,116	128,126	146,567	138,010
Operating grants and contributions	1,848,091	2,025,361	1,982,315	2,544,032	3,141,986	3,050,092	3,091,556	3,116,377	3,416,382	4,337,546
Capital grants and contributions	27,080	16,010	21,871	19,608	56,719	164,711	73,749	56,003	9,349	10,385
Total governmental activities program revenues	2,644,327	2,827,207	2,798,558	3,358,533	3,995,733	4,085,084	3,959,860	3,960,045	4,192,917	5,176,908
Business-type activities:										
Charges for services:										
Unemployment insurance	-	-	-	1,460	1,669	1,587	1,544	1,556	1,393	1,753
Housing	33,589	32,372	30,721	26,604	23,693	21,385	20,105	19,840	16,003	17,058
Water loans	6,484	9,907	8,978	8,648	8,409	8,370	8,371	8,873	8,924	8,233
Workers' compensation and safety	25,593	36,037	35,632	38,955	30,144	35,071	37,946	34,322	40,671	34,804
Higher education tuition **(a)**	9,032	6,044	4,405	6,222	8,222	9,284	14,065	20,074	22,063	18,643
Other	24,035	24,652	31,844	29,504	23,352	30,854	25,856	32,358	32,210	31,394
Operating grants and contributions **(a)**	102,658	93,578	83,982	519,401	1,327,044	1,242,754	848,585	503,960	196,653	75,716
Total business-type activities program revenues	201,391	202,590	195,562	630,794	1,422,533	1,349,305	956,472	620,983	317,917	187,601
Total primary government program revenues	$ 2,845,718	$ 3,029,797	$ 2,994,120	$ 3,989,327	$ 5,418,266	$ 5,434,389	$ 4,916,332	$ 4,581,028	$ 4,510,834	$ 5,364,509
Net (Expense)/Revenue										
Governmental activities	$ (3,213,574)	$ (3,922,652)	$ (4,134,887)	$ (4,047,372)	$ (3,557,616)	$ (3,556,651)	$ (3,625,001)	$ (3,515,766)	$ (3,675,687)	$ (4,032,252)
Business-type activities	(149,996)	(200,540)	(349,722)	(812,720)	(946,198)	(595,776)	(469,555)	(375,679)	(355,104)	(306,054)
Total primary government net expense	$ (3,363,570)	$ (4,123,192)	$ (4,484,609)	$ (4,860,092)	$ (4,503,814)	$ (4,152,427)	$ (4,094,556)	$ (3,891,445)	$ (4,030,791)	$ (4,338,306)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Sales and use taxes	$ 1,097,939	$ 1,149,456	$ 1,101,741	$ 943,787	$ 870,474	$ 931,911	$ 967,374	$ 1,027,124	$ 1,085,656	$ 1,160,968
Gaming taxes	1,003,111	1,029,044	1,011,506	883,054	844,470	850,021	884,928	901,085	922,999	906,382
Modified business taxes	255,252	282,729	297,161	281,605	381,300	378,971	373,156	386,928	382,976	413,749
Insurance premium taxes	238,297	261,378	256,847	241,252	233,280	233,334	238,083	252,195	256,587	301,226
Property and transfer taxes	318,941	296,498	280,896	278,881	266,878	231,758	215,649	215,211	209,784	219,188
Motor and special fuel taxes	297,383	300,182	297,087	272,614	268,554	267,649	267,181	269,232	269,544	277,305
Other taxes	398,460	427,109	425,250	407,469	642,979	688,752	696,431	685,650	688,399	833,960
Investment earnings	87,729	143,013	105,075	9,026	(1,246)	(4,182)	(11,543)	2,892	5,462	14,780
Other	86,371	99,476	116,082	148,321	146,879	214,277	300,430	229,733	160,298	231,042
Contributions to permanent fund	76,553	12,208	8,801	7,019	8,165	6,637	6,705	5,376	5,908	9,038
Special item	(276,773)	-	-	-	-	-	-	-	-	-
Transfers	31,373	18,740	19,592	23,912	19,361	24,044	(3,009)	(22,229)	6,689	(147,100)
Total governmental activities	3,614,636	4,019,833	3,920,038	3,496,940	3,681,094	3,823,172	3,935,385	3,953,197	3,994,302	4,220,538
Business-type activities:										
Other taxes	365,598	372,741	374,565	342,588	314,657	403,509	515,402	565,925	537,372	555,187
Other	-	-	-	-	-	-	-	212	-	-
Special item	-	-	-	-	-	-	-	-	330	5,000
Transfers	(31,373)	(18,740)	(19,592)	(23,912)	(19,361)	(24,044)	3,009	22,229	(6,689)	147,100
Total business-type activities	334,225	354,001	354,973	318,676	295,296	379,465	518,411	588,366	531,013	707,287
Total primary government	$ 3,948,861	$ 4,373,834	$ 4,275,011	$ 3,815,616	$ 3,976,390	$ 4,202,637	$ 4,453,796	$ 4,541,563	$ 4,525,315	$ 4,927,825
Change in Net Position										
Governmental activities	$ 401,062	$ 97,181	$ (214,849)	$ (550,432)	$ 123,478	$ 266,521	$ 310,384	$ 437,431	$ 318,615	$ 188,286
Business-type activities	184,229	153,461	5,251	(494,044)	(650,902)	(216,311)	48,856	212,687	175,909	401,233
Total primary government	$ 585,291	$ 250,642	$ (209,598)	$ (1,044,476)	$ (527,424)	$ 50,210	$ 359,240	$ 650,118	$ 494,524	$ 589,519

(a) Revised figures for years 2006-2013
(b) Beginning with fiscal year 2015, educational expenditures are reported separately for K to 12 and higher education; accordingly, fiscal years 2006 through 2014 have been revised to report these separately

Table 3 - Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	$ 35,336	$ 17,585	$ 15,088	$ 13,512	$ 12,463	$ -	$ -	$ -	$ -	$ -
Unreserved	486,160	427,506	384,663	179,310	222,095	-	-	-	-	-
Nonspendable	-	-	-	-	-	18,456	23,801	33,113	39,255	35,134
Restricted	-	-	-	-	-	73,687	61,049	59,359	65,342	62,114
Committed	-	-	-	-	-	270,568	281,751	345,248	306,050	315,131
Unassigned	-	-	-	-	-	(115,965)	(96,272)	(66,701)	(135,789)	(205,092)
Total General fund	$ 521,496	$ 445,091	$ 399,751	$ 192,822	$ 234,558	$ 246,746	$ 270,329	$ 371,019	$ 274,858	$ 207,287
All Other Governmental Funds										
Reserved	$ 1,004,407	$ 1,244,430	$ 1,311,024	$ 947,719	$ 1,078,045	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	1,038,753	771,887	403,715	396,520	203,466	-	-	-	-	-
Capital projects funds	39,365	87,057	17,402	73,892	59,944	-	-	-	-	-
Permanent funds	21	22	22	20	20	-	-	-	-	-
Nonspendable	-	-	-	-	-	607,134	614,697	604,111	599,746	578,695
Restricted	-	-	-	-	-	414,040	276,666	324,473	597,389	544,993
Committed	-	-	-	-	-	188,796	212,311	245,888	235,265	232,070
Unassigned	-	-	-	-	-	(191)	-	-	-	-
Total all other governmental funds	$ 2,082,546	$ 2,103,396	$ 1,732,163	$ 1,418,151	$ 1,341,475	$ 1,209,779	$ 1,103,674	$ 1,174,472	$ 1,432,400	$ 1,355,758

Note: GASB Statement 54 changed the presentation of fund balance categories and classifications beginning in fiscal year 2011.

Table 4 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Gaming taxes, fees, licenses	$ 1,003,111	$ 1,028,663	$ 1,008,516	$ 880,573	$ 842,359	$ 849,733	$ 884,331	$ 896,685	$ 927,824	$ 908,491
Sales taxes	1,099,483	1,132,418	1,088,024	953,112	870,539	925,899	965,060	1,024,624	1,081,735	1,161,893
Modified business taxes	255,252	278,953	284,600	277,516	385,110	381,901	369,661	386,610	384,886	411,914
Insurance premium taxes	238,297	259,275	256,693	238,524	233,906	234,831	236,787	248,512	263,532	292,665
Property and transfer taxes	318,941	296,498	280,895	278,881	266,878	231,758	215,649	215,211	209,784	219,189
Motor and special fuel taxes	297,383	300,182	297,088	272,614	268,554	267,649	267,181	269,232	269,543	277,305
Other taxes	343,292	373,436	372,652	387,449	620,543	664,427	657,138	685,948	692,192	835,552
Intergovernmental	1,972,799	2,108,916	2,058,071	2,672,751	3,273,266	3,372,565	3,335,558	3,340,627	3,552,327	4,518,221
Licenses, fees and permits	422,934	429,501	432,729	419,514	452,838	497,847	490,240	487,123	508,401	536,486
Sales and charges for services	80,134	97,408	95,407	85,401	84,422	81,923	85,211	87,595	90,322	105,241
Interest and investment income	152,801	239,651	185,006	44,831	37,855	31,853	22,599	23,496	25,397	22,082
Settlement income	35,685	37,351	45,976	50,062	41,963	39,517	40,291	147,071	40,120	39,788
Land sales	71,231	5,756	2,503	663	965	560	397	632	1,933	4,922
Other	88,006	91,086	105,475	141,808	112,728	143,461	160,921	151,708	83,277	112,395
Total revenues	6,379,349	6,679,094	6,513,635	6,703,699	7,491,926	7,723,924	7,731,024	7,965,074	8,131,273	9,446,144

Expenditures										
General government	183,194	230,011	212,659	166,909	137,994	141,366	134,889	143,135	112,757	153,682
Health and social services	2,060,371	2,220,212	2,298,239	2,510,530	2,833,205	3,009,386	3,096,457	3,264,884	3,593,828	4,862,598
Education and support services **(c)**	39,021	39,257	45,240	57,815	57,196	53,796	53,959	53,119	30,845	-
Education - K to 12 **(c)**	-	-	-	-	-	-	-	-	-	1,891,259
Education - higher education **(c)**	-	-	-	-	-	-	-	-	-	610,543
Law, justice and public safety	530,247	583,601	617,151	628,500	633,890	609,230	604,364	595,649	622,066	633,559
Regulation of business	95,467	100,119	104,844	105,631	107,145	109,928	91,792	80,594	293,438	253,132
Transportation	706,543	776,852	612,493	747,425	691,931	751,647	846,335	578,231	452,821	635,049
Recreation and resource development	134,841	144,245	166,347	135,272	130,800	129,770	125,809	121,330	132,682	141,177
Intergovernmental **(b)**	2,104,075	2,502,222	2,634,976	2,706,025	2,704,690	2,716,157	2,569,693	2,592,985	2,638,028	-
Capital outlay	114,226	71,999	167,959	176,599	59,520	41,105	34,222	61,330	29,741	39,564
Debt service:										
Principal	296,771	348,072	424,971	183,976	176,982	194,920	171,004	163,889	166,021	199,845
Interest, fiscal charges	120,683	137,972	143,181	145,169	140,495	135,842	125,978	116,183	106,871	103,998
Debt issuance costs	1,116	3,167	2,440	2,080	1,734	1,300	1,795	1,901	2,282	1,941
Arbitrage payment	74	-	-	-	-	-	22	180	730	24
Total expenditures	6,386,629	7,157,729	7,430,500	7,565,931	7,675,582	7,894,447	7,856,319	7,773,410	8,182,110	9,526,371
Excess (deficiency) of revenues over (under) expenditures	(7,280)	(478,635)	(916,865)	(862,232)	(183,656)	(170,523)	(125,295)	191,664	(50,837)	(80,227)
Other Financing Sources (Uses)										
Capital leases	4,143	8,487	2,926	20	18,209	408	-	-	-	-
Sale of general obligation bonds	231,623	387,155	448,379	300,384	109,244	22,655	42,020	-	141,045	78,335
Sale of general obligation refunding bonds	-	118,346	-	-	33,746	117,415	243,080	353,470	4,125	213,270
Premium on general obligation bonds	9,703	17,635	17,861	18,494	3,928	13,172	40,530	52,780	21,012	54,686
Payment to refunded bond agent	-	(122,039)	-	-	(35,677)	(128,529)	(279,916)	(404,178)	(4,425)	(261,893)
Sale of certificates of participation	-	5,760	-	-	-	-	-	-	50,445	-
Sale of refunding certificates of participation	-	-	-	-	7,900	-	-	-	35,785	-
Premium (discount) on certificates of participation	-	(78)	-	-	743	-	-	-	2,794	-
Payment to refunded certificates of participation agent	-	-	-	-	(8,466)	-	-	-	(42,799)	-
Sale of capital assets	166	646	11,489	684	92	89	103	99	335	365
Transfers in	380,858	587,137	763,988	476,147	358,113	221,167	156,037	194,136	192,193	160,472
Transfers out	(349,050)	(579,970)	(744,350)	(454,439)	(339,116)	(195,362)	(159,081)	(216,483)	(187,907)	(309,220)
Total other financing sources (uses)	277,443	423,079	500,293	341,290	148,716	51,015	42,773	(20,176)	212,603	(63,985)
Special Item										
One-time tax rebate	(276,773)	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ (6,610)	$ (55,556)	$ (416,572)	$ (520,942)	$ (34,940)	$ (119,508)	$ (82,522)	$ 171,488	$ 161,766	$ (144,212)
Total expenditures	$ 6,386,629	$ 7,157,729	$ 7,430,500	$ 7,565,931	$ 7,675,582	$ 7,894,447	$ 7,856,319	$ 7,773,410	$ 8,182,110	$ 9,526,371
Less: Capitalized assets included in the functional categories	387,287	245,032	295,926	227,812	209,123	245,790	221,991	232,772	271,655	252,136
Total noncapital expenditures	$ 5,999,342	$ 6,912,697	$ 7,134,574	$ 7,338,119	$ 7,466,459	$ 7,648,657	$ 7,634,328	$ 7,540,638	$ 7,910,455	$ 9,274,235
Debt service (principal and interest) as a percentage of noncapital expenditures (a)	6.96%	7.03%	7.96%	4.49%	4.25%	4.32%	3.89%	3.71%	3.45%	3.28%

(a) The percentages have been revised for fiscal years 2006 through 2010 to only include debt service prinicipal and interest in the calculation.
(b) Beginninng with fiscal year 2015, intergovernmental expenditures are classified by functional expenditures.
(c) Beginninng with fiscal year 2015, educational expenditures are reported separately for K to 12 and higher education.

Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxable Sales by County:										
Carson City	$1,021,210	$ 991,893	$ 919,266	$ 761,379	$ 678,626	$ 735,161	$ 756,079	$ 779,297	$ 804,368	$ 892,530
Churchill	331,338	306,426	294,411	321,713	251,257	249,112	320,188	387,570	252,675	283,497
Clark	35,604,392	36,262,388	35,930,374	31,378,242	27,969,288	29,046,720	31,080,881	32,566,665	35,040,892	37,497,074
Douglas	815,590	765,218	691,609	584,679	537,187	532,984	557,660	592,823	599,623	653,187
Elko	1,029,763	1,193,449	1,148,379	1,101,164	1,093,158	1,477,347	1,545,691	1,595,351	1,426,133	1,437,625
Esmeralda	8,598	16,523	12,645	9,226	6,551	11,832	20,399	19,806	16,826	18,193
Eureka	315,450	501,077	328,505	285,942	266,356	304,276	367,340	370,492	315,756	260,130
Humboldt	483,366	474,811	508,713	498,791	533,667	748,153	740,656	921,112	780,774	577,537
Lander	170,539	280,378	228,213	264,109	220,348	249,321	443,458	440,677	302,691	308,198
Lincoln	31,529	15,398	26,967	25,257	25,871	33,116	50,417	30,055	29,501	28,955
Lyon	441,896	375,523	385,591	340,284	290,241	300,843	346,511	305,525	356,890	396,525
Mineral	33,445	35,679	38,843	37,247	36,280	42,181	57,696	66,463	62,661	74,178
Nye	522,296	540,377	473,291	427,505	397,570	466,836	498,130	832,077	624,761	497,920
Pershing	62,992	68,332	67,279	62,892	65,681	78,096	106,443	96,442	94,633	82,473
Storey	109,411	204,717	121,244	59,578	48,299	61,863	70,859	77,729	108,434	246,041
Washoe	7,245,525	7,202,641	6,823,701	5,707,791	5,176,982	5,282,935	5,522,605	5,824,726	6,370,685	6,817,589
White Pine	175,147	192,877	197,818	220,815	174,705	314,235	469,737	296,598	253,042	275,884
Total	$ 48,402,487	$ 49,427,707	$ 48,196,849	$ 42,086,614	$ 37,772,067	$ 39,935,011	$ 42,954,750	$ 45,203,408	$ 47,440,345	$ 50,347,536

The State receives a portion of sales taxes at a rate of 2% on taxable sales.

Source: Department of Taxation

Table 6 - Principal Sales Tax Payers by Business Type

Current Year and Nine Years Ago, (Expressed in Thousands)

	Fiscal Year 2006			Fiscal Year 2015		
	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability	Taxable Sales	Percentage of Total Taxable Sales	Tax Liability
Business Type:						
Food services and drinking places	$ 8,547,579	17.6%	$ 170,952	$ 11,126,123	22.1%	$ 222,523
Motor vehicle and parts dealers	6,637,760	13.7%	132,755	5,859,347	11.6%	117,187
General merchandise stores	4,091,513	8.4%	81,830	4,471,399	8.9%	89,428
Clothing and clothing accessories stores	2,295,114	4.7%	45,902	4,028,614	8.0%	80,572
Merchant wholesalers, durable goods	3,476,211	7.2%	69,524	3,350,522	6.7%	67,010
Building material, garden equipment, supplies	3,472,454	7.1%	69,449	2,026,768	4.0%	40,535
Food and beverage stores	1,607,134	3.3%	32,143	1,694,621	3.4%	33,893
Rental and leasing services	-	-	-	1,631,108	3.2%	32,622
Electronics and appliance stores	-	-	-	1,556,844	3.1%	31,137
Miscellaneous retail	4,842,993	10.0%	96,860	1,035,644	2.1%	20,713
Furniture and home furnishings stores	2,639,849	5.4%	52,797	-	-	-
Administrative and support services	1,439,884	3.0%	28,798	-	-	-
Total	$ 39,050,491	80.4%	$ 781,010	$ 36,780,990	73.1%	$ 735,620

Source: Department of Taxation

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.

The categories presented are intended to provide alternative information regarding the source of the State's revenue.

Table 7 - Ratios of Outstanding Debt by Type

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General obligation bonds	$ 2,075,758	$ 1,964,616	$ 1,909,725	$2,079,805	$ 2,067,615	$ 1,952,885	$ 1,870,455	$1,754,520	$1,703,840	$1,607,930
Special obligation bonds	541,680	693,285	774,300	722,880	668,840	612,045	557,735	497,650	527,450	486,140
Premiums (discounts)	81,601	91,543	100,771	109,407	103,270	104,921	118,509	143,968	146,792	176,725
Total bonds payable	2,699,039	2,749,444	2,784,796	2,912,092	2,839,725	2,669,851	2,546,699	2,396,138	2,378,082	2,270,795
Certificates of participation	55,680	60,455	59,320	58,030	56,080	55,475	53,815	52,000	94,455	91,935
Premiums (discounts)	-	-	-	-	690	591	492	339	2,956	2,720
Total certficates of participation	55,680	60,455	59,320	58,030	56,770	56,066	54,307	52,339	97,411	94,655
Obligations under capital leases	9,866	15,955	19,891	17,916	33,846	30,970	28,395	25,096	25,094	22,826
Total governmental activities	2,764,585	2,825,854	2,864,007	2,988,038	2,930,341	2,756,887	2,629,401	2,473,573	2,500,587	2,388,276
Business-type Activities										
General obligation bonds	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720	83,025	73,370
Special obligation bonds	745,780	782,307	886,195	911,783	994,044	920,508	810,892	739,797	1,156,634	1,008,858
Premiums (discounts)	2,242	2,221	2,090	1,987	1,971	2,465	4,984	5,942	55,914	42,691
Total business-type activities	866,562	901,838	1,004,090	1,026,825	1,101,075	1,031,948	917,556	836,459	1,295,573	1,124,919
Total primary government	$ 3,631,147	$ 3,727,692	$ 3,868,097	$4,014,863	$ 4,031,416	$ 3,788,835	$ 3,546,957	$3,310,032	$3,796,160	$3,513,195
Debt as a Percentage of Personal Income	4.19%	4.03%	3.72%	3.79%	4.18%	3.82%	3.46%	3.05%	3.47%	3.04%
Amount of Debt per Capita	$ 1,504	$ 1,493	$ 1,508	$ 1,513	$ 1,501	$ 1,402	$ 1,305	$ 1,201	$ 1,360	$ 1,237

Notes: Details regarding the State's debt can be found in the notes to the financial statements.
See table 11 for personal income and population data.
Debt as a Percentage of Personal Income is based on prior year Personal Income.
Amount of Debt per Capita is based on prior year Population.

Table 8 - Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General obligation bonds	$ 2,075,758	$ 1,964,616	$ 1,909,725	$ 2,079,805	$ 2,067,615	$ 1,952,885	$ 1,870,455	$ 1,754,520	$ 1,703,840	$ 1,607,930
Premiums (discounts)	42,449	49,165	56,770	69,950	68,356	74,551	86,292	96,909	92,714	129,441
Subtotal	2,118,207	2,013,781	1,966,495	2,149,755	2,135,971	2,027,436	1,956,747	1,851,429	1,796,554	1,737,371
Certificates of participation	11,695	10,940	10,155	9,335	7,900	7,900	6,935	5,920	4,855	3,730
Premiums (discounts)	-	-	-	-	689	591	492	394	295	197
Subtotal	11,695	10,940	10,155	9,335	8,589	8,491	7,427	6,314	5,150	3,927
Business-type activities:										
General obligation bonds	118,540	117,310	115,805	113,055	105,060	108,975	101,680	90,720	83,025	73,370
Premiums (discounts)	2,242	2,221	2,090	1,987	1,822	2,338	4,870	5,853	5,091	4,209
Subtotal	120,782	119,531	117,895	115,042	106,882	111,313	106,550	96,573	88,116	77,579
Total general bonded debt	$ 2,250,684	$ 2,144,252	$ 2,094,545	$ 2,274,132	$ 2,251,442	$ 2,147,240	$ 2,070,724	$ 1,954,316	$ 1,889,820	$ 1,818,877
Actual Taxable Property Value	$ 245,075,283	$ 327,140,473	$ 383,571,013	$ 410,130,698	$ 341,886,423	$ 264,840,276	$ 246,391,220	$ 234,900,598	$ 239,048,328	$ 260,130,702
Percentage of Actual Taxable Value of Property (b)	0.92%	0.66%	0.55%	0.55%	0.66%	0.81%	0.84%	0.83%	0.79%	0.70%
Debt Per Capita (a) (b)	$ 932	$ 859	$ 817	$ 857	$ 839	$ 794	$ 762	$ 709	$ 677	$ 641

Note: Details regarding the State's outstanding debt can be found in the notes to the financial statements.

Only the general obligation certificates of participation subject to the debt limitation are included above.

(a) See Table 11 for population data.

(b) Revised for fiscal years 2006 through 2014 to exclude special obligation bonds.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 2,339,593	$ 2,756,849	$ 2,963,124	$ 2,482,138	$ 1,900,366	$ 1,756,111	$ 1,671,513	$ 1,701,164	$ 1,854,550	$ 2,028,293
Total debt applicable to limit	920,737	1,015,375	1,214,991	1,405,781	1,410,211	1,342,660	1,293,386	1,178,185	1,151,010	1,127,220
Legal debt margin	$ 1,418,856	$ 1,741,474	$ 1,748,133	$ 1,076,357	$ 490,155	$ 413,451	$ 378,127	$ 522,979	$ 703,540	$ 901,073
Legal debt margin as a percentage of the debt limit	60.65%	63.17%	59.00%	43.36%	25.79%	23.54%	22.62%	30.74%	37.94%	44.43%

Computation of Legal Debt Margin at June 30, 2015:

Assessed value of taxable property at June 30, 2015 (a)		$ 101,414,649
Debt limitation (2% of assessed value)		$ 2,028,293
General Obligation Bonds subject to limit	$ 1,123,490	
Certificates of participation	91,935	
Less obligations exempt from debt margin:		
Lease revenue certificates of participation	(88,205)	
Debt subject to debt limitation		(1,127,220)
Legal debt margin at June 30, 2015		$ 901,073

Note:

(a) On June 30 of each year, the most current assessed value available is the assessed value used for calculating and assessing taxes for the following fiscal year. Therefore, the debt limitation as of June 30 of each year is calculated using the assessed value for the following fiscal year. For purposes of this computation, assessed valuation includes 35% of actual taxable property value, plus statewide redevelopment agency assessed values.

Table 10 - Pledged Revenue Coverage

Last Ten Fiscal Years, (Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	$ 294,348	$ 297,142	$ 293,941	$ 269,479	$ 265,487	$ 264,699	$ 264,369	$ 266,564	$ 266,872	$ 274,838
Debt service										
Principal	$ 30,710	$ 41,125	$ 48,955	$ 51,420	$ 54,040	$ 56,795	$ 120,800	$ 191,330	$ 56,220	$ 41,310
Interest	23,739	30,106	32,727	37,157	33,876	31,136	28,450	25,011	22,422	24,345
Total	$ 54,449	$ 71,231	$ 81,682	$ 88,577	$ 87,916	$ 87,931	$ 149,250	$ 216,341	$ 78,642	$ 65,655
Coverage **(c)**	5.41	4.17	3.60	3.04	3.02	3.01	1.77	1.23	3.39	4.19
Unemployment Compensation Bonds										
Revenue - special bond contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,003	$ 191,548
Debt service										
Principal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 138,590
Interest	-	-	-	-	-	-	-	-	13,644	23,360
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,644	$ 161,950
Coverage **(c)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.25	1.18
Mortgage Revenue Bonds										
Revenue **(a)**	$ 435,332	$ 355,328	$ 129,286	$ 70,051	$ 42,123	$ 126,957	$ 109,194	$ 83,366	$ 100,729	$ 58,737
Expenses **(b)**	6,720	4,595	4,368	5,277	6,548	7,610	15,751	8,867	9,481	4,043
Net available revenues	$ 428,612	$ 350,733	$ 124,918	$ 64,774	$ 35,575	$ 119,347	$ 93,443	$ 74,499	$ 91,248	$ 54,694
Debt service										
Principal **(d)**	$ 136,186	$ 51,003	$ 37,897	$ 33,592	$ 67,079	$ 132,536	$ 157,962	$ 71,095	$ 151,432	$ 80,745
Interest	38,644	37,002	38,051	36,354	33,236	29,111	26,444	23,226	17,882	15,149
Total	$ 174,830	$ 88,005	$ 75,948	$ 69,946	$ 100,315	$ 161,647	$ 184,406	$ 94,321	$ 169,314	$ 95,894
Coverage **(c)**	2.45	3.99	1.64	0.93	0.36	0.74	0.51	0.79	0.54	0.57
Lease Revenue Certificates of Participation										
Revenue - lease rent (net)	$ 900	$ 2,088	$ 2,867	$ 1,614	$ 2,961	$ 3,045	$ 2,878	$ 2,972	$ 4,098	$ 2,996
Assets - held by the trustee **(e)**	4,926	4,712	4,948	4,779	4,837	4,643	4,709	4,558	46,902	12,442
Total	$ 5,826	$ 6,800	$ 7,815	$ 6,393	$ 7,798	$ 7,688	$ 7,587	$ 7,530	$ 51,000	$ 15,438
Debt service										
Principal	$ -	$ 230	$ 350	$ 470	$ 515	$ 605	$ 695	$ 800	$ 1,795	$ 1,395
Interest	2,021	2,150	2,256	2,245	2,229	2,212	2,188	2,163	3,418	4,128
Total	$ 2,021	$ 2,380	$ 2,606	$ 2,715	$ 2,744	$ 2,817	$ 2,883	$ 2,963	$ 5,213	$ 5,523
Coverage **(c)**	2.88	2.86	3.00	2.35	2.84	2.73	2.63	2.54	9.78	2.80

Notes: Details regarding the State's outstanding debt can be found in the notes to the financial statements.
(a) Consists of interest and investment income and principal collections of the Housing Division Enterprise Fund.
(b) Consists of operating expenses, nonoperating expenses and transfers out less interest expense and depreciation.
(c) Coverage equals net available revenues divided by total debt service.
(d) Principal paid on mortgage revenue bonds is updated for years 2010 and 2011. There is no change to coverage ratio.
(e) Assets - held by the trustee are the combination of additional lease rent, investment income, and bond proceeds.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population										
Nevada **(a)**	2,414,807	2,495,529	2,565,382	2,653,630	2,684,665	2,703,230	2,718,586	2,755,245	2,791,494	2,839,099
Percentage change	3.5%	3.3%	2.8%	3.4%	1.2%	0.7%	0.6%	1.3%	1.3%	1.7%
United States **(a)**	296,410,404	299,398,484	301,621,157	304,093,966	306,771,529	309,326,295	311,721,632	314,112,078	316,497,531	318,857,056
Percentage change	0.9%	1.0%	0.7%	0.8%	0.9%	0.8%	0.8%	0.8%	0.8%	0.7%
Total Personal Income										
Nevada *(in millions)* **(a)**	$ 86,650	$ 92,557	$ 103,847	$ 105,824	$ 96,430	$ 99,092	$ 102,612	$ 108,657	$ 109,490	$ 115,672
Percentage change	9.9%	6.8%	12.2%	1.9%	-8.9%	2.8%	3.6%	5.9%	0.8%	5.6%
United States *(in millions)* **(a)**	$10,251,639	$10,860,917	$11,645,882	$12,451,660	$11,852,715	$12,417,659	$13,233,436	$13,904,485	$14,064,468	$14,683,147
Percentage change	5.6%	5.9%	7.2%	6.9%	-4.8%	4.8%	6.6%	5.1%	1.2%	4.4%
Per Capita Personal Income										
Nevada **(a)**	$ 35,883	$ 37,089	$ 40,480	$ 39,879	$ 35,919	$ 36,657	$ 37,745	$ 39,436	$ 39,223	$ 40,742
Percentage change	6.2%	3.4%	9.1%	-1.5%	-9.9%	2.1%	3.0%	4.5%	-0.5%	3.9%
United States **(a)**	$ 34,586	$ 36,276	$ 38,611	$ 40,947	$ 38,637	$ 40,144	$ 42,453	$ 44,266	$ 44,438	$ 46,049
Percentage change	4.6%	4.9%	6.4%	6.1%	-5.6%	3.9%	5.8%	4.3%	0.4%	3.6%
Labor Force and Employment										
Nevada Labor Force	1,218,525	1,295,085	1,335,852	1,373,462	1,369,891	1,350,309	1,385,872	1,378,876	1,372,862	1,393,639
Unemployed	49,002	54,217	64,380	91,450	161,270	200,772	187,732	152,468	135,071	107,856
Unemployment Rate	4.0%	4.2%	4.8%	6.7%	11.8%	14.9%	13.5%	11.1%	9.8%	7.7%
United States Labor Force	149,320,000	151,428,000	153,124,000	154,287,000	154,142,000	153,889,000	153,617,000	154,975,000	155,389,000	155,922,000
Unemployed	7,591,000	7,001,000	7,078,000	8,924,000	14,265,000	14,825,000	13,747,000	12,506,000	11,460,000	9,617,000
Unemployment Rate	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%

Sources: U.S. Department of Commerce, Bureau of Economic Analysis; Nevada Department of Employment, Training, and Rehabilitation

Note: Total personal income is composed of wages and salaries, proprietors' income, personal interest and dividend income, rental income, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated by dividing total personal income by population.
(a) Revised estimates for 2011 through 2013

Table 12 - Principal Employers

Current Year and Nine Years Ago

	Calendar Year 2005			Calendar Year 2014		
Employer:	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Clark County School District	30,000 - 39,999	1	2.87%	30,000 - 39,999	1	2.51%
State of Nevada	20,000 - 29,999	2	2.05%	20,000 - 29,999	2	1.79%
Washoe County School District	8,000 - 8,499	6	0.68%	8,500 - 8,999	3	0.63%
Clark County	9,000 - 9,499	4	0.76%	8,500 - 8,999	4	0.63%
Wynn Las Vegas	9,000 - 9,499	5	0.76%	8,000 - 8,499	5	0.59%
Bellagio, LLC	9,500 - 9,999	3	0.80%	8,000 - 8,499	6	0.59%
MGM Grand Hotel/Casino	8,000 - 8,499	7	0.68%	8,000 - 8,499	7	0.59%
Aria Resort & Casino, LLC	-	-	-	7,500 - 7,999	8	0.56%
Mandalay Bay Resort & Casino	8,000 - 8,499	8	0.68%	7,000 - 7,499	9	0.52%
Caesar's Palace	4,500 - 4,999	10	0.39%	6,000 - 6,499	10	0.45%
Mirage Casino-Hotel	5,500 - 5,999	9	0.47%	-		-
Total	111,500 - 135,490		10.14%	111,500 - 135,490		8.86%

Sources: Nevada Department of Employment, Training, and Rehabilitation and Nevada Department of Administration

Note: Percentage of total state employment is based on the midpoints in the ranges given.

Table 13 - School Enrollment

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public School Enrollment										
Primary (Pre-K - 6)	201,465	239,418	240,453	235,295	239,723	240,774	243,668	244,425	253,230	258,617
Secondary (7 - 12)	189,501	193,822	196,325	196,014	196,921	198,092	200,335	200,095	205,922	208,910
Total	390,966	433,240	436,778	431,309	436,644	438,866	444,003	444,520	459,152	467,527
Public Higher Education Enrollment										
University of Nevada, Reno	12,444	12,429	12,709	12,889	13,601	14,025	14,330	14,830	16,240	17,380
University of Nevada, Las Vegas	20,180	20,007	20,297	20,670	20,160	19,217	19,142	19,848	21,012	21,724
Nevada State College	1,310	1,418	1,340	1,622	1,867	1,963	2,045	2,061	2,218	2,248
College of Southern Nevada	18,320	19,501	20,906	21,751	22,286	20,231	19,536	18,904	19,141	18,445
Great Basin College	1,584	1,613	1,781	2,002	1,996	1,826	1,743	1,796	1,753	1,853
Truckee Meadows Community College	6,210	6,454	6,800	7,312	7,143	6,262	6,499	6,249	6,144	6,350
Western Nevada College	2,463	2,427	2,438	2,908	2,960	2,380	2,283	2,248	2,353	2,375
Total	62,511	63,849	66,271	69,154	70,013	65,904	65,578	65,936	68,861	70,375

Sources: Nevada Department of Education and Nevada System of Higher Education

Note: Public higher education enrollment represents full-time equivalent students at fall enrollment.

Table 14 - Full-time Equivalent State Government Employees by Function

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General government	1,536	1,558	1,570	1,539	1,487	1,443	1,445	1,548	1,539	1,633
Health and social services	5,364	5,773	6,145	5,823	6,151	6,061	5,937	5,925	6,239	6,394
Education and support services	8,118	8,670	9,030	8,930	8,670	8,383	8,015	7,663	8,380	8,647
Law, justice and public safety	5,654	5,946	5,924	5,815	5,812	5,707	5,760	5,838	5,831	5,846
Regulation of business	1,331	1,412	1,390	1,363	1,374	1,309	1,284	1,289	1,363	1,338
Transportation	1,771	1,792	1,829	1,810	1,776	1,769	1,797	1,776	1,770	1,793
Recreation and resource development	1,479	1,403	1,186	1,172	1,172	1,142	1,134	1,145	1,181	1,169
Total	25,253	26,554	27,074	26,452	26,442	25,814	25,372	25,184	26,303	26,820

Sources: Nevada Department of Administration, Nevada System of Higher Education and Legislative Counsel Bureau

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Department of Taxation										
Number of sales and use tax audits	1,668	1,994	1,346	1,397	1,254	1,066	950	1,461	1,198	N/A
Public Employees Benefits Program										
Number of plan participants	35,049	38,936	42,049	44,232	43,943	42,830	40,615	40,176	40,635	41,449
Generic drug utilization **(b)**	59%	65%	65%	72%	72%	78%	78%	72%	82%	22%
Department of Administration										
Square feet of non-state owned space leased (major urban areas) **(i)**	1,377,525	1,547,467	1,547,467	1,393,872	1,393,872	1,466,102	1,408,617	1,511,207	1,526,579	1,606,012
Job applications processed	54,378	92,353	66,041	68,552	76,129	77,428	88,394	101,062	81,916	85,578
Nevada State Library and Archives										
Volumes (excludes documents and microfilm)	76,527	79,917	82,913	81,368	82,848	84,460	86,231	87,942	89,785	91,497
Government publications (U.S., Nevada and California)	798,013	813,142	827,697	833,705	849,112	851,855	854,727	862,764	864,898	869,670
Health and Social Services										
Health Care Financing & Policy										
Nevada Medicaid - average monthly eligibles	172,685	168,197	180,369	197,313	240,528	279,840	303,214	315,434	392,315	558,787
NV Check-Up Program - average monthly enrollment **(i)**	27,492	29,075	29,075	21,713	21,713	21,193	21,296	21,132	21,771	22,606
Health Division										
Women, Infants and Children Program participants (FFY)	602,100	602,784	711,018	793,166	870,398	887,796	896,465	884,946	874,462	860,468
Welfare Division										
Average monthly number of TANF recipients	19,880	17,706	21,022	22,556	29,084	30,854	29,331	28,837	32,239	31,928
Average monthly number of Mental Health clients	14,655	13,249	14,582	15,575	15,160	15,138	14,058	14,414	14,238	13,585
Average monthly number of Mental Health inpatients	198	246	265	253	225	211	209	221	277	301
Average monthly number of SNAP (Food Stamp) recipients	118,474	119,596	137,589	179,790	260,417	323,290	352,156	358,611	375,506	411,447
Average monthly number of Developmental Services clients	4,057	4,387	4,672	4,876	5,086	5,346	5,550	5,694	5,865	6,184
Percent of current child support owed that is collected (FFY) **(f)**	46%	48%	48%	48%	49%	51%	56%	58%	60%	N/A
TANF recipient children receiving child care	17,977	16,797	24,705	19,119	17,407	20,269	19,883	18,742	20,122	23,346
Non-TANF children receiving child care	104,463	112,452	113,426	84,517	69,541	83,399	67,955	43,215	39,309	44,725
Applications for energy assistance received	24,846	27,515	27,515	38,674	38,674	42,611	38,643	36,764	41,190	40,726
Households served with energy assistance	14,552	16,846	16,846	25,458	25,458	32,544	20,484	25,631	22,463	26,228
Education and Support Services										
Nevada Department of Education **(a)**										
Percent of occupational education students receiving a diploma	88%	N/A	93%	95%	88%	85%	75%	70%	85%	74%
Number of special education students receiving a high school diploma	503	458	437	703	560	747	725	677	745	799
Law, Justice and Public Safety										
The Supreme Court of Nevada										
Cases filed **(c)**	2,171	2,124	2,212	2,169	2,267	2,514	2,406	2,362	2,426	N/A
Cases disposed **(c)**	2,387	1,976	2,058	2,238	2,468	2,217	2,248	2,392	2,582	N/A
Number of opinions written **(c)**	121	61	103	63	57	87	71	104	99	N/A
Nevada Department of Corrections										
Total admissions **(e)**	6,292	6,016	N/A	5,781	5,801	5,971	5,818	5,666	5,749	5,937
Total releases **(e)**	5,162	5,308	N/A	6,120	6,056	6,098	5,678	5,614	5,672	5,750
In-house population at year-end **(e)**	12,816	12,967	12,853	12,742	12,591	12,458	12,564	12,665	12,824	12,999
Department of Public Safety, Highway Patrol Division										
Total number of DUI arrests **(g)**	4,264	5,093	4,720	4,676	3,981	3,846	3,286	3,177	2,977	3,156
Total number of safety inspections **(g)**	24,714	24,227	22,669	26,478	26,056	25,491	27,492	28,737	25,923	33,570
Department of Motor Vehicles										
Motor vehicle registrations	2,262,743	2,351,581	2,345,500	2,335,778	2,284,437	2,153,918	2,119,167	2,190,660	2,259,552	2,326,319

Regulation of Business										
Nevada Department of Agriculture										
Number of meals served in the Children & Adult Food Care Program **(i)**	4,256,701	3,093,889	3,093,889	4,330,289	4,330,289	4,063,461	4,592,266	4,724,529	4,800,386	4,527,435
Percent of K-12 students participating in the Nat'l School Lunch Program **(b) (j)**	41%	43%	43%	42%	42%	47%	52%	54%	54%	54%
Nevada Gaming Commission										
Licenses issued & active at fiscal year-end	2,924	2,961	2,933	2,882	2,827	2,875	2,859	2,933	2,981	2,961
Licensed devices at fiscal year-end:										
Games	6,232	6,133	6,135	6,019	5,985	5,948	5,887	5,676	5,731	5,818
Tables	1,098	1,102	1,001	1,063	1,132	1,070	1,016	902	848	871
Slots	207,569	202,362	198,080	194,180	190,135	190,217	184,150	179,776	176,073	174,548
Department of Business and Industry										
Units of affordable housing produced **(b) (i)**	236	403	403	792	792	773	592	727	1,117	848
Taxicab Authority notices of violation issued	3,290	3,129	4,066	4,292	3,474	3,453	3,128	4,419	3,306	3,672
Taxicab Authority vehicle inspections made	6,627	6,486	7,025	7,507	7,471	7,165	7,693	6,849	7,374	9,210
Number of worksite safety & health inspections	2,594	2,399	2,566	2,835	2,040	1,223	1,322	1,272	1,659	1,131
Number of boiler and elevator inspections	20,606	18,323	19,233	21,200	16,382	19,701	14,890	14,564	13,061	12,306
Insurance license and renewal applications processed **(b) (i)**	41,646	44,765	44,765	39,065	39,065	42,506	42,748	41,382	66,763	51,006
Transportation										
Nevada Department of Transportation										
Miles of highways - rural **(e)**	4,741	4,757	4,736	4,802	4,782	4,782	4,750	4,726	4,726	4,735
Miles of highways - urban **(e)**	658	665	662	618	618	618	633	654	667	662
Recreation and Resource Development										
Commission on Tourism										
Inquiries from advertising campaign **(d)**	162,592	301,223	417,269	363,677	196,058	199,471	222,197	162,117	31,998	23,542
Tourism web site visitors **(d)**	1,405,972	1,951,193	3,459,745	1,685,237	2,056,349	2,424,567	2,422,893	1,249,030	1,226,380	708,795
Commission on Economic Development										
Number of projects requesting Community Development Block Grants	57	42	37	21	46	28	42	35	40	36
Number of projects funded	27	27	26	20	38	24	31	27	24	20
Department of Conservation and Natural Resources										
Percent of human caused wildland fires in NDF's jurisdiction investigated	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of State Park users **(h)**	3,215,606	3,343,053	3,004,037	3,150,693	3,008,942	3,030,364	3,093,257	3,046,049	2,999,315	3,028,859

N/A = not available

Sources: Nevada Departments of Taxation, Administration, Health and Human Services, Education, Agriculture, Corrections, Motor Vehicles, Public Safety, Transportation, Business and Industry, Conservation and Natural Resources; Supreme Court of Nevada; Nevada Gaming Commission and Control Board; Public Employees Benefit Program; State of Nevada Executive Budgets.

Notes:
(a) See table 13 for public school enrollment.
(b) The Executive Budget is prepared biennially, and actual figures are only available for the base year (even numbered years). Base year figures have been used for odd numbered years in this table.
(c) Data based on calendar year.
(d) Revised figures provided by Commission on Tourism for 2006 and 2009.
(e) Data prior to 2009 was based on calendar year.
(f) Revised figures for 2007, 2008, 2010, 2011
(g) Revised figures for 2011, 2012
(h) 2006 through 2011 data based on calendar year. 2012 through 2015 data is fiscal year.
(i) Data from Executive Budget prior to 2011
(j) Data from Executive Budget prior to 2012

Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
State owned office space (square feet)	214,747	215,867	201,688	201,688	202,229	214,611	219,927	215,416	213,896	213,896
Vehicles (motor pool)	824	790	849	851	828	798	775	777	865	909
Health and Social Services										
State owned office space (square feet)	122,415	52,626	33,093	33,344	70,939	70,770	64,506	68,648	68,648	68,648
Mental health centers	5	5	5	5	5	5	5	5	5	5
Veterans' home	1	1	1	1	1	1	1	1	1	1
Youth correctional centers	3	3	3	3	2	2	2	2	3	3
Vehicles	241	240	225	232	219	193	183	167	155	147
Education and Support Services										
State owned office space (square feet)	28,200	28,200	28,200	27,949	28,031	28,200	28,200	28,200	28,200	28,200
Number of State museums	7	7	7	7	7	7	7	7	7	7
State library	1	1	1	1	1	1	1	1	1	1
Law, Justice and Public Safety										
State owned office space (square feet)	550,648	540,125	596,564	596,564	646,446	646,223	645,775	645,322	645,322	645,322
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	21	21	19	20	20	20	19	19	19	19
Vehicles	1,091	1,067	1,172	1,217	1,199	1,161	1,191	1,118	1,128	1,088
Regulation of Business										
State owned office space (square feet)	107,547	107,547	107,547	107,547	106,027	102,038	102,478	102,245	103,765	103,765
Vehicles	279	285	292	293	323	263	253	242	259	249
Transportation										
State owned office space (square feet)	184,988	251,658	251,658	251,658	258,056	280,728	273,327	308,532	308,532	337,094
NDOT lane miles	13,087	13,131	13,137	13,055	13,055	13,055	13,368	13,613	13,622	13,628
NDOT bridges	1,025	1,045	1,092	1,092	1,092	1,109	1,116	1,101	1,154	1,164
NDOT vehicles	872	864	901	826	625	538	628	633	631	639
NDOT heavy equipment	1,875	1,900	1,913	1,886	2,033	2,058	1,943	1,931	1,918	1,926
NDOT maintenance stations (staffed)	41	51	48	45	45	42	42	42	44	44
Recreation and Resource Development										
State owned office space (square feet)	146,982	137,353	139,874	139,874	140,998	142,638	142,140	143,150	143,150	143,150
Number of State Parks	26	24	25	24	24	24	24	24	23	23
Acres of State Parks	132,800	132,800	132,117	145,750	145,750	145,750	145,745	145,760	146,225	146,225
Number of Fish Hatcheries	4	4	4	4	4	4	4	4	4	4
Wildlife Management Areas	11	11	11	11	11	11	11	11	11	11
Acres of Wildlife Management Areas	117,959	117,959	117,959	116,888	118,993	118,993	120,254	121,086	119,212	119,212
Vehicles	998	803	811	854	919	805	797	790	826	850

Sources: Nevada Attorney General's Office; Nevada Departments of Administration, Conservation and Natural Resources, Tourism and Cultural Affairs, Health & Human Services, Transportation and Wildlife

Compliance Section

Cyclists explore Bloody Shins Trail
Winnemucca, NV

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Ronald Knecht, MS, JD & PE
State Controller
Carson City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Nevada, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State of Nevada's basic financial statements, and have issued our report thereon dated December 21, 2015. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education and the Colorado River Commission, discretely presented component units; the Housing Division Enterprise Fund, the Self Insurance and Insurance Premiums Internal Service Funds, the Pension Trust Funds and the Other Employee Benefit Trust Fund – State Retirees' Fund, the Nevada College Savings Plan – Private Purpose Trust Fund, the Retirement Benefits Investment Fund – Investment Trust Fund, and the Division of Museums and History Dedicated Trust Fund, as described in our report on the State of Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by some of those auditors. The financial statements of the Division of Museums and History Dedicated Trust Fund, the Pension Trust Funds, the Insurance Premiums Internal Service Fund and the Retirement Benefits Investment Trust Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Nevada's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Findings 2015-A and 2015-B that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State of Nevada's Response to Findings

The State of Nevada's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State of Nevada's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Nevada's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Nevada's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
December 21, 2015

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

Finding 2015-A

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting the gain/loss on refunding transactions is a key component of effective internal control over financial reporting.

A prior period adjustment of approximately $38,000,000 was required to correct the amortization of the gain/loss on the refunding of certain bonds. The State of Nevada amortized the gain/loss on refunding transactions over the shorter of the life of the old debt or the life of the new debt, as required. Because it was the State of Nevada's policy to refund debt on the first available call date, the State of Nevada calculated the life of the old debt as ending on the call date. However, during the year, the State of Nevada became aware of a recently issued Question and Answer that clarified that the life of the old debt should run through the original end date of the issue.

Effect: In prior years, net position in the government wide financial statements was understated by approximately $38,000,000 and amortization expense was overstated by a like amount.

Cause: The State of Nevada calculated the life of the old debt as ending on the call date of the issue, rather than on the end date of the original issue.

Recommendation: We recommend the State of Nevada enhance internal controls to ensure the correct end date is used when recording amortization of gain/loss on refunding transactions.

Views of Responsible Officials and planned corrective action: The State of Nevada Controller's office is in agreement that the internal controls need to be enhanced to ensure the correct end date is used for amortization of gain/loss on refunding transactions. This has already been implemented by the Controller's office, both with the identification and correction of the error, and with updating procedures to calculate the life of the old debt by using the original end date of the issue.

STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

Finding 2015-B

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly capitalizing assets in the government-wide financial statements is a key component of effective internal control over financial reporting.

A journal entry was required to properly report a capital asset addition during the year. Land in the approximate amount of $10,000,000 was recorded as an asset in 2012 and inadvertently recorded again in 2015 as part of the completed project.

Effect: Capital assets were overstated before the adjustment.

Cause: The State of Nevada Controller's office did not have adequate review procedures over multi-year construction projects to identify that an asset had been previously recorded.

Recommendation: We recommend the State of Nevada enhance review procedures over multi-year construction projects to ensure all components in the project are capitalized only once.

Views of Responsible Officials and planned corrective action: The State of Nevada Controller's office is in agreement with the need for enhanced review procedures over multi-year construction projects. Therefore, additional procedures will be added to the review process in order to ensure that all components of multi-year construction projects are properly capitalized.

PART II

APPENDIX B

STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

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STATE OF NEVADA HISTORY OF GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DOLLAR AMOUNTS IN THOUSANDS)

	2011	2012	2013	2014	2015
Revenues:					
Gaming taxes, fees, licenses	$ 835,245	$ 870,007	$ 882,575	$ 913,960	$ 894,805
Sales taxes	925,898	965,060	1,024,624	1,081,735	1,161,893
Intergovernmental	2,688,280	2,678,186	2,823,208	3,118,097	4,081,580
Other Taxes	1,255,065	1,256,166	1,300,109	1,259,052	1,348,925
Licenses, fees and permits	301,462	278,356	279,736	289,652	305,079
Sales and charges for services	53,284	55,719	57,266	58,016	70,878
Interest and investment income	10,161	6,006	9,620	9,914	(337)
Other	117,688	125,418	107,361	53,555	87,208
Total Revenues	6,187,083	6,234,918	6,484,499	6,783,981	7,950,031
Expenditures:					
Current:					
General government	140,751	134,260	142,506	112,076	128,236
Health and social services	2,890,268	2,991,985	3,154,196	3,490,663	4,766,687
Education and support services[2]	53,333	53,430	52,475	30,192	-
Education – K to 12[2]	-	-	-	-	1,891,259
Education – Higher Education[2]	-	-	-	-	486,937
Law, justice and public safety	434,004	424,439	420,597	435,425	450,754
Regulation of business	90,492	73,408	62,351	272,317	233,072
Recreation & resource development	107,769	100,956	96,833	104,852	113,164
Intergovernmental[3]	2,602,500	2,449,931	2,469,662	2,523,472	-
Debt Service:					
Principal	2,061	1,621	1,674	1,821	1,990
Interest, fiscal charges	1,622	1,566	1,416	1,309	1,250
Debt issuance costs	-	3	-	92	-
Arbitrage payments	-	-	180	494	11
Total Expenditures	6,322,800	6,231,599	6,401,890	6,972,713	8,073,360
Excess of (deficiency) revenues over expenditures	(135,717)	3,319	82,609	(188,732)	(123,329)
Other Financing Sources (Uses):					
Capital leases	408	-	-	-	-
Sale of bonds	-	451	-	3,140	-
Premium on bonds	-	42	-	206	-
Sale of fixed assets	70	94	92	219	266
Transfers in	107,707	61,767	70,343	119,805	77,053
Transfers out	(25,195)	(42,089)	(52,353)	(30,799)	(21,561)
Total other financing sources (uses)	82,990	20,265	18,082	92,571	55,758
Net change in fund balances	(52,727)	23,584	100,690	(96,161)	(67,571)
Fund balances, July 1	299,472[1]	246,745	270,329	371,019	274,858
Fund balances, June 30	$ 246,745	$ 270,329	$ 371,019	$ 274,858	$ 207,287

(1) The State implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which changed the classification of fund balances and clarified the definitions of the general fund and other governmental fund types. As a result, certain special revenue funds no longer meet the definition of a special revenue fund and are now reported as activity in the General Fund. Fund balances in the General Fund and nonmajor special revenue funds have been restated by $64,913,865 to reflect this change.

(2) Beginning with fiscal year 2015, educational expenditures are reported separately for K to 12 and Higher Education.

(3) Beginning with fiscal year 2015, intergovernmental expenditures are classified by functional expenditures.

Source: State of Nevada, Comprehensive Annual Financial Reports, 2011-2015.

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PART II

APPENDIX C

MAY 1, 2015 ECONOMIC FORUM FORECAST
WITH LEGISLATIVELY APPROVED ADJUSTMENTS
(REVISED MAY 27, 2016)

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GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

								ECONOMIC FORUM MAY 1, 2015, FORECAST					
	DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
	TAXES												
	MINING TAX AND MINING CLAIMS FEE												
3064	Net Proceeds of Minerals [1-12][2-12][1-14][2-14][2-16][3-16]	$120,414,858	8.0%	$111,275,062	-7.6%	$26,221,970	-76.4%	$50,756,000	93.6%	$38,863,000		$0	
3241	Net Proceeds Penalty							$0		$0		$0	
3245	Centrally Assessed Penalties	$4,327	-78.9%	$64,561	1392.1%		-100.0%	$45,000		$45,000	0.0%	$45,000	0.0%
3116	Mining Claims Fee [3-12]	$6,300						$0		$0		$0	
	TOTAL MINING TAXES AND FEES	$120,425,485	-7.1%	$111,339,623	-7.5%	$26,221,970	-76.4%	$50,801,000	93.7%	$38,908,000		$45,000	
	SALES AND USE												
3001	Sales & Use Tax	$842,941,556	6.0%	$888,658,964	5.4%	$931,319,687	4.8%	$999,006,000	7.3%	$1,057,000,000	5.8%	$1,114,995,000	5.5%
3002	State Share - LSST [4-12][3-14][4-16]	$8,309,073	7.5%	$8,791,462	5.8%	$9,194,669	4.6%	$9,740,300	5.9%	$10,305,700	5.8%	$10,871,200	5.5%
3003	State Share - BCCRT	$3,682,170	6.0%	$3,893,046	5.7%	$4,088,755	5.0%	$4,370,700	6.9%	$4,624,400	5.8%	$4,878,100	5.5%
3004	State Share - SCCRT	$12,884,425	6.0%	$13,625,039	5.7%	$14,305,300	5.0%	$15,297,300	6.9%	$16,185,300	5.8%	$17,073,400	5.5%
3005	State Share - PTT	$7,778,846	5.9%	$8,230,334	5.8%	$8,797,760	6.9%	$9,407,800	6.9%	$9,953,900	5.8%	$10,500,100	5.5%
	TOTAL SALES AND USE	$875,596,070	6.0%	$923,198,845	5.4%	$967,706,171	4.8%	$1,037,822,100	7.2%	$1,098,069,300	5.8%	$1,158,317,800	5.5%
	GAMING - STATE												
3041	Percent Fees - Gross Revenue: Before Tax Credits	$653,672,645	0.2%	$678,852,045	3.9%	$682,311,672	0.5%	$683,708,000	0.2%	$698,701,000	2.2%	$716,158,000	2.5%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]							$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]							$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		$0	
	Total - Tax Credit Programs							$0		$0		$0	
	Percent Fees - Gross Revenue: After Tax Credits	$653,672,645		$678,852,045		$682,311,672		$683,708,000	0.2%	$698,701,000	2.2%	$716,158,000	2.5%
3032	Pari-mutuel Tax	$2,113	-42.1%	$3,069	45.2%	$2,758	-10.1%	$2,964	7.5%	$3,000	1.2%	$3,150	5.0%
3181	Racing Fees	$11,616	-1.0%	$8,698	-25.1%	$9,258	6.4%	$7,456	-19.5%	$7,600	1.9%	$7,600	0.0%
3247	Racing Fines/Forfeitures	$0	-100.0%	$350		$0		$500		$0		$0	
3042	Gaming Penalties	$459,560	-67.5%	$1,456,742	217.0%	$7,862,472	439.7%	$350,000	-95.5%	$600,000	71.4%	$600,000	0.0%
3043	Flat Fees-Restricted Slots [5-12]	$8,485,702	0.8%	$8,403,435	-1.0%	$8,305,289	-1.2%	$8,271,700	-0.4%	$8,249,400	-0.3%	$8,312,000	0.8%
3044	Non-Restricted Slots [5-12]	$12,628,582	2.9%	$12,298,703	-2.6%	$11,383,000	-7.4%	$11,195,300	-1.6%	$10,984,100	-1.9%	$10,931,900	-0.5%
3045	Quarterly Fees-Games	$6,592,935	-1.2%	$6,449,658	-2.2%	$6,410,111	-0.6%	$6,482,800	1.1%	$6,483,100	0.0%	$6,632,100	2.3%
3046	Advance License Fees	$3,996,985	79.3%	$1,340,597	-66.5%	$672,263	-49.9%	$1,625,000	141.7%	$500,000	-69.2%	$650,000	30.0%
3048	Slot Machine Route Operator	$36,500	1.4%	$40,500	11.0%	$37,000	-8.6%	$35,000	-5.4%	$36,000	2.9%	$36,500	1.4%
3049	Gaming Info Systems Annual	$18,000	19.0%	$18,000	0.0%	$18,000	0.0%	$42,000	133.3%	$30,000	-28.6%	$30,000	0.0%
3028	Interactive Gaming Fee - Operator	$0		$437,500		$604,167	38.1%	$500,000	-17.2%	$500,000	0.0%	$500,000	0.0%
3029	Interactive Gaming Fee - Service Provider	$1,000		$27,000		$75,000	177.8%	$60,300	-19.6%	$52,000	-13.8%	$45,000	-13.5%
3030	Interactive Gaming Fee - Manufacturer	$125,000		$775,000		$700,000	-9.7%	$200,000	-71.4%	$225,000	12.5%	$225,000	0.0%
3033	Equip Mfg. License	$264,500	-4.9%	$273,500	3.4%	$290,000	6.0%	$280,100	-3.4%	$279,500	-0.2%	$282,500	1.1%
3034	Race Wire License	$38,849	16.3%	$34,889	-10.2%	$29,736	-14.8%	$31,800	6.9%	$33,000	3.8%	$34,000	3.0%
3035	Annual Fees on Games	$116,425	-5.6%	$106,046	-8.9%	$105,341	-0.7%	$120,600	14.5%	$124,400	3.2%	$126,900	2.0%
	TOTAL GAMING - STATE: BEFORE TAX CREDITS	$686,450,412	0.4%	$710,525,734	3.5%	$718,816,067	1.2%	$712,913,520	-0.8%	$726,808,100	1.9%	$744,574,650	2.4%
	Tax Credit Programs							$0		$0		$0	
	TOTAL GAMING - STATE: AFTER TAX CREDITS	$686,450,412	0.4%	$710,525,734	3.5%	$718,816,067	1.2%	$712,913,520	-0.8%	$726,808,100	1.9%	$744,574,650	2.4%
	LIVE ENTERTAINMENT TAX (LET)												
3031G	Live Entertainment Tax-Gaming [5-16]	$125,337,855	5.7%	$125,709,500	0.3%	$139,156,240	10.7%	$131,492,000	-5.5%	$112,960,000	-14.1%	$108,378,000	-4.1%
3031NG	Live Entertainment Tax-Nongaming [5-16]	$11,644,191	-3.8%	$11,706,670	0.5%	$14,979,978	28.0%	$15,168,000	1.3%	$31,308,000	106.4%	$41,819,000	33.6%
	TOTAL LET	$136,982,047	4.9%	$137,416,170	0.3%	$154,136,218	12.2%	$146,660,000	-4.9%	$144,268,000	-1.6%	$150,197,000	4.1%
	COMMERCE TAX												
	Commerce Tax [6-16]									$119,826,000		$119,826,000	
	PASSENGER CARRIER EXCISE TAX												
	Passenger Carrier Excise Tax [7-16]									$13,685,000		$22,936,000	
	CIGARETTE TAX												
3052	Cigarette Tax [8-16]	$82,974,853	-3.5%	$83,017,546	0.1%	$79,628,983	-4.1%	$79,678,000	0.1%	$175,356,000	120.1%	$172,675,000	-1.5%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

								ECONOMIC FORUM MAY 1, 2015, FORECAST					
	DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
	TAXES - CONTINUED												
	MODIFIED BUSINESS TAX (MBT)												
	MBT - NONFINANCIAL BUSINESSES (MBT-NFI) [6-12][4-14][9-16] [10-16][11-16][12-16]												
3069	MBT - Nonfinancial: Before Tax Credits	$348,943,337	-3.4%	$363,242,006	4.1%	$361,095,880	-0.6%	$379,528,000	5.1%	$525,097,000	38.4%	$550,930,000	4.9%
	Commerce Tax Credits [13-16]											$0	
	MBT - Nonfinancial: After Commerce Tax Credits							$379,528,000	5.1%	$525,097,000	38.4%	$550,930,000	4.9%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]							$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]							$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		$0	
	Education Choice Scholarship Tax Credits [TC-5]							$0		$0		$0	
	College Savings Plan Tax Credits [TC-6]							$0		$0		$0	
	Total - Tax Credit Programs							$0		$0		$0	
	MBT - Nonfinancial: After Tax Credit Programs	$348,943,337		$363,242,006		$361,095,880		$379,528,000	5.1%	$525,097,000	38.4%	$550,930,000	4.9%
	MBT - FINANCIAL BUSINESSES (MBT-FI) [12-16]												
3069	MBT - Financial: Before Tax Credits	$20,717,296	0.8%	$23,368,075	12.8%	$23,789,898	1.8%	$24,218,000	1.8%	$24,078,000	-0.6%	$25,007,000	3.9%
	Commerce Tax Credits [13-16]											$0	
	MBT - Financial: After Commerce Tax Credits							$24,218,000	1.8%	$24,078,000	-0.6%	$25,007,000	3.9%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]							$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]							$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		$0	
	Education Choice Scholarship Tax Credits [TC-5]							$0		$0		$0	
	College Savings Plan Tax Credits [TC-6]							$0		$0		$0	
	Total - Tax Credit Programs							$0		$0		$0	
	MBT - Financial: After Tax Credit Programs	$20,717,296		$23,368,075		$23,789,898		$24,218,000	1.8%	$24,078,000	-0.6%	$25,007,000	3.9%
	MBT - MINING BUSINESSES (MBT-MINING) [11-16]												
3069	MBT - Mining: Before Tax Credits									$17,353,000		$17,353,000	0.0%
	Commerce Tax Credits [13-16]											$0	
	MBT - Mining: After Commerce Tax Credits									$17,353,000		$17,353,000	0.0%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]									$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]									$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]									$0		$0	
	Education Choice Scholarship Tax Credits [TC-5]									$0		$0	
	College Savings Plan Tax Credits [TC-6]									$0		$0	
	Total - Tax Credit Programs									$0		$0	
	MBT - Mining - After Tax Credit Programs									$17,353,000		$17,353,000	0.0%
	TOTAL MBT - NFI, FI, & MINING												
	TOTAL MBT: BEFORE TAX CREDITS	$369,660,633	-3.2%	$386,610,081	4.6%	$384,885,778	-0.4%	$403,746,000	4.9%	$566,528,000	40.3%	$593,290,000	4.7%
	TOTAL COMMERCE TAX CREDITS [13-16]											-$59,913,000	
	TOTAL MBT: AFTER COMMERCE TAX CREDITS							$403,746,000	4.9%	$566,528,000	40.3%	$533,377,000	-5.9%
	Tax Credit Programs:												
	Film Transferrable Tax Credits [TC-1]							$0		$0		$0	
	Economic Development Transferrable Tax Credits [TC-2]							$0		$0		$0	
	Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		$0	
	Education Choice Scholarship Tax Credits [TC-5]							$0		-$5,000,000		-$5,500,000	
	College Savings Plan Tax Credits [TC-6]							$0		-$69,000		-$138,000	
	Total - Tax Credit Programs							$0		-$5,069,000		-$5,638,000	
	TOTAL MBT: AFTER TAX CREDIT PROGRAMS	$369,660,633		$386,610,081		$384,885,778		$403,746,000	4.9%	$561,459,000	39.1%	$527,739,000	-6.0%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

							ECONOMIC FORUM MAY 1, 2015, FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
TAXES - CONTINUED												
INSURANCE TAXES												
3061 Insurance Premium Tax: Before Tax Credits [1-16]	$236,787,376	0.8%	$248,512,421	5.0%	$263,531,578	6.0%	$294,420,000	11.7%	$324,063,000	10.1%	$355,016,000	9.6%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]							$0		$0		$0	
Economic Development Transferrable Tax Credits [TC-2]							$0		$0		$0	
Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		$0	
Nevada New Markets Job Act Tax Credits [TC-3]							-$13,800,000		-$24,000,000		-$24,000,000	
Total - Tax Credit Programs							-$13,800,000		-$24,000,000		-$24,000,000	
Insurance Premium Tax: After Tax Credit Programs	$236,787,376		$248,512,421		$263,531,578		$280,620,000	6.5%	$300,063,000	6.9%	$331,016,000	10.3%
3062 Insurance Retaliatory Tax	$396,380	81.1%	$242,383	-38.9%	$234,807	-3.1%	$302,000	28.6%	$223,000	-26.2%	$223,000	0.0%
3067 Captive Insurer Premium Tax	$675,188	-9.0%	$635,037	-5.9%	$755,517	19.0%	$878,000	16.2%	$824,000	-6.2%	$831,000	0.8%
TOTAL INSURANCE TAXES: BEFORE TAX CREDITS	$237,858,943	0.9%	$249,389,842	4.8%	$264,521,903	6.1%	$295,600,000	11.7%	$325,110,000	10.0%	$356,070,000	9.5%
TAX CREDIT PROGRAMS							-$13,800,000		-$24,000,000		-$24,000,000	
TOTAL INSURANCE TAXES: AFTER TAX CREDITS	$237,858,943	0.9%	$249,389,842	4.8%	$264,521,903	6.1%	$281,800,000	6.5%	$301,110,000	6.9%	$332,070,000	10.3%
REAL PROPERTY TRANSFER TAX (RPTT)												
3055 Real Property Transfer Tax	$48,373,678	-6.2%	$54,989,831	13.7%	$60,047,457	9.2%	$65,405,000	8.9%	$70,402,000	7.6%	$76,064,000	8.0%
GOVERMENTAL SERVICES TAX (GST)												
3051 Governmental Services Tax [5-14][14-16]	$62,358,153	1.3%	$63,503,131	1.8%	$62,267,322	-1.9%	$62,827,700	0.9%	$63,463,000		$32,054,500	
OTHER TAXES												
3113 Business License Fee [7-12][6-14][15-16]	$64,790,426	19.0%	$69,010,685	6.5%	$72,166,482	4.6%	$74,078,000	2.6%	$103,040,000	39.1%	$104,998,000	1.9%
3050 Liquor Tax	$40,649,951	3.0%	$39,884,376	-1.9%	$41,838,536	4.9%	$43,525,000	4.0%	$44,411,000	2.0%	$45,346,000	2.1%
3053 Other Tobacco Tax	$8,274,310	-17.6%	$10,348,437	25.1%	$11,620,286	12.3%	$11,296,000	-2.8%	$12,455,000	10.3%	$12,907,000	3.6%
4862 HECC Transfer	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%	$5,000,000	0.0%
3065 Business License Tax	$597	-95.6%	$2,941	393.0%	$2,814	-4.3%	$2,000	-28.9%	$0		$0	
3068 Branch Bank Excise Tax	$3,047,528	-0.9%	$2,996,521	-1.7%	$2,788,166	-7.0%	$3,074,400	10.3%	$3,009,800	-2.1%	$3,017,900	0.3%
TOTAL TAXES: BEFORE TAX CREDITS	$2,742,443,087	-2.5%	$2,847,233,762	3.8%	$2,851,648,150	0.2%	$2,992,428,720	4.9%	$3,510,339,200	17.3%	$3,597,318,850	2.5%
TOTAL COMMERCE TAX CREDITS [13-16]											-$59,913,000	
TOTAL TAXES: AFTER COMMERCE TAX CREDITS							$2,992,428,720	4.9%	$3,510,339,200	17.3%	$3,537,405,850	0.8%
Tax Credit Programs:												
Film Transferrable Tax Credits [TC-1]							-$5,200,000		-$4,800,000		$0	
Economic Development Transferrable Tax Credits [TC-2]							$0		-$45,000,000		-$45,000,000	
Catalyst Account Transferrable Tax Credits [TC-4]							$0		$0		-$1,000,000	
Nevada New Markets Job Act Tax Credits [TC-3]							-$13,800,000		-$24,000,000		-$24,000,000	
Education Choice Scholarship Tax Credits [TC-5]							$0		-$5,000,000		-$5,500,000	
College Savings Plan Tax Credits [TC-6]							$0		-$69,000		-$138,000	
Total - Tax Credit Programs							-$19,000,000		-$78,869,000		-$75,638,000	
TOTAL TAXES: AFTER TAX CREDITS	$2,742,443,087	-2.5%	$2,847,233,762	3.8%	$2,851,648,150	0.2%	$2,973,428,720	4.3%	$3,431,470,200	15.4%	$3,461,767,850	0.9%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

							ECONOMIC FORUM MAY 1, 2015, FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
LICENSES												
3101 Insurance Licenses	$15,646,219	-5.4%	$16,625,163	6.3%	$17,925,429	7.8%	$18,463,000	3.0%	$19,017,000	3.0%	$19,588,000	3.0%
3120 Marriage License	$404,472	-1.7%	$378,324	-6.5%	$371,684	-1.8%	$369,000	-0.7%	$369,700	0.2%	$370,400	0.2%
SECRETARY OF STATE												
3105 UCC	$1,829,710	-0.4%	$1,685,928	-7.9%	$1,714,724	1.7%	$1,692,200	-1.3%	$1,695,600	0.2%	$1,699,600	0.2%
3129 Notary Fees	$579,228	-24.6%	$571,626	-1.3%	$544,060	-4.8%	$536,300	-1.4%	$541,700	1.0%	$547,100	1.0%
3130 Commercial Recordings [16-16]	$66,693,331	-5.9%	$65,062,391	-2.4%	$66,661,943	2.5%	$67,665,000	1.5%	$71,429,000	5.6%	$72,408,000	1.4%
3131 Video Service Franchise	$8,425		$7,075	-16.0%	$3,525	-50.2%	$1,500	-57.4%	$0		$0	
3121 Domestic Partnership Registry Fee	$33,891	42.1%	$43,956	29.7%	$51,621	17.4%	$40,300	-21.9%	$26,900	-33.3%	$13,400	-50.2%
3152 Securities	$24,534,996	2.1%	$24,605,322	0.3%	$25,947,110	5.5%	$26,900,000	3.7%	$27,707,000	3.0%	$28,538,000	3.0%
TOTAL SECRETARY OF STATE	$93,679,582	-6.5%	$91,976,297	-1.8%	$94,922,982	3.2%	$96,835,300	2.0%	$101,400,200	4.7%	$103,206,100	1.8%
3172 Private School Licenses [7-14]	$224,140	-5.8%	$247,504	10.4%	$284,569	15.0%	$260,000	-8.6%	$270,000	3.8%	$280,000	3.7%
3173 Private Employment Agency	$11,800	-12.6%	$11,700	-0.8%	$11,400	-2.6%	$11,400	0.0%	$11,400	0.0%	$11,400	0.0%
REAL ESTATE												
3161 Real Estate License [17-16]	$4,005,955	69.4%	$3,408,649	-14.9%	$1,372,080	-59.7%	$1,364,800	-0.5%	$1,952,200	43.0%	$2,127,300	9.0%
3162 Real Estate Fees	$3,300	-31.3%	$2,890	-12.4%	$4,820	66.8%	$6,000	24.5%	$4,000	-33.3%	$4,000	0.0%
TOTAL REAL ESTATE	$4,009,255	69.2%	$3,411,539	-14.9%	$1,376,900	-59.6%	$1,370,800	-0.4%	$1,956,200	42.7%	$2,131,300	9.0%
3102 Athletic Commission Fees [18-16]	$5,115,117	74.8%	$3,867,975	-24.4%	$5,334,498	37.9%	$5,027,000	-5.8%	$3,999,000	-20.4%	$3,999,000	0.0%
TOTAL LICENSES	$119,090,583	-3.0%	$116,518,502	-2.2%	$120,227,462	3.2%	$122,336,500	1.8%	$127,023,500	3.8%	$129,586,200	2.0%
FEES AND FINES												
3200 Vital Statistics Fees [8-14]	$1,024,903	-0.5%	$1,057,380	3.2%								
3203 Divorce Fees	$184,862	-2.9%	$171,211	-7.4%	$174,376	1.8%	$174,200	-0.1%	$175,500	0.7%	$177,000	0.9%
3204 Civil Action Fees	$1,389,756	-4.0%	$1,324,808	-4.7%	$1,325,805	0.1%	$1,275,400	-3.8%	$1,275,200	0.0%	$1,275,800	0.0%
3242 Insurance Fines	$1,431,172	153.1%	$1,208,502	-15.6%	$723,272	-40.2%	$766,700	6.0%	$826,700	7.8%	$826,700	0.0%
3103MD Medical Plan Discount Reg. Fees	$9,895	-5.8%	$2,050	-79.3%								
REAL ESTATE FEES												
3107IOS IOS Application Fees	$9,800	31.7%	$8,794	-10.3%	$7,840	-10.8%	$5,700	-27.3%	$7,300	28.1%	$7,300	0.0%
3165 Land Co Filing Fees [19-16]	$140,650	15.0%	$131,320	-6.6%	$167,495	27.5%	$170,000	1.5%	$21,400	-87.4%	$21,400	0.0%
3167 Real Estate Adver Fees	$4,180	-26.9%	$2,745	-34.3%	$590	-78.5%	$300	-49.2%				
3169 Real Estate Reg Fees	$15,725	20.5%	$18,000	14.5%	$15,700	-12.8%	$16,400	4.5%	$17,000	3.7%	$17,600	3.5%
4741 Real Estate Exam Fees	$218,816	1.7%	$171,144	-21.8%	$174,117	1.7%	$220,200	26.5%	$172,000	-21.9%	$174,000	1.2%
3171 CAM Certification Fee	$86,040	31.0%										
3178 Real Estate Accred Fees	$79,050	-8.1%	$80,108	1.3%	$86,475	7.9%	$92,300	6.7%	$83,000	-10.1%	$86,000	3.6%
3254 Real Estate Penalties	$101,285	32.2%	$104,165	2.8%	$36,835	-64.6%	$27,100	-26.4%	$32,700	20.7%	$32,000	-2.1%
3190 A.B. 165, Real Estate Inspectors	$63,250	47.8%	$50,650	-19.9%	$60,150	18.8%	$52,400	-12.9%	$58,800	12.2%	$61,500	4.6%
TOTAL REAL ESTATE FEES	$718,796	13.2%	$566,926	-21.1%	$549,202	-3.1%	$584,400	6.4%	$392,200	-32.9%	$399,800	1.9%
3066 Short Term Car Lease [8-12]	$44,499,016	15.3%	$45,753,454	2.8%	$46,151,238	0.9%	$47,538,000	3.0%	$48,868,400	2.8%	$50,242,200	2.8%
3103AC Athletic Commission Licenses/Fines	$231,865	70.8%	$215,822	-6.9%	$234,245	8.5%	$231,500	-1.2%	$231,500	0.0%	$231,500	0.0%
3205 State Engineer Sales [9-14]	$3,366,568	12.4%	$2,617,726	-22.2%								
3206 Supreme Court Fees	$211,955	2.6%	$193,275	-8.8%	$216,785	12.2%	$197,000	-9.1%	$197,000	0.0%	$197,000	0.0%
3115 Notice of Default Fee	$2,484,840	-69.5%	$2,765,325	11.3%	$1,706,387	-38.3%	$1,584,200		$1,435,100	-9.4%	$1,300,500	-9.4%
3271 Misc Fines/Forfeitures	$2,851,838	-14.0%	$11,162,515	291.4%	$3,125,839	-72.0%	$8,878,000	184.0%	$2,400,000	-73.0%	$2,400,000	0.0%
TOTAL FEES AND FINES	$58,405,467	1.9%	$67,038,994	14.8%	$54,207,150	-19.1%	$61,229,400	13.0%	$55,801,600	-8.9%	$57,050,500	2.2%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

								ECONOMIC FORUM MAY 1, 2015, FORECAST					
	DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change
	USE OF MONEY AND PROP												
	OTHER REPAYMENTS												
4403	Forestry Nurseries Fund Repayment (05-M27)	$20,670		$20,670		$20,670		$20,670		$20,670		$20,670	
4408	Comp/Fac Repayment	$23,744		$23,744		$23,744		$23,744		$23,744		$23,744	
4408	CIP 95-M1, Security Alarm	$2,998		$2,998		$2,998		$2,998		$2,998		$2,998	
4408	CIP 95-M5, Facility Generator	$6,874		$6,874		$6,874		$6,874		$6,874		$6,874	
4408	CIP 95-S4F, Advance Planning	$1,000		$1,000		$1,000		$1,000		$1,000		$1,000	
4408	CIP 97-C26, Capitol Complex Conduit System, Phase I	$62,542		$62,542		$62,542		$62,542		$62,542		$62,542	
4408	CIP 97-S4H, Advance Planning Addition to Computer Facility	$9,107		$9,107		$9,107		$9,107		$9,107		$9,107	
4409	Motor Pool Repay - LV [10-14]					$62,500		$125,000		$125,000		$125,000	
4402	State Personnel IFS Repayment; S.B. 201, 1997 Legislature	$236,082		$326,659		$202,987		$202,988		$0		$0	
	TOTAL OTHER REPAYMENTS	$363,017	-66.9%	$453,594	25.0%	$392,422	-13.5%	$454,923	15.9%	$251,935	-44.6%	$251,935	0.0%
	INTEREST INCOME												
3290	Treasurer [9-12]	$522,729	-52.3%	$625,550	19.7%	$589,930	-5.7%	$1,242,000	110.5%	$2,570,000	106.9%	$4,069,000	58.3%
3291	Other	($17,606)	-121.1%	$7,723		$4,156	-46.2%	$5,300	27.5%	$5,300	0.0%	$5,300	0.0%
	TOTAL INTEREST INCOME	$505,123	-57.2%	$633,273	25.4%	$594,086	-6.2%	$1,247,300	110.0%	$2,575,300	106.5%	$4,074,300	58.2%
	TOTAL USE OF MONEY & PROP	$868,140	-62.0%	$1,086,867	25.2%	$986,508	-9.2%	$1,702,223	72.6%	$2,827,235	66.1%	$4,326,235	53.0%
	OTHER REVENUE												
3059	Hoover Dam Revenue	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%	$300,000	0.0%
	MISC SALES AND REFUNDS												
4794	GST Commissions and Penalties / DMV [10-12][11-14][20-16]	$24,678,398		$25,127,068	1.8%			$28,761,000					
3047	Expired Slot Machine Wagering Vouchers [11-12]	$3,134,219		$7,193,209	129.5%	$7,486,068	4.1%	$8,054,000	7.6%	$8,228,900	2.2%	$8,426,900	2.4%
3071	Property Tax: 4-cent operating rate (Clark & Washoe)	$22											
3070	Property Tax: 5-cent capital rate (Clark & Washoe)	$11											
4790	Suppl. Account for Med. Assist. to Indigent [12-12]	$19,112,621		$19,218,718	0.6%								
3107	Misc Fees	$251,299	-40.8%	$305,387	21.5%	$298,822	-2.1%	$300,000	0.4%	$300,000	0.0%	$300,000	0.0%
3109	Court Admin Assessments [13-12][12-14][21-16]	$4,434,259	-13.5%	$4,118,579	-7.1%	$2,511,100	-39.0%	$2,258,200	-10.1%	$55,180	-97.6%	$185,940	237.0%
3114	Court Administrative Assessment Fee	$2,537,600	6.5%	$2,509,553	-1.1%	$2,335,123	-7.0%	$2,119,100	-9.3%	$2,127,000	0.4%	$2,149,500	1.1%
3168	Declare of Candidacy Filing Fee	$68,541	115.2%	$37,937	-44.7%	$92,200	143.0%	$11,000	-88.1%	$40,000	263.6%	$16,700	-58.3%
3202	Fees & Writs of Garnishments	$2,255	-20.7%	$2,605	15.5%	$2,535	-2.7%	$2,400	-5.3%	$2,400	0.0%	$2,400	0.0%
3220	Nevada Report Sales	$5,670	-37.3%	$8,620	52.0%	$3,480	-59.6%	$7,200	106.9%	$2,100	-70.8%	$5,900	181.0%
3222	Excess Property Sales	$32,966	56.9%	$26,780	-18.8%	$46,603	74.0%	$85,700	83.9%	$40,100	-53.2%	$37,900	-5.5%
3240	Sale of Trust Property	$14,429	-14.5%	$4,718	-67.3%	$3,447	-26.9%	$3,500	1.5%	$3,500	0.0%	$3,500	0.0%
3243	Insurance - Misc	$432,446	-22.4%	$390,623	-9.7%	$416,576	6.6%	$437,400	5.0%	$450,500	3.0%	$464,000	3.0%
3274	Misc Refunds	$63,338	62.0%	$90,567	43.0%	$30,729	-66.1%	$30,300	-1.4%	$29,500	-2.6%	$31,000	5.1%
3276	Cost Recovery Plan [13-14]	$8,495,233	-6.1%	$8,470,707	-0.3%	$8,883,972	4.9%	$8,590,000	-3.3%	$11,534,000	34.3%	$10,770,000	-6.6%
	TOTAL MISC SALES & REF	$63,263,309	-35.0%	$67,505,073	6.7%	$22,110,653	-67.2%	$50,659,800	129.1%	$22,813,180	-55.0%	$22,393,740	-1.8%
3255	Unclaimed Property [14-12]	$97,397,588	16.2%	$32,918,563	-66.2%	$17,466,436	-46.9%	$11,823,000	-32.3%	$14,438,000	22.1%	$15,875,000	10.0%
	TOTAL OTHER REVENUE	$160,960,897	-11.3%	$100,723,636	-37.4%	$39,877,089	-60.4%	$62,782,800	57.4%	$37,551,180	-40.2%	$38,568,740	2.7%
	TOTAL GENERAL FUND REVENUE: BEFORE TAX CREDITS	$3,081,768,174	-2.9%	$3,132,601,761	1.6%	$3,066,946,360	-2.1%	$3,240,479,643	5.7%	$3,733,542,715	15.2%	$3,826,850,525	2.5%
	TOTAL COMMERCE TAX CREDITS [13-16]											-$59,913,000	
	TOTAL GENERAL FUND REVENUE: AFTER COMMERCE TAX CREDITS							$3,240,479,643	5.7%	$3,733,542,715	15.2%	$3,766,937,525	0.9%
	TAX CREDIT PROGRAMS:												
	FILM TRANSFERRABLE TAX CREDITS [TC-1]							-$5,200,000		-$4,800,000		$0	
	ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS [TC-2]							$0		-$45,000,000		-$45,000,000	
	CATALYST ACCOUNT TRANSFERRABLE TAX CREDITS [TC-4]							$0		$0		-$1,000,000	
	NEVADA NEW MARKET JOBS ACT TAX CREDITS [TC-3]							-$13,800,000		-$24,000,000		-$24,000,000	
	EDUCATION CHOICE SCHOLARSHIP TAX CREDITS [TC-5]							$0		-$5,000,000		-$5,500,000	
	COLLEGE SAVINGS PLAN TAX CREDITS [TC-6]							$0		-$69,000		-$138,000	
	TOTAL- TAX CREDIT PROGRAMS							-$19,000,000		-$78,869,000		-$75,638,000	
	TOTAL GENERAL FUND REVENUE: AFTER TAX CREDITS	$3,081,768,174	-2.9%	$3,132,601,761	1.6%	$3,066,946,360	-2.1%	$3,221,479,643	5.0%	$3,654,673,715	13.4%	$3,691,299,525	1.0%

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

							ECONOMIC FORUM MAY 1, 2015, FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

NOTES:

FY 2012

[1-12] S.B. 493 clarifies and eliminates certain deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. All of the deduction changes are effective beginning with the NPM tax payments due in FY 2012 based on calendar year 2012 mining activity and are permanent, except for the elimination of the deduction for health and industrial insurance expenses, which are effective for FY 2012 and FY 2013 only. Deduction changes are estimated to generate $11,919,643 in addtional revenue in both FY 2012 and FY 2013.

[2-12] A.B. 561 extends the June 30, 2011, sunset (approved in S.B. 429 (2009)) to June 30, 2013, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $69,000,000 in FY 2012 only as tax payments are required in FY 2013 with or without the extension of the sunset.

[3-12] S.B 493 repeals the Mining Claims Fee, approved in A.B. 6 (26th Special Session), requiring payment of the fee in FY 2011 only with the June 30, 2011, sunset. S.B. 493 establishes provisions for entities that paid the Mining Claims Fee to apply to the Department of Taxation for a credit against their Modified Business Tax (MBT) liability or for a refund. No estimate of the impact in FY 2012 and FY 2013 from Mining Claims Fee credits was prepared so no adjustment was made to the Economic Forum May 2, 2011, forecast for MBT - Nonfinancial tax collections.

[4-12] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in A.B. 561 from June 30, 2011, to June 30, 2013, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,052,720 in FY 2012 and $1,084,301 in FY 2013.

[5-12] A.B. 500 reduces the portion of the quarterly licensing fees imposed on restricted and non-restricted slot machines from $2 to $1 per slot machine that is dedicated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling. The other $1 is deposited in the State General Fund in FY 2012 and FY 2013, due to the June 30, 2013, sunset in A.B. 500. Estimated to generate $682,982 in FY 2012 and $692,929 in FY 2013 from non-restricted slot machines and $75,970 in FY 2012 and $77,175 in FY 2013 from restricted slot machines.

[6-12] A.B. 561 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2012 and FY 2013 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $62,500 per quarter and taxable wages exceeding $62,500 per quarter are taxed at 1.17%, effective July 1, 2011. These provisions for the MBT-General Business sunset effective June 30, 2013, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $117,981,497 in FY 2012 and $119,161,117 in FY 2013.

[7-12] A.B. 561 extends the sunset from June 30, 2011, (approved in S.B. 429 (2009 Session)) to June 30, 2013, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $29,949,000 in FY 2012 and $30,100,000 in FY 2013.

[8-12] A.B. 561 requires the 1% portion of the 10% Short-term Car Rental Tax, currently dedicated to the State Highway Fund based on A.B. 595 (2007 Session), to be deposited in the State General Fund along with the other 9%. This change is effective July 1, 2011, and is permanent. Estimated to generate $4,402,222 in FY 2012 and $4,457,778 in FY 2013.

[9-12] The Legislature approved funding for the State Treasurer's Office to use a subscription rating service to allow for more effective investment in corporate securities, which is anticipated to generate additional interest income from the Treasurer's Office investment of the State General Fund. Estimated to generate $105,313 in FY 2012 and $244,750 in FY 2013.

[10-12] S.B. 503 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2012 and FY 2013. S.B. 503 specifies that the amount transferred shall not exceed $20,894,228 from commissions and $4,672,213 from penalties in both FY 2012 and FY 2013.

[11-12] A.B. 219 requires 75 percent of the value of expired slot machine wagering vouchers retained by nonrestricted gaming licensees to be remitted to the Gaming Commission for deposit in the State General Fund on a quarterly basis. Based on the expiration period of 180 days for slot machine wagering vouchers and the effective date of July 1, 2011, only one quarterly payment will be made in FY 2012 with four quarterly payments made in FY 2013 and going forward. Estimated to generate $3,332,750 in FY 2012 and $13,331,000 in FY 2013.

[12-12] A.B. 529 requires transfer of $19,112,621 in FY 2012 and $19,218,718 in FY 2013 from the Supplemental Account for Medical Assistance to Indigent Persons in the Fund for Hospital Care to Indigent Persons to the State General Fund.

[13-12] A.B. 531 (2009 Session) requires the deposit of the portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund.

[14-12] S.B. 136 reduces the period from 3 to 2 years after which certain types of unclaimed property is presumed to be abandoned if the holder of the property reported holding more than $10 million in property presumed to be abandoned for the most recent report filed with the Treasurer's Office. Based on the Treasurer's Office analysis of the entities subject to this change, it was estimated that there would be net gain in unclaimed property receipts in FY 2012 of $30,594,750, but a net loss in FY 2013 of $33,669,923.

FY 2014: Represents legislative actions approved during the 2013 Legislative Session.

[1-14] S.B. 475 extends the June 30, 2013, sunset (approved in A.B. 561 (2011)) to June 30, 2015, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The two-year extension of the sunset is estimated to yield $88,295,000 in FY 2014 as tax payments are required in FY 2015 with or without the extension of the sunset. The extension of the sunset is also estimated to generate an additional $2,936,000 in FY 2015 as the difference between Economic Forum forecast for FY 2015, based on elimination of the sunset, and the estimate based on the extension of the sunset approved in S.B. 475.

[2-14] S.B. 475 extends the June 30, 2013, sunset (approved in S.B. 493 (2011)) to June 30, 2015, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2014 and FY 2015. The health and industrial insurance deduction changes are estimated to generate $7,393,000 in addtional revenue in FY 2014 and $9,741,000 in FY 2015.

[3-14] Extension of the sunset on the 0.35% increase in the Local School Support Tax (LSST) in S.B. 475 from June 30, 2013, to June 30, 2015, generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county. Estimated to generate $1,226,600 in FY 2014 and $1,294,100 in FY 2015.

[4-14] S.B. 475 changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) for FY 2014 and FY 2015 by exempting taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $85,000 per quarter and taxable wages exceeding $85,000 per quarter are taxed at 1.17%, effective July 1, 2013. The taxable wages exemption threshold was $62,500 per quarter for FY 2012 and FY 2013, based on A.B. 561 (2011). These provisions in S.B. 475 for the MBT-General Business sunset effective June 30, 2015, at which time the tax rate will be 0.63% on all taxable wages per quarter. Estimated to generate an additional $113,501,000 in FY 2014 and $120,572,000 in FY 2015.

DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	ECONOMIC FORUM MAY 1, 2015, FORECAST: FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

[5-14] A.B. 491 requires the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to continue to be allocated to the State General Fund for FY 2014 and FY 2015, instead of the State Highway Fund as approved in S.B. 429 (2009). Under A.B. 491, the additional revenue generated from the GST depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2016. The GST depreciation schedule change is estimated to generate $64,224,000 in FY 2014 and $65,134,000 in FY 2015.

[6-14] S.B. 475 extends the sunset from June 30, 2013, (approved in A.B. 561 (2011)) to June 30, 2015, on the $100 increase in the Business License Fee (BLF) from $100 to $200 for the initial and annual renewal. Estimated to generate an additional $31,273,000 in FY 2014 and $31,587,000 in FY 2015.

[7-14] S.B. 470 increases certain existing fees and imposes a new fee collected by the Commission on Postsecondary Education from certain private postsecondary educational institutions. The fee changes are estimated to generate an additional $86,675 in FY 2014 and $80,700 in FY 2015.

[8-14] A.B. 449 requires revenue from fees for vital statistics collected by the Health Division of the Department of Health and Human Services to be retained by the division and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of $1,027,500 in FY 2014 and $1,007,300 in FY 2015.

[9-14] S.B. 468 increases various fees and requires the revenue from the fees collected by the State Water Engineer of the Department of Conservation and Natural Resources (DCNR) to be deposited in the Water Distribution Revolving Account for use by the Division of Water Resources of DCNR and not deposited in the State General Fund, beginning in FY 2014. Estimated to result in a reduction of General Fund revenue of $2,600,000 in FY 2014 and FY 2015.

[10-14] Section 23 of S.B. 521 allows the Fleet Services Division of the Department of Administration to use revenues from intergovernmental transfers to the State General Fund for the repayment of $2.5 million that was appropriated to the Division for the purchase of a building in Las Vegas. The legislatively approved repayment from the Division to the State General Fund is $83,332 in FY 2014 and $125,000 in FY 2015, with an annual repayment of $125,000 each year through FY 2035.

[11-14] A.B. 491 requires the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specifies that the amount transferred shall not exceed $20,813,716 from commissions and $4,097,964 from penalties in FY 2015.

[12-14] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved budget for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059).

[13-14] Adjustment to the Statewide Cost Allocation amount included in the Legislature Approves budget after the May 1, 2013, approval of the General Fund revenue forecast by the Economic Forum.

FY 2016: Note 1 represents legislative actions approved during the 28th Special Session in September 2014.

[1-16] Assembly Bill 3 (28th S.S.) limits the amount of the home office credit that may be taken against the Insurance Premium Tax to an annual limit of $5 million, effective January 1, 2016. The home office credit is eliminated pursuant to this bill, effective January 1, 2021.

FY 2016: Notes 2 through 21 represent legislative actions approved during the 2015 Legislative Session.

[2-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one year to June 30, 2016, on the Net Proceeds of Minerals (NPM) tax, which continues the payment of taxes in the current fiscal year based on the estimated net proceeds for the current calendar year with a true-up against actual net proceeds for the calendar year in the next fiscal year. The one-year extension of the sunset is estimated to yield $34,642,000 in FY 2016. There is no estimated tax payment in FY 2017 with the one-year extension of the prepayment of NPM taxes.

[3-16] S.B. 483 extends the June 30, 2015, sunset (approved in S.B. 475 (2013)) by one-year to June 30, 2016, that eliminates health and industrial insurance deductions allowed against gross proceeds to determine net proceeds for the purpose of calculating the Net Proceeds of Minerals (NPM) tax liability. These deduction changes are effective for the NPM tax payments due in FY 2016. The health and industrial insurance deduction changes are estimated to generate $4,221,000 in addtional revenue in FY 2016.

[4-16] S.B. 483 makes the 0.35% increase in the Local School Support Tax (LSST) permanent. The 0.35% increase generates additional revenue from the 0.75% General Fund Commission assessed against LSST proceeds before distribution to school districts in each county, which is estimated to generate $1,387,300 in FY 2016 and $1,463,400 in FY 2017.

[5-16] S.B. 266 makes changes to the structure of the tax base and tax rate for the Live Entertainment Tax (LET) in NRS Chapter 368A that is administered by the Gaming Control Board for live entertainment at licensed gaming establishments and the Department of Taxation for live entertainment provided at non-gaming establishments. Under existing law, the tax rate is 10% of the admission charge and amounts paid for food, refreshments, and merchandise, if the live entertainment is provided at a facility with a maximum occupancy of less than 7,500 persons, and 5% of the admission charge only, if the live entertainment is provided at a facility with a maximum occupancy equal to or greater than 7,500 persons. S.B. 266 removes the occupancy threshold and establishes a single 9% tax rate on the admission charge to the facility only. The tax rate does not apply to amounts paid for food, refreshments, and merchandise unless that is the consideration required to enter the facility for the live entertainment. S.B. 266 adds the total amount of consideration paid for escorts and escort services to the LET tax base and makes these activities subject to the 9% tax rate. The bill provides that the exemption from the LET for certain nonprofit organizations applies depending on the number of tickets sold and the type of live entertainment being provided. S.B. 266 establishes an exemption for the following: 1.) the value of certain admissions provided on a complimentary basis; 2.) a charge for access to a table, seat, or lounge or for food, beverages, and merchandise that are in addition to the admission charge to the facility; and 3.) certain license and rental fees of luxury suites, boxes, or similar products at a facility with a maximum occupancy of more than 7,500 persons. The provisions of S.B. 266 also make other changes to the types of activities that are included or excluded from the tax base as live entertainment events subject to the 9% tax rate. The provisions of S.B. 266 are effective October 1, 2015. The amounts shown reflect the estimated net change from the provisions of S.B. 266 on the amount of the LET collected from the portion administered by the Gaming Control Board and the Department of Taxation separately and the combined impact. The changes to the LET are estimated to reduce LET-Gaming collections by $19,165,000 in FY 2016 and by $26,551,000 in FY 2017, but increase LET-Nongaming collections by $15,483,000 in FY 2016 and $25,313,000 in FY 2017. The combined net effect on total LET collections is estimated to be reduction of $3,682,000 in FY 2016 and $1,238,000 in FY 2017.

[6-16] S.B. 483 establishes the Commerce Tax as an annual tax on each business entity engaged in business in the state whose Nevada gross revenue in a fiscal year exceeds $4,000,000 at a tax rate based on the industry in which the business is primarily engaged. The Commerce Tax is due on or before the 45th day immediately following the fiscal year taxable period (June 30th). Although the Commerce Tax collections are received after the June 30th end of the fiscal year tax period, the proceeds from the Commerce Tax will be accrued back and accounted for in that fiscal year, since that fiscal year is not officially closed until the third Friday in September. The Commerce Tax provisions are effective July 1, 2015, for the purpose of taxing the Nevada gross revenue of a business, but the first tax payment will not be made until August 14, 2016, for the FY 2016 annual taxable business activity period.

[7-16] A.B. 175 requires the collection of an excise tax by the Nevada Transportation Authority or the Taxicab Authority, as applicable, on the connection of a passenger to a driver affiliated with a transportation network company, a common motor carrier of passengers, or a taxicab equal to 3% of the fare charged to the passenger. The excise tax becomes effective on passage and approval (May 29, 2015) for transportation network companies and August 28, 2015, for common motor carrier and taxicab companies. The first $5,000,000 in tax proceeds from each biennium are required to be deposited in the State Highway Fund and the estimate for FY 2016 reflects this requirement.

[8-16] S.B. 483 increases the cigarette tax per pack of 20 by $1.00 from 80 cents per pack (10 cents to Local Government Distribution Fund, 70 cents to State General Fund) to $1.80 per pack (10 cents to Local Government Distribution Fund, $1.70 to State General Fund), effective July 1, 2015. The $1.00 per pack increase is estimated to generate $96,872,000 in FY 2016 and $95,391,000 in FY 2017.

							ECONOMIC FORUM MAY 1, 2015, FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

[9-16] S.B. 483 permanently changes the structure and tax rate for the Modified Business Tax on General Business (nonfinancial institutions) by exempting quarterly taxable wages (gross wages less allowable health care expenses) paid by an employer to employees up to and including $50,000 per quarter and taxable wages exceeding $50,000 per quarter are taxed at 1.475%. The taxable wages exemption threshold was $85,000 per quarter for FY 2014 and FY 2015 with a 1.17% tax rate on quarterly taxable wages exceeding $85,000, based on S.B. 475 (2013). These provisions in S.B. 475 were scheduled to sunset effective June 30, 2015, at which time the tax rate would have been 0.63% on all taxable wages per quarter. The provisions in S.B. 483 are effective July 1, 2015. The estimated net increase in MBT-NFI tax collections from the 1.475% tax rate on quarterly taxable wages exceeding $50,000 compared to the Economic Forum May 1, 2015, forecast, based on the 0.63% tax rate on all quarterly taxable wages before accounting for the estimated impact of any other legislatively approved changes to the MBT-NFI is $268,041,000 for FY 2016 and $281,443,000 for FY 2017.

[10-16] A.B. 389 deems the client company of an employee leasing company to be the employer of the employees it leases for the purposes of NRS Chapter 612 (unemployment compensation). Under these provisions, the wages of employees leased from employee leasing companies by client companies will no longer be reported on an aggregated basis under the employee leasing company. The wages of the employees will now be reported on a disaggregated basis under each client company. Instead of the $50,000 quarterly exemption applying to the employee leasing company, it will now apply to each client company. These provisions are effective October 1, 2015. The wages paid to employees being reported on a disaggregated basis for each client company versus an aggregated basis for the employee leasing company is estimated to reduce MBT-NFI collections by $2,758,000 in FY 2016 and $3,861,000 in FY 2017.

[11-16] S.B. 483 requires businesses subject to the Net Proceeds of Minerals (NPM) tax in NRS Chapter 362 to pay a 2.0% tax on all quarterly taxable wages paid by the employer to the employees, which is identical to the Modified Business Tax (MBT) paid by financial institutions under NRS Chapter 363A. These provisions are effective July 1, 2015. This change is estimated to reduce MBT-NFI tax collections by $10,884,000 in both FY 2016 and FY 2017. The mining companies paying the 2% tax rate on all taxable wages are estimated to generate $17,353,000 in both FY 2016 and FY 2017 for the MBT-Mining. This change is estimated to yield a net increase in General Fund revenue of $6,469,000 in both FY 2016 and FY 2017.

[12-16] S.B. 103 exempts from the definition of "financial institution" in NRS Chapter 363A any person who is primarily engaged in the sale, solicitation, or negotiation of insurance, which makes such a person subject to the Modified Business Tax on General Business (nonfinancial institutions) in NRS Chapter 363B at 1.475% on quarterly taxable wages exceeding $50,000 and not the 2.0% tax on all quarterly taxable wages. These provisions are effective July 1, 2015. MBT-FI is estimated to be reduced by $891,000 in FY 2016 and $936,000 and the MBT-NFI is estimated to be increased by $278,000 in FY 2016 and $291,000 in FY 2017. The net decrease in General Fund revenue is estimated to be $613,000 in FY 2016 and $645,000 in FY 2017.

[13-16] S.B. 483 provides for a credit against a business's Modified Business Tax (MBT) due during the current fiscal year not to exceed 50% of the Commerce Tax paid by the business for the preceding fiscal year. The credit can be taken against any or all of the four quarterly MBT payments for the current fiscal year, but any amount of credit not used cannot be carried forward and used in succeeding fiscal years. The total estimated Commerce Tax credits against the MBT are estimated to be $59,913,000 in FY 2017, but this estimated credit amount was not allocated separately to the MBT-NFI, MBT-FI, and MBT-Mining.

[14-16] S.B. 483 requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2016. In FY 2017, 50% of the proceeds will be allocated to the State General Fund and 50% to the State Highway Fund. Under S.B. 483, 100% of the additional revenue generated from the GST 10% depreciation schedule change is required to be deposited in the State Highway Fund beginning in FY 2018 and going forward permanently.

[15-16] S.B. 483 makes the $100 increase in the Business License Fee (BLF) from $100 to $200 permanent for the initial and annual renewal, that was scheduled to sunset on June 30, 2015, (as approved in A.B. 475 (2013)) for all types of businesses, except for corporations. The initial and annual renewal fee for corporations, as specified in S.B. 483, is increased from $200 to $500 permanently. These provisions are effective July 1, 2015. The changes to the BLF are estimated to generate additional General Fund revenue of $63,093,000 in FY 2016 and $64,338,000 in FY 2017 in relation ot the Economic Forum May 1, 2015, forecast with all business types paying a $100 annual fee.

[16-16] S.B. 483 permanently increases the fee for filing the initial and annual list of directors and officers by $25 that is required to be paid by each business entity organizing under the various chapters in Title 7 of the NRS, effective July 1, 2015. The $25 increase in the initial and annual list filing fee is estimated to increase Commercial Recordings Fee revenue by $2,751,000 in FY 2016 and $2,807,000 in FY 2017.

[17-16] A.B. 475 changes the initial period from 24 to 12 months and the renewal period from 48 to 24 months for a license as a real estate broker, broker-salesperson, or salesperson and also changes the period for other licenses from 48 to 24 months, effective July 1, 2015. Existing licenses issued before July 1, 2015, do not need to be renewed until the expiration date required under statute prior to July 1, 2015. This change in the licensing period is estimated to reduce Real Estate License Fee revenue by $1,693,400 in FY 2016 and $1,404,200 in FY 2017.

[18-16] A.B. 476 increases the current 6% license fee on the gross receipts from admission charges to unarmed combat events, that is dedicated to the State General Fund, by 2% to 8% with 75% of the proceeds from the 8% fee deposited in the State General Fund and 25% retained by the Athletic Commission to fund the agency's operations. A.B. 476 repeals the two-tiered fee based on the revenues from the sale or lease of broadcast, television and motion picture rights that is dedicated to the State General Fund. A.B. 476 allows the promoter of an unarmed combat event a credit against the 8% license fee equal to the amount paid to the Athletic Commission or organization sanctioned by the Commission to administer a drug testing program for unarmed combatants. These provisions are effective June 9, 2015, based on the passage and approval effective date provisions of A.B. 476. These changes are estimated to reduce Athletic Commission Fee revenue by $600,000 in both FY 2016 and FY 2017.

[19-16] A.B. 478 increases certain fees relating to application or renewals paid by developers for exemptions to any provisions administered by the Real Estate Division of the Department of Business and Industry, and requires that all fees collected for this purpose be kept by the Division, effective July 1, 2015. This requirement for the Division to keep these fees is estimated to reduce Real Estate Land Company filing fees by approximately $152,600 in FY 2016 and $153,300 in FY 2017.

[20-16] A.B. 491 (2013) required the proceeds from the commission retained by the Department of Motor Vehicles from the amount of Governmental Services Tax (GST) collected and any penalties for delinquent payment of the GST to be transferred to the State General Fund in FY 2015 only. A.B. 491 specified that the amount transferred shall not exceed $20,813,716 from commissions and $4,097,964 from penalties in FY 2015. A.B. 490 amended the commissions amount to $23,724,000 and the penalties amount to $5,037,000. This results in an estimated net increase in General Fund revenue of $3,849,320 in FY 2015 from GST Commissions and Penalties.

[21-16] Estimated portion of the revenue generated from Court Administrative Assessment Fees to be deposited in the State General Fund (pursuant to subsection 9 of NRS 176.059), based on the legislatively approved projections and the authorized allocation for the Court Administrative Assessment Fee revenues (pursuant to subsection 8 of NRS 176.059) for FY 2016 and FY 2017.

GENERAL FUND REVENUES - ECONOMIC FORUM MAY 1, 2015, FORECAST (UPDATED 5/27/2016)
ACTUAL: FY 2012 THROUGH FY 2014 AND FORECAST: FY 2015 THROUGH FY 2017
ECONOMIC FORUM'S FORECAST FOR FY 2015, FY 2016, AND FY 2017 APPROVED AT THE MAY 1, 2015, MEETING ADJUSTED FOR ACTIONS APPROVED BY THE 2015 LEGISLATURE (78th SESSION) AND TAX CREDITS APPROVED IN THE 2013 AND 2015 REGULAR SESSIONS AND 28th AND 29th SPECIAL SESSIONS

							ECONOMIC FORUM MAY 1, 2015, FORECAST					
DESCRIPTION	FY 2012 ACTUAL	% Change	FY 2013 ACTUAL	% Change	FY 2014 ACTUAL	% Change	FY 2015 FORECAST	% Change	FY 2016 FORECAST	% Change	FY 2017 FORECAST	% Change

TAX CREDIT PROGRAMS APPROVED BY THE LEGISLATURE IN THE 2013 AND 2015 REGULAR SESSIONS AND THE 24TH SPECIAL SESSION IN SEPTEMBER 2014

[TC-1] Pursuant to S.B. 165 (2013), the Governor's Office of Economic Development (GOED) could issue up to $20 million per fiscal year for a total of $80 million for the four-year pilot program in transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax. The provisions of the film tax credit program were amended in S.B. 1 (28th Special Session (2014)) to reduce the total amount of the tax credits that may be approved by GOED to a total of $10 million. The amounts shown reflect estimates based on information provided by GOED during the 2015 Session on the amount of tax credits that have been or will be approved for use in FY 2015 and FY 2016.

[TC-2] Pursuant to S.B. 1 (28th Special Session (2014)), for certain qualifying projects, the Governor's Office of Economic Development (GOED) is required to issue transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and the Gaming Percentage Fee Tax. The amount of transferrable tax credits are equal to $12,500 for each qualified employee employed by the participants in the project, to a maximum of 6,000 employees, plus 5 percent of the first $1 billion of new capital investment in the State made collectively by the participants in the qualifying project, plus an additional 2.8 percent of the next $2.5 billion in new capital investment in the State made collectively by the participants in the project. The amount of credits approved by GOED may not exceed $45 million per fiscal year (though any unissued credits may be issued in subsequent fiscal years), and GOED may not issue total credits in excess of $195 million. The amounts shown reflect the maximum amount of credits that will be approved in each fiscal year for the Tesla project based on information provided by GOED during the 2015 Session.

[TC-3] Pursuant to S.B. 357 (2013), the Nevada New Markets Jobs Act allows insurance companies to receive a credit against the tax imposed on insurance premiums in exchange for making qualified equity investments in community development entities, particularly those that are local and minority-owned. A total of $200 million in qualified equity investments may be certified by the Department of Business and Industry. In exchange for making the qualified equity investment, insurance companies are entitled to receive a credit against the Insurance Premium Tax in an amount equal to 58 percent of the total qualified equity investment that is certified by the Department. The credits may be taken in increments beginning on the second anniversary date of the original investment, as follows:
2 years after the investment is made: 12 percent of the qualified investment
3 years after the investment is made: 12 percent of the qualified investment
4 years after the investment is made: 12 percent of the qualified investment
5 years after the investment is made: 11 percent of the qualified investment
6 years after the investment is made: 11 percent of the qualified investment

Under the provisions of S.B. 357, the insurance companies were allowed to begin taking tax credits in the third quarter of FY 2015. The amounts shown reflect estimates of the amount of tax credits that will be taken in each fiscal year based on information provided by the Department of Business and Industry and the Department of Taxation during the 2015 Session.

[TC-4] S.B. 507 (2015) authorizes the Governor's Office of Economic Development (GOED) to approve transferrable tax credits that may be used against the Modified Business Tax, Insurance Premium Tax, and Gaming Percentage Fee Tax to new or expanding businesses to promote the economic development of Nevada. As approved in S.B. 507, the total amount of transferrable tax credits that may be issued is $500,000 in FY 2016, $2,000,000 in FY 2017, and $5,000,000 for FY 2018 and each fiscal year thereafter. The amounts shown are the estimate based on the maximum amount that can be issued in each fiscal year.

A.B. 1 of the 29th Special Session (2015) reduced the total amount of transferrable tax credits that may be issued by GOED to zero in FY 2016, $1 million in FY 2017, $2 million per year in FY 2018 and FY 2019, and $3 million in FY 2020. For FY 2021 and future fiscal years, the amount of credits that may be issued by GOED remains at $5 million per year.

[TC-5] A.B. 165 (2015) allows taxpayers who make donations of money to certain scholarship organizations to receive a dollar-for-dollar credit against the taxpayer's liability for the Modified Business Tax (MBT). The total amount of credits that may be approved by the Department is $5 million in FY 2016, $5.5 million in FY 2017, and 110 percent of the total amount of credits authorized in the previous year, for all subsequent fiscal years. The amounts shown reflect the estimate based on the assumption that the total amount authorized for each fiscal year will be donated to a qualified scholarship organization and taken as credits against the MBT.

[TC-6] S.B. 412 (2015) provides a tax credit against the Modified Business Tax (MBT) to certain employers who match the contribution of an employee to one of the college savings plans offered through the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program authorized under existing law. The amount of the tax credit is equal to 25 percent of the matching contribution, not to exceed $500 per contributing employee per year, and any unused credits may be carried forward for 5 years. The provisions relating to the Nevada College Savings Program are effective January 1, 2016, and the Higher Education Prepaid Tuition Program are effective July 1, 2016. The amounts shown are estimates based on information provided by the Treasurer's Office on enrollment and contributions for the college savings plans.

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