

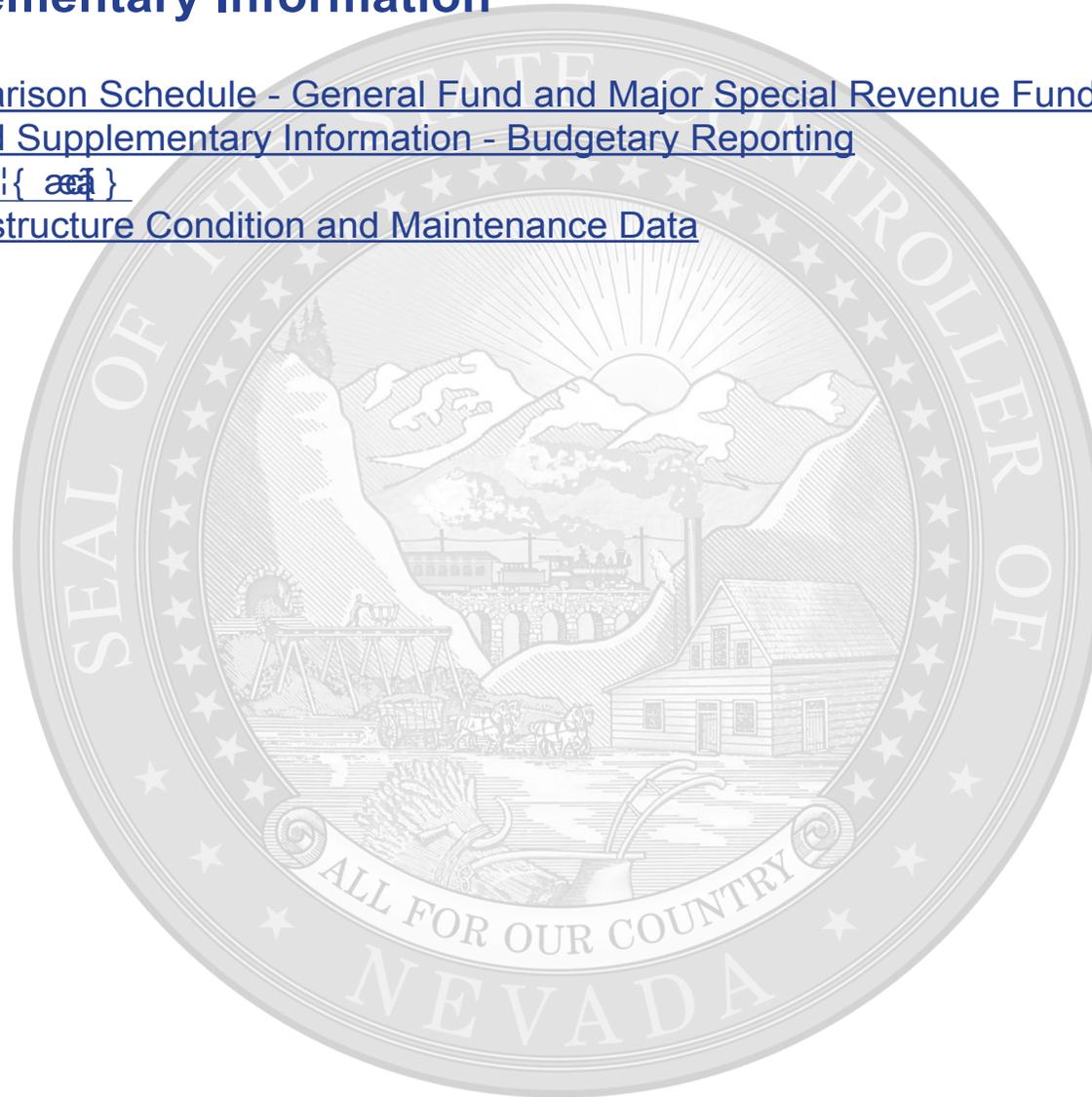
## Required Supplementary Information

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# Taking the Cure



Everyone wants to learn the truth about this astounding new racket—how a nation has gone mad over a scramble for new wives and husbands! In a fantastic race to win the divorce business, common sense has been thrown to the winds! In this chapter the fantastic laws of Reno are revealed, showing how it's done, what it costs, and how long it takes to "reno-vate."

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Nevada Historical Society)

## GOODBYE WEDDING RINGS!

Tossing their discarded rings into the river from Reno's "Bridge of Sighs" are Mrs. Marjorie MacArthur (right) and Mrs. Dorothy Foltz, as they follow the custom of the liberated.



HERE'S THE CURE FACTORY

# REQUIRED SUPPLEMENTAL INFORMATION

Guests appear on horseback at the Valley Ranch divorce colony near Reno, circa 1940.

(Photo and Postcard Permission Granted by: Nevada Historical Society)



The availability of quick divorces became a cottage industry for Northern Nevada during the 1930s. This cartoon depicts men and women moving to the area for just long enough to establish residency and file for divorce.

# RENO

THIS IS THE PLACE, AND "X" MARKS THE SPOT, WHERE LAWYERS UNTANGLE THE MARITAL KNOT. SOMESAY, IT'S ONLY A MODERN GOMORRAH, BUT MANY HAVE LEFT THERE THE SLIPNOOSE OF SORROW. IF LIFE, THE OLD GAMBLER, HAD DEALT YOU A HAND, A SHOWDOWN WOULD MARK YOU A PIKER TO STAND; IF MAYBE YOUR PARTNER RENEGED ON YOU, AND STACKED THE DECK A TIME OR TWO, WOULDN'T IT BE MUCH MORE WORTH WHILE TO QUIT THE GAME & WITH A SMILE, TAKE THAT HEART-ACHE FOR A RIDE. SPOT IT ON SIERRA'S SIDE, OUT WHERE MEN SPEAK JUST AS THEY FEEL: GIVING AND GETTING — A SQUARE DEAL — THAN HEED LOVE HI-JACKERS' LYING DISCOURSES, CAMOUFLAGING THEIR OWN SIN WHILE SCOURGING DIVORCES? OF COURSE THE SEARCHERS USUALLY FIND EXACTLY THE STUFF THEY HAVE IN MIND. DEVOTEES OF TRUTH OR REST WILL FIND THEM RIGHT HERE — IN THIS HEART OF THE WEST.

B. RAFFETTO



## Budgetary Comparison Schedule General Fund and Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2016

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 632,860,852	\$ 632,860,852	\$ 632,860,852	\$ -
<b>Revenues:</b>				
Sales taxes	1,098,069,300	1,098,069,300	1,077,003,771	(21,065,529)
Gaming taxes, fees, licenses	858,556,838	858,706,838	847,477,237	(11,229,601)
Intergovernmental	3,589,248,446	4,003,097,067	3,617,438,749	(385,658,318)
Other taxes	1,804,714,693	1,834,213,861	1,874,012,350	39,798,489
Sales, charges for services	252,261,681	265,739,371	251,172,922	(14,566,449)
Licenses, fees and permits	657,700,562	696,822,230	689,649,422	(7,172,808)
Interest	9,736,894	10,908,575	4,136,765	(6,771,810)
Other	343,484,878	391,627,272	309,485,986	(82,141,286)
<b>Other financing sources:</b>				
Proceeds from sale of bonds	-	2,000,000	2,007,920	7,920
Transfers	622,789,471	696,676,154	608,005,785	(88,670,369)
Reversions from other funds	-	-	2,740,197	2,740,197
<b>Total sources</b>	<b>9,869,423,615</b>	<b>10,490,721,520</b>	<b>9,915,991,956</b>	<b>(574,729,564)</b>
<b>Uses of Financial Resources</b>				
<b>Expenditures and encumbrances:</b>				
Elected officials	131,221,293	132,313,663	96,754,559	35,559,104
Legislative and judicial	111,838,179	112,652,389	64,480,573	48,171,816
Finance and administration	79,725,162	82,280,285	63,244,313	19,035,972
Education - K to 12	2,176,806,987	2,330,769,007	2,168,109,773	162,659,234
Education - higher education	829,811,281	855,155,493	847,424,499	7,730,994
Human services	4,965,026,828	5,220,399,101	4,852,689,713	367,709,388
Commerce and industry	350,690,352	413,856,904	304,808,075	109,048,829
Public safety	419,919,261	434,717,839	388,918,193	45,799,646
Infrastructure	349,990,652	420,192,661	180,793,194	239,399,467
Special purpose agencies	72,708,044	91,880,798	52,226,365	39,654,433
<b>Other financing uses:</b>				
Transfers to other funds	37,302,768	44,055,715	44,055,715	-
Reversions to other funds	-	-	1,347,400	(1,347,400)
<b>Projected reversions</b>	<b>(40,000,000)</b>	<b>(40,000,000)</b>	<b>-</b>	<b>(40,000,000)</b>
<b>Total uses</b>	<b>9,485,040,807</b>	<b>10,098,273,855</b>	<b>9,064,852,372</b>	<b>1,033,421,483</b>
<b>Fund balances, June 30</b>	<b>\$ 384,382,808</b>	<b>\$ 392,447,665</b>	<b>\$ 851,139,584</b>	<b>\$ 458,691,919</b>

State Highway Fund				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 317,361,548	\$ 317,361,548	\$ 317,361,548	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
322,144,038	473,184,803	454,387,049	(18,797,754)	-	-	-	-
297,815,566	341,330,129	338,690,791	(2,639,338)	-	-	-	-
18,554,524	20,685,475	18,642,913	(2,042,562)	-	-	-	-
214,131,340	225,492,494	221,857,563	(3,634,931)	-	-	-	-
769,792	1,590,529	2,614,576	1,024,047	10,903,442	10,903,442	2,263,977	(8,639,465)
40,482,587	47,782,217	42,436,379	(5,345,838)	16,702,047	16,702,047	4,825,000	(11,877,047)
100,000,000	205,000,000	200,007,547	(4,992,453)	-	-	-	-
8,454,648	15,361,920	14,977,819	(384,101)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,319,714,043</u>	<u>1,647,789,115</u>	<u>1,610,976,185</u>	<u>(36,812,930)</u>	<u>27,605,489</u>	<u>27,605,489</u>	<u>7,088,977</u>	<u>(20,516,512)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
223,272,592	234,726,653	207,216,440	27,510,213	-	-	-	-
811,738,919	1,163,029,686	799,977,670	363,052,016	-	-	-	-
-	-	-	-	-	-	-	-
84,314,793	85,130,931	85,130,931	-	27,605,489	27,605,489	7,087,775	20,517,714
-	-	32,371	(32,371)	-	-	-	-
(55,507,960)	(113,507,960)	-	(113,507,960)	-	-	-	-
<u>1,063,818,344</u>	<u>1,369,379,310</u>	<u>1,092,357,412</u>	<u>277,021,898</u>	<u>27,605,489</u>	<u>27,605,489</u>	<u>7,087,775</u>	<u>20,517,714</u>
<u>\$ 255,895,699</u>	<u>\$ 278,409,805</u>	<u>\$ 518,618,773</u>	<u>\$240,208,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202</u>	<u>\$ 1,202</u>



Women congregate around the roulette table at The Willows in 1931 to place newly legal bets. In addition to being an exclusive gambling hall, The Willows catered to men and women living in Reno's so-called "divorce colonies," where they had often moved from other states to secure a quick divorce.

A crowd gathers around the roulette table at The Willows (1931).



Gamblers place newly legal bets in 1931 with a crowd of onlookers.

(Photo's Permission Granted by: Nevada Historical Society)

**Notes to Required Supplementary Information  
Budgetary Reporting**

**NEVADA**

*For the Fiscal Year Ended June 30, 2016*

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 23 are reported instead of the amounts disclosed in the original budget. The August 23, 2016 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, 2016 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):

	<u>General Fund</u>	<u>State Highway</u>	<u>Municipal Bond Bank</u>
<b>Fund balances (budgetary basis) June 30, 2016</b>	\$ 851,140	\$ 518,619	\$ 1
<b>Adjustments:</b>			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	5,673	145	-
Investments not recorded on the budgetary basis	11,889	-	-
Loans not recorded on the budgetary basis	-	-	94,240
Accrual of certain other receivables	242,056	8,124	1,086
Inventory	7,383	18,903	-
Advances to other funds	2,798	-	-
Accrual of certain accounts payable and other liabilities	(423,533)	(17,190)	-
Unearned revenues	(122,092)	-	-
Deferred inflows - unavailable	(194,972)	(2,642)	-
Encumbrances	7,413	5,017	-
Other	(3,018)	1,763	-
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	13,425	-	-
<b>Fund balances (GAAP basis) June 30, 2016</b>	<u>\$ 398,162</u>	<u>\$ 532,739</u>	<u>\$ 95,327</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2016, 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)	\$ 851,140
Restricted funds	<u>(442,130)</u>
<b>Unrestricted fund balance (budgetary basis)</b>	<u>\$ 409,010</u>

## Pension Plan Information

For the Fiscal Year Ended June 30, 2016

### 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, 2015 (expressed in thousands):

	2015	2014
State's proportion of the net pension liability	16.4%	16.6%
State's proportionate share of the net pension liability	\$ 1,879,626	\$ 1,730,601
State's covered-employee payroll	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered-employee payroll	215%	198%
Plan fiduciary net position as a percentage of the total pension liability	75%	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):

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Statutorily required contributions	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630	\$ 153,768	\$ 146,754	\$ 136,270
Contributions in relation to the										
statutorily required contribution	190,528	176,579	174,712	162,484	163,219	160,959	164,630	153,768	146,754	136,270
Contribution (deficiency) excess	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	906,687	874,098	872,316	855,179	859,047	946,818	968,412	961,050	917,213	851,688
Contributions as a percentage of covered employee payroll	21%	20%	20%	19%	19%	17%	17%	16%	16%	16%

### 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, 2015 (expressed in thousands):

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 39	\$ 37
Interest	426	428
Differences between expected and actual experience	(109)	-
Benefit payments, including refunds	(497)	(494)
Net change in total pension liability	(141)	(29)
Total pension liability - beginning	5,531	5,560
<b>Total pension liability - ending (a)</b>	<b>\$ 5,390</b>	<b>\$ 5,531</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 156	\$ 213
Contributions - employee	23	27
Net investment income	179	804
Benefit payments, including refunds	(497)	(494)
Administrative expense	(85)	(46)
Other	86	46
Net change in plan fiduciary net position	(138)	550
Plan fiduciary net position - beginning	4,873	4,323
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,735</b>	<b>\$ 4,873</b>
<b>Net pension liability - beginning</b>	<b>\$ 658</b>	<b>\$ 1,237</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 655</b>	<b>\$ 658</b>
Plan fiduciary net position as a percentage of total pension liability	88%	88%
Covered-employee payroll	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	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.

(Continued)

The following schedule presents the State's (primary government's) contributions to the Legislators' Retirement System (expressed in thousands):

	2016	2015
Statutorily required contributions	\$ -	\$ 312
Contributions in relation to the statutorily required contribution	\$ -	\$ 312
Contribution (deficiency) excess	\$ -	\$ -
Covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	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, 2015 (expressed in thousands):

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 3,593	\$ 3,411
Interest	8,876	8,367
Differences between expected and actual experience	1,250	(2,666)
Benefit payments, including refunds	(4,896)	(4,295)
Other	2,357	990
Net change in total pension liability	11,180	5,807
Total pension liability - beginning	108,630	102,823
<b>Total pension liability - ending (a)</b>	<b>\$ 119,810</b>	<b>\$ 108,630</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 6,155	\$ 6,002
Contributions - employee	96	-
Net investment income	3,206	14,252
Benefit payments, including refunds	(4,896)	(4,295)
Administrative expense	(86)	(83)
Other	2,357	990
Net change in plan fiduciary net position	6,832	16,866
Plan fiduciary net position - beginning	92,113	75,247
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 98,945</b>	<b>\$ 92,113</b>
<b>Net pension liability - beginning</b>	<b>\$ 16,517</b>	<b>\$ 27,576</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>
Plan fiduciary net position as a percentage of total pension liability	83%	85%
Covered-employee payroll (measurement as of end of fiscal year)	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered-employee payroll	105%	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):

	2016	2015
Actuarially determined contribution	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ (216)	\$ 269
Covered-employee payroll	\$ 17,425	\$ 17,132
Contributions as a percentage of covered-employee payroll	30%	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 11C.

# Schedule of Infrastructure Condition and Maintenance Data

NEVADA

For the Fiscal Year Ended June 30, 2016

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 5,400 centerline miles of roads and 1,160 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 realigned its goals to maintain a certain percentage of each category of its roadways. The realignment was based on the Pavement and Bridge Condition Notice of Proposed Rulemaking released by the Federal Highway Administration (FHWA). The new policy is to maintain each category with an IRI of 95 or less. The prior policy was to maintain each category with an IRI of 80 or less. Therefore, the first table shows the most current condition assessment under the new policy and the second table shows the condition assessment under the prior policy.

Condition Level of the Roadways					
Percentage of roadways with an IRI of 95 or less					
	I	II	Category III	IV	V
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2015 condition assessment	87%	82%	85%	45%	13%

Condition Level of the Roadways					
Percentage of roadways with an IRI of 80 or less					
	I	II	Category 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%

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 Bridges			
Percentage of substandard bridges			
	2015	2014	2012
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)					
	2016	2015	2014	2013	2012
Estimated	\$ 306,532	\$ 386,093	\$ 433,338	\$ 402,650	\$ 322,210
Actual	295,244	329,677	360,904	325,313	304,333

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.