

# REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds

Notes to Required Supplementary Information - Budgetary Reporting

Pension Plan Information

Schedule of Infrastructure Condition and Maintenance Data

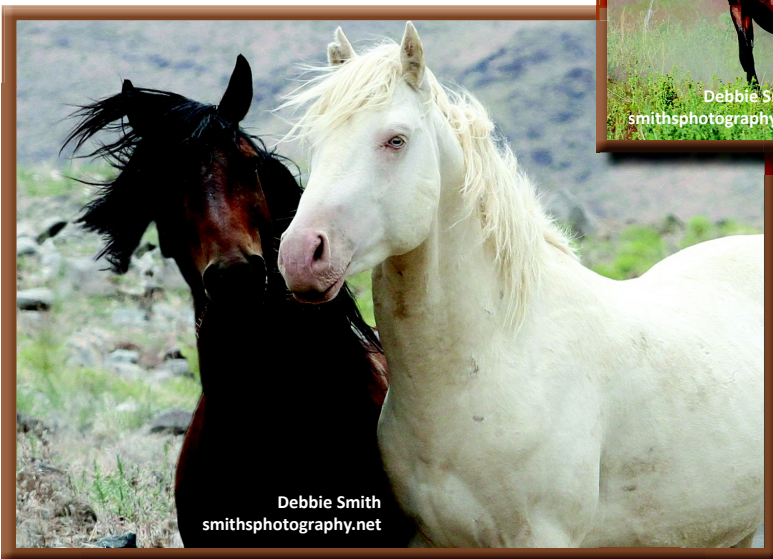


# REQUIRED SUPPLEMENTARY INFORMATION



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**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund and Major Special Revenue Funds**

*For the Fiscal Year Ended June 30, 2018*

	General Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
<b>Sources of Financial Resources</b>				
Fund balances, July 1	\$ 1,014,986,786	\$ 1,014,986,786	\$ 1,014,986,786	\$ -
Revenues:				
Sales taxes	1,199,966,000	1,199,966,000	1,189,226,502	(10,739,498)
Gaming taxes, fees, licenses	907,275,951	898,899,923	847,679,389	(51,220,534)
Intergovernmental	4,022,117,023	4,664,530,357	4,158,822,198	(505,708,159)
Other taxes	2,018,217,312	2,018,936,945	2,175,202,854	156,265,909
Sales, charges for services	283,068,464	301,324,396	256,330,551	(44,993,845)
Licenses, fees and permits	705,973,174	752,594,217	749,683,032	(2,911,185)
Interest	13,356,316	16,010,595	16,771,297	760,702
Other	368,514,870	395,848,719	326,141,422	(69,707,297)
Other financing sources:				
Proceeds from sale of bonds	-	4,750,000	4,751,354	1,354
Transfers	733,630,813	852,669,375	701,001,921	(151,667,454)
Reversions from other funds	-	-	1,118,129	1,118,129
<b>Total sources of financial resources</b>	<b>11,267,106,709</b>	<b>12,120,517,313</b>	<b>11,441,715,435</b>	<b>(678,801,878)</b>
<b>Uses of Financial Resources</b>				
Expenditures and encumbrances:				
Elected officials	177,144,067	186,447,029	134,690,445	51,756,584
Legislative and judicial	156,758,513	161,668,337	102,057,348	59,610,989
Finance and administration	126,483,074	136,057,592	112,434,627	23,622,965
Education - K to 12	2,423,340,750	2,560,329,600	2,379,253,641	181,075,959
Education - higher education	938,042,989	966,056,601	953,709,879	12,346,722
Human services	5,564,915,438	6,066,797,885	5,541,870,084	524,927,801
Commerce and industry	430,916,768	445,302,485	319,107,452	126,195,033
Public safety	471,576,390	530,309,490	448,499,877	81,809,613
Motor Vehicles	-	-	-	-
Infrastructure	376,821,305	457,900,327	207,906,027	249,994,300
Special purpose agencies	86,503,923	91,798,137	59,941,677	31,856,460
Other financing uses:				
Transfers to other funds	34,038,697	34,648,501	34,648,501	-
Reversions to other funds	-	-	1,049,475	(1,049,475)
Projected reversions	(50,000,000)	(50,000,000)	-	(50,000,000)
<b>Total uses of financial resources</b>	<b>10,736,541,914</b>	<b>11,587,315,984</b>	<b>10,295,169,033</b>	<b>1,292,146,951</b>
<b>Fund balances, June 30</b>	<b>\$ 530,564,795</b>	<b>\$ 533,201,329</b>	<b>\$ 1,146,546,402</b>	<b>\$ 613,345,073</b>

(continued)

State Highway				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 528,473,009	\$ 528,473,009	\$ 528,473,009	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
345,812,086	398,393,140	383,089,953	(15,303,187)	-	-	-	-
387,074,068	434,019,752	432,699,916	(1,319,836)	-	-	-	-
20,019,256	20,929,042	20,916,496	(12,546)	-	-	-	-
225,182,549	231,293,126	229,891,641	(1,401,485)	-	-	-	-
1,511,818	5,804,968	7,929,408	2,124,440	3,358,780	3,473,634	3,473,585	(49)
42,511,554	45,998,398	50,951,540	4,953,142	4,190,000	4,190,000	4,190,000	-
180,000,000	136,000,000	135,004,892	(995,108)	-	-	-	-
10,157,989	16,093,514	16,058,159	(35,355)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,740,742,329</u>	<u>1,817,004,949</u>	<u>1,805,015,014</u>	<u>(11,989,935)</u>	<u>7,548,780</u>	<u>7,663,634</u>	<u>7,663,585</u>	<u>(49)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
95,854,281	97,863,975	85,138,946	12,725,029	-	-	-	-
150,511,726	165,908,084	126,775,489	39,132,595	-	-	-	-
1,116,229,750	1,279,774,565	997,576,235	282,198,330	-	-	-	-
-	-	-	-	-	-	-	-
84,067,271	84,067,271	84,067,271	-	7,548,780	7,663,634	7,663,585	49
-	-	-	-	-	-	-	-
(60,378,816)	(125,378,816)	-	(125,378,816)	-	-	-	-
<u>1,386,284,212</u>	<u>1,502,235,079</u>	<u>1,293,557,941</u>	<u>208,677,138</u>	<u>7,548,780</u>	<u>7,663,634</u>	<u>7,663,585</u>	<u>49</u>
<u>\$ 354,458,117</u>	<u>\$ 314,769,870</u>	<u>\$ 511,457,073</u>	<u>\$ 196,687,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2018

### Budgetary Reporting

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 16th are reported instead of the amounts disclosed in the original budget. The August 16, 2018 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, 2018 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):

	<b>General Fund</b>	<b>State Highway</b>	<b>Municipal Bond Bank</b>
<b>Fund balances (budgetary basis) June 30, 2018</b>	<b>\$ 1,146,546</b>	<b>\$ 511,457</b>	<b>\$ -</b>
<b>Adjustments:</b>			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	5,080	191	-
Investments not recorded on the budgetary basis	753	-	-
Loans not recorded on the budgetary basis	-	-	91,510
Accrual of certain other receivables	356,896	6,583	1,038
Inventory	5,954	17,280	-
Advances to other funds	4,347	3,792	-
Accrual of certain accounts payable and other liabilities	(551,268)	(6,647)	-
Unearned revenues	(133,586)	-	-
Deferred inflows - unavailable	(298,075)	(6,126)	-
Encumbrances	5,449	5,202	-
Other	(10,330)	(4,447)	-
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	15,980	-	-
<b>Fund balances (GAAP basis) June 30, 2018</b>	<b>\$ 547,746</b>	<b>\$ 527,285</b>	<b>\$ 92,548</b>

Total fund balance on the budgetary basis in the General Fund at June 30, 2018, 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)	\$ 1,146,546
Restricted funds	(728,729)
<b>Unrestricted fund balance (budgetary basis)</b>	<b>\$ 417,817</b>

## Required Supplementary Information

For the Fiscal Year Ended June 30, 2018

### Pension Plan Information

#### 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, 2017 (expressed in thousands):

	2017	2016	2015	2014
State's proportion of the net pension liability	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	\$ 2,233,666	\$ 2,187,213	\$ 1,879,626	\$ 1,730,601
State's covered payroll	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	74 %	72 %	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):

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Statutorily required contributions	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630	\$ 153,768
Contributions in relation to the statutorily required contribution	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630	\$ 153,768
Covered payroll	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316	\$ 855,179	\$ 859,047	\$ 946,818	\$ 968,412	\$ 961,050
Contributions as a percentage of covered payroll	15 %	15 %	21 %	20 %	20 %	19 %	19 %	17 %	17 %	16 %

Note: GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the State to satisfy contribution requirements that are identified by the plan terms as member contributions. In addition, GASB Statement No. 82 clarified covered payroll which was implemented in fiscal year 2017; prior years are not reflective of this change.

#### 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, 2017 (expressed in thousands):

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 29	\$ 31	\$ 39	\$ 37
Interest	398	414	426	428
Differences between expected and actual experience	(82)	(145)	(109)	-
Changes of assumptions	125	-	-	-
Benefit payments, including refunds	(482)	(503)	(497)	(494)
Net change in total pension liability	(12)	(203)	(141)	(29)
Total pension liability - beginning	5,187	5,390	5,531	5,560
<b>Total pension liability - ending (a)</b>	<u>\$ 5,175</u>	<u>\$ 5,187</u>	<u>\$ 5,390</u>	<u>\$ 5,531</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 105	\$ 156	\$ 156	\$ 213
Contributions - employee	20	23	23	27
Net investment income	526	62	179	804
Benefit payments, including refunds	(481)	(503)	(497)	(494)
Administrative expense	(68)	(65)	(85)	(46)
Other	69	66	86	46
Net change in plan fiduciary net position	171	(261)	(138)	550
Plan fiduciary net position - beginning	4,474	4,735	4,873	4,323
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 4,645</u>	<u>\$ 4,474</u>	<u>\$ 4,735</u>	<u>\$ 4,873</u>
<b>Net pension liability - beginning</b>	\$ 713	\$ 655	\$ 658	\$ 1,237
<b>Net pension liability - ending (a) - (b)</b>	\$ 530	\$ 713	\$ 655	\$ 658
Plan fiduciary net position as a percentage of total pension liability	90 %	86 %	88 %	88 %
Covered payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	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.



## Required Supplementary Information

For the Fiscal Year Ended June 30, 2018

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

	2018	2017	2016	2015
Statutorily required contributions	\$ -	\$ 210	\$ -	\$ 312
Contributions in relation to the statutorily required contribution	\$ -	\$ 210	\$ -	\$ 312
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	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, 2017 (expressed in thousands):

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 3,718	\$ 3,828	\$ 3,593	\$ 3,411
Interest	9,993	9,677	8,876	8,367
Differences between expected and actual experience	1,123	(4,211)	1,250	(2,666)
Change of assumptions	79	-	-	-
Benefit payments, including refunds	(5,524)	(5,351)	(4,896)	(4,295)
Other	419	-	2,357	990
Net change in total pension liability	9,808	3,943	11,180	5,807
Total pension liability - beginning	123,753	119,810	108,630	102,823
<b>Total pension liability - ending (a)</b>	<b>\$ 133,561</b>	<b>\$ 123,753</b>	<b>\$ 119,810</b>	<b>\$ 108,630</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 5,786	\$ 5,773	\$ 6,155	\$ 6,002
Contributions - employee	255	269	96	-
Net investment income	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(95)	(90)	(86)	(83)
Other	419	-	2,357	990
Net change in plan fiduciary net position	13,397	2,157	6,832	16,866
Plan fiduciary net position - beginning	101,102	98,945	92,113	75,247
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 114,499</b>	<b>\$ 101,102</b>	<b>\$ 98,945</b>	<b>\$ 92,113</b>
<b>Net pension liability - beginning</b>	<b>\$ 22,651</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>	<b>\$ 27,576</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 19,062</b>	<b>\$ 22,651</b>	<b>\$ 20,865</b>	<b>\$ 16,517</b>
Plan fiduciary net position as a percentage of total pension liability	86 %	82 %	83 %	85 %
Covered payroll (measurement as of end of fiscal year)	\$ 20,995	\$ 20,154	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered payroll	91 %	112 %	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):

	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,585	\$ 5,138	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 4,789	\$ 5,262	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ (796)	\$ 124	\$ (216)	\$ 269
Covered payroll	\$ 17,583	\$ 18,195	\$ 17,425	\$ 17,132
Contributions as a percentage of covered payroll	27 %	29 %	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 10C.

## Required Supplementary Information

*For the Fiscal Year Ended June 30, 2018*

### Postemployment Benefits Other Than Pensions (OPEB)

The following schedule presents the State's (primary government's) proportionate share of the collective net OPEB liability at June 30, 2017 (expressed in thousands):

	<b>2017</b>
State's proportion of the collective net OPEB liability	61.4 %
State's proportionate share of the collective net OPEB liability	\$ 799,477
State's covered-employee payroll	\$ 990,429
State's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	80.7 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.11 %

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 OPEB plan (expressed in thousands):

	<b>2018</b>
Contractually required contribution	\$ 23,755
Contributions in relation to the contractually required contribution	\$ 23,751
Contribution deficiency	\$ (4)
State's covered-employee payroll	\$ 1,010,862
Contributions as a percentage of covered-employee payroll	2.35 %

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.



## Required Supplementary Information

For the Fiscal Year Ended June 30, 2018

### Schedule of Infrastructure Condition and Maintenance Data

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 1,200 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. Results of the condition assessments provide reasonable assurance that the condition level of the roadways is being preserved above, or approximately at, the condition level established for all road categories. The following tables show the State's condition level of the roadways.

<b>Condition Level of the Roadways</b>					
<b>Percentage of roadways with an IRI of less than 95</b>					
	<b>I</b>	<b>II</b>	<b>Category III</b>	<b>IV</b>	<b>V</b>
State Policy-minimum percentage	70%	65%	60%	40%	10%
Actual results of 2017 condition assessment	90%	85%	90%	61%	25%
Actual results of 2016 condition assessment	91%	88%	92%	66%	30%
Actual results of 2015 condition assessment	87%	82%	85%	45%	13%

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 table shows the State's policy and condition level of the bridges.

<b>Condition Level of the Bridges</b>			
<b>Percentage of substandard bridges</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
State Policy-maximum percentage	10%	10%	10%
Actual results condition assessment	1%	2%	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.

<b>Maintenance and Preservation Costs</b>					
<b>(Expressed in Thousands)</b>					
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Estimated	\$ 286,153	\$ 171,755	\$ 306,532	\$ 386,093	\$ 433,338
Actual	252,859	157,670	295,244	329,677	360,510

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.