

A vibrant red Volkswagen Beetle is the central focus, parked on a green lawn at what appears to be a car show. The car is highly polished, reflecting the surrounding trees and sky. It features chrome bumpers, dual round headlights, and a 'Volkswagen' emblem on the front. A sign on the windshield reads 'LOOK About Touch'. In the background, other vintage cars, including a dark red coupe and a teal car, are visible, along with people and large trees under a clear blue sky. A woman is sitting on a bench to the right of the car.

State of Nevada Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2019**

**State Controller
Catherine E. Byrne, CPA**

STATE OF NEVADA

Comprehensive

Annual

Financial

Report

**for the Fiscal Year
Ended June 30, 2019**

**Catherine E. Byrne, CPA
State Controller**



CATHERINE E. BYRNE, CPA

NEVADA STATE CONTROLLER

Catherine has worked her entire career in accounting, tax and audit work for a variety of public and private companies, not-for-profit and government entities. She is an expert in governmental accounting and financial reporting.

While working and raising a family, Catherine persevered to complete her education, and in 1997 she graduated from California Lutheran University, earning a Bachelor of Science in Accounting. She gained experience with audits of public companies and earned her California CPA license in 2000. She is experienced in human resource management, payroll and accounts payable; debt collection and accounts receivable; federal grants and contracts accounting; major systems implementations and financial reporting standards established by Governmental Accounting Standards Board (GASB). She is currently licensed in California and Nevada.

In 2012, she started working for the Nevada State Controller's Office in the financial reporting section which prepares the State's Comprehensive Annual Financial Report (CAFR). In her position, she was responsible for monitoring the financial transactions of several large agencies in the State.

She is a member of the Association of Government Accountants, the Government Finance Officers Association and the National Association of State Controllers. She is a member of American Federation of State, County and Municipal Employees (AFSCME), Local 4041, and is Treasurer of the Sierra Range Chapter. She is a 2017 graduate of Emerge Nevada.

Catherine was born in San Diego, California. Her father served in the United States Coast Guard and her mother is a retired nurse. After her father retired, the family settled in Oxnard, California where she lived for over 35 years. She moved to Nevada in 2011.

Catherine has one son who is serving in the United States Air Force. He is stationed in Washington D.C. In her spare time, you can find her enjoying the outdoors with her two dogs along the Truckee River in downtown Reno.



State of Nevada

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OFFICE OF THE
STATE CONTROLLER

January 31, 2020

To the Citizens, Governor and Legislators of the State of Nevada:

I am pleased to present the State of Nevada Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019, in accordance with Nevada Revised Statutes (NRS) 227.110 and the State Accounting Procedures Law (NRS 353.291 through 353.3245). 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.

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.

Accounting Principles Generally Accepted in the United States of America: As required by State Accounting Procedures Law, this report has been prepared in accordance with 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 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 agencies are in compliance with the Uniform System of Internal Accounting and Administrative Controls adopted pursuant to NRS 353A.020. On or prior to fiscal year end of even-numbered years, agencies are required to report the status of their internal controls to the Division of Internal Audit.

Independent Auditors: The independent accounting firm of Eide Bailly LLP, in conjunction with other independent audit firms, has audited the accompanying financial statements. The audits were conducted 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. 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. Eide Bailly LLP's opinion appears in the Financial Section of this publication.

Single Audit: Federal regulations also require the State to undergo an annual Single Audit in conformity with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings, and recommendations summary of prior audit findings, and Auditors' Report, is issued in a separate report. 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. 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: GAAP requires 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 created by Congress on March 2, 1861, and its boundaries were subsequently expanded eastward in 1862 and eastward and southward in 1866. On October 31, 1864, President Lincoln proclaimed Nevada's admission to the Union as the 36th state. The State's first elected Governor, Henry Blasdel, took office on December 5, 1864. The Great Basin Desert dominates the Nevada landscape, with the Sierra Nevada Mountains to the west and the Rocky Mountains to the east. Approximately 85 percent of Nevada's 70,264,320 acres is federally owned. More than 90% of Nevada's 3.09 million residents live in one of two distinct population centers: The Reno/Sparks/Carson City area near Lake Tahoe in the northwest and Clark County at the southeastern tip.

Nevada does not have personal income tax. Government services are funded by gaming and sales taxes, motor vehicle taxes and a variety of direct and indirect taxes on businesses. Nevada has offered a continuous legal market for gaming since 1935, which imposes taxes to finance a share of public services. Historically, Nevada relied heavily on the gaming industry. However, since the Great Recession, Nevada has worked to diversify the economy by expanding tourism and hospitality, professional services, healthcare, construction, and, transportation and warehousing industries thereby reducing the reliance on gaming revenue.

Structure: As shown in the Organizational Chart on page vi, the State government is divided into three separate branches: legislative, executive, and judicial. The State operates under a constitution which can be amended only by the vote of the State's citizens, Legislature or by citizen initiatives. The government provides a full range of services for its citizens including education, health and social services, highway maintenance and construction, law enforcement, public safety, business regulation, and resource development. The State also provides significant financial support to its higher education institutions, local governments, and school districts to help meet the specific needs of their constituents.

Reporting Entity: The State of Nevada, as the reporting entity, conforms to the requirements of GASB Statement No. 14 and No. 34 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 to distinguish between the primary government and its component units. The State's legally separate component units include the Nevada System of Higher Education, Colorado River Commission, and Nevada Capital Investment Corporation. In addition, the Nevada Real Property Corporation is reported as a blended component unit. The State also includes the presentation of its trust and agency funds. The State Legislature sets statutorily the parameters within which all these entities operate. Additional information on discretely presented component units can be found in Note 1 to the financial statements

Budget Process and Control: State law (NRS 353.205) requires a balanced budget. 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 and the Authorized Expenditures Act. Once passed and signed, the budget becomes the State's financial plan for the next two fiscal years. Under certain circumstances, budgetary revisions may be made without Legislative action. 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. At June 30, 2019, the final budget was \$692.7 million in excess of actual revenue and expenditures, including reversions.

Financial Planning and Policies Information

Capital Assets: In fiscal year 2019, Nevada corrected the carrying value of transportation infrastructure for construction in progress before June 30, 2019. These uncompleted projects should have been included in capital assets in the Statement of Net Position, instead the costs were expensed in the period incurred.

Debt Management: The State Constitution limits the aggregate principal amount of the general obligation debt to 2% 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.

Economic Forum: In accordance with State law, 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.

Budget Stabilization: NRS 353.288 provides for the Account to Stabilize the Operation of the State Government. Nevada uses several economic indicators to trigger additions and expenditures within the Stabilization Account. The account is classified as committed for fiscal emergency in the General Fund balance sheet.

Federal Funding: Grants and entitlements provides a substantial portion of the State's revenues. Continued funding is subject to changes in federal regulation. Nevada depends heavily on federal funding for government services such as education, medicare and transportation. During fiscal year 2019, \$5.6 billion, or 43.8% of intergovernmental revenues in Nevada come from federal sources.

Economic Outlook and Condition

Nevada Economy: The major industries in Nevada are tourism and hospitality, gambling, mining, science and technology services, health and social services, construction, and retail trade. Job growth, taxable sales, unemployment rate, and gaming win are indicators used to assess the health of Nevada's economy. Other economic indicators used include Las Vegas and Reno visitor volume and personal income growth. During 2019, the Silver State added 45,200 jobs, taxable sales increased by 3.7%, and the unemployment rate was 4.1% at year-end. Personal income increased 3.8% to \$50,676 compared to \$48,802 in 2018. Calendar year 2019 Las Vegas visitor volume is on track to increase by .6% over 2018 calendar year.

Economic Outlook: The Nevada economy continues favorable employment growth. Stability in tourism and gaming industries will remain positive assuming the national economy remains strong. The May 1, 2019 Economic Forum estimates General Fund revenues for fiscal year 2020 are expected to increase by 4.4% compared to 2019. Nevada struggles with the lack of skilled workers and continues to develop training opportunities by collaborating with Nevada System of Higher Education and labor and trade organizations.

Major State Initiatives

General Government: SB 135 was passed during the 80th Legislative session allowing state employees to collectively bargain for wages and benefits. The State Legislature restored construction projects on public schools to pay workers at prevailing wage.

Education: Legislation passed during the 80th Legislative Session included modernization of Nevada's education funding formula. SB 543 is an overhaul of the State's 50-year-old funding formula. Nevada uses the Schools Performance Framework which measures a school's performance using a star-rating system. Some of the measures that factor in a school's rating are proficiency in English language, math and science, chronic absenteeism, and graduation rate.

Health and Social Services: Legislation passed during the 80th Legislative Session included increased funding for mental health services, leveraged the purchasing power of pharmaceutical prices for public health plans and creation of the Patient Protection Commission.

Transportation: Nevada Department of Transportation (NDOT) has completed work on the largest transportation project in Nevada's history, known as Project Neon in Las Vegas. This project will be followed by the I-80/I-580 Interchange (also known as the Spaghetti Bowl Xpress) in northern Nevada and the I-11 corridor development between the State's two metropolitan hubs. NDOT's project schedules are contingent on the availability of funding. In 2015, Congress passed the Fixing America's Surface Transportation (FAST) Act. The FAST Act provides long-term funding certainty for infrastructure projects.

Law, Justice and Public Safety: In 2019, Nevada lawmakers passed Assembly Bill 431, a new law that gives back the rights to Nevadans who were convicted of a crime but are not currently incarcerated.

Other Highlights: Nevada continues to expand services for our veterans, active military and their families. Legislation passed during the 80th Legislative Session included a Veteran Dental Program and waiving certain college registration fees. The 2019-21 biennium budget creates transferable tax credits for affordable housing. Legislation for paid leave and minimum wage increases was also passed during the 80th Legislative Session.

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, 2018. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP 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 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, efficiency, and good governance in the State's financial operations.

Sincerely,



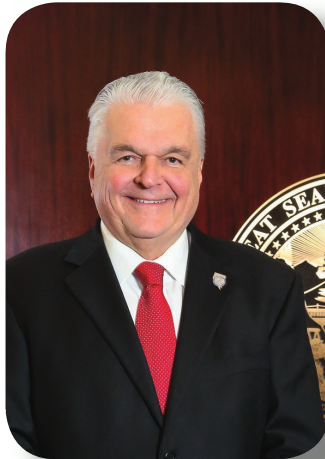
Catherine E. Byrne, CPA
Nevada State Controller

STATE OF NEVADA

CONSTITUTIONAL OFFICERS



KATE MARSHALL
LIEUTENANT GOVERNOR



STEVE SISOLAK
GOVERNOR



BARBARA K. CEGAVSKE
SECRETARY OF STATE



ZACK CONINE
TREASURER

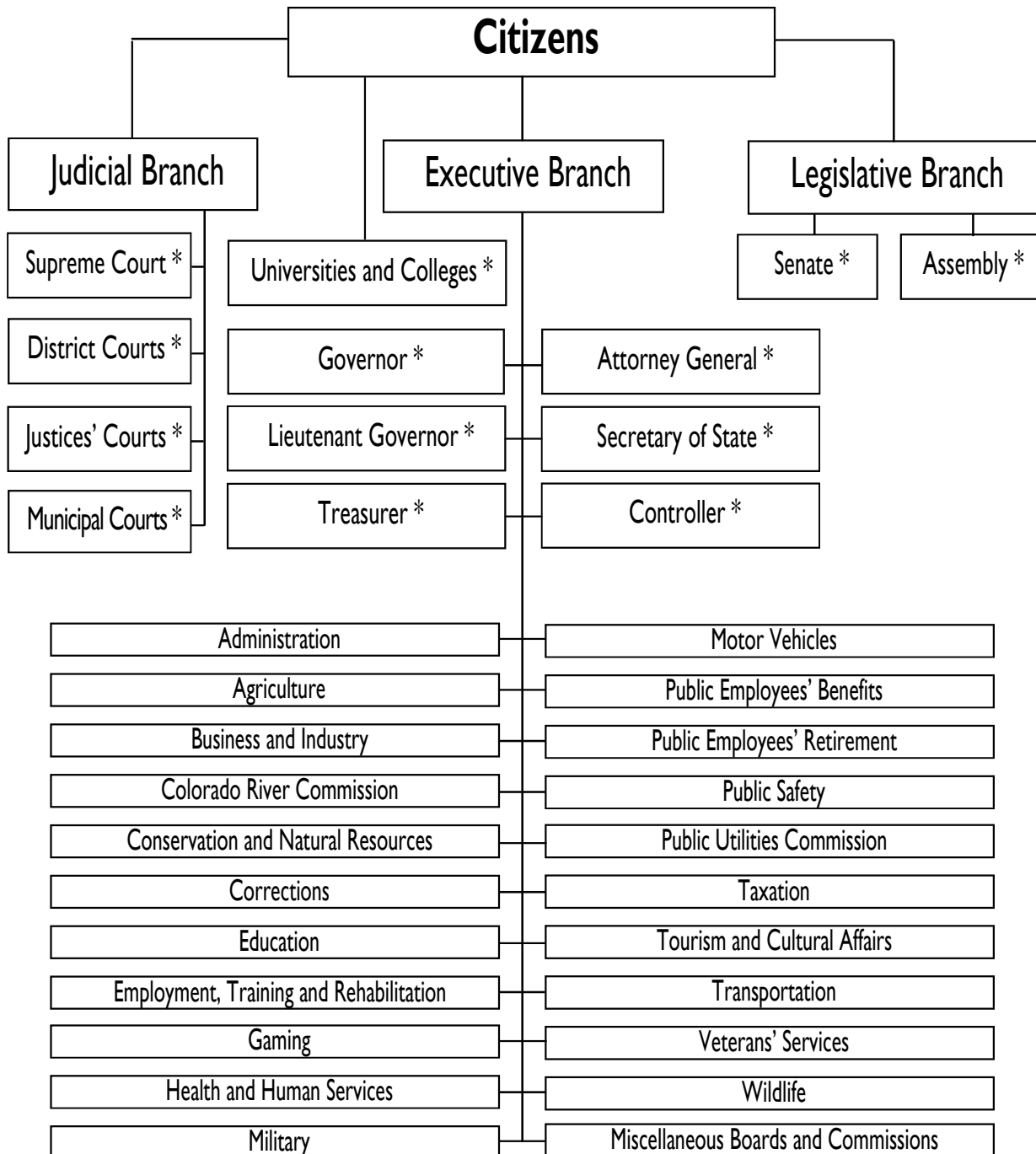


CATHERINE E. BYRNE
CONTROLLER



AARON FORD
ATTORNEY GENERAL

ORGANIZATIONAL CHART



* Elected Officials



Government Finance Officers Association

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for Excellence
in Financial
Reporting**

Presented to

State of Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This year we will be featuring "The National Automobile Museum," as well as, "Hot August Nights" and "Rockabilly Riot," a few of the many car shows Nevada has to offer.



For more information about the museum please visit automuseum.org, or call 775-333-9300.



Independent Auditor's Report

The Honorable Catherine Byrne, CPA
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, 2019, and the related notes to the financial statements, which collectively comprise the State of Nevada'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 Nevada System of Higher Education, which is a discretely presented component unit, represent 97.20 percent of assets and deferred outflows of resources, 99.43 percent of net position, and 97.56 percent of 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 1.96 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 59.40 percent of the assets and deferred outflows of resources, 60.37 percent of the net position and 27.82 percent of the revenues of the aggregate remaining fund information;

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- the financial statements of the Nevada College Savings Plan – Private Purpose Trust Fund, which represent 35.27 percent of the assets and deferred outflows of resources, 36.29 percent of the net position and 54.72 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, 2019, 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.

Correction of Errors

As discussed in Note 19 to the financial statements, the State of Nevada corrected errors in accounts payable, infrastructure, rights-of-way, and receivables which resulted in a restatement of net position as of July 1, 2018. Our opinions are not modified with respect to these matters.

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 postemployment benefits other than pensions (OPEB) information, the pension plan information, and the schedule of infrastructure condition and maintenance data, collectively presented on pages 98 through 106 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 section and the statistical section 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 January 31, 2020, 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 solely 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 effectiveness of the State of Nevada's 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 of Nevada's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
January 31, 2020

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, 2019. Readers should consider this information in conjunction with the additional information furnished in the letter of transmittal.

HIGHLIGHTS

Government-wide:

- Total assets and deferred outflows of resources of the State exceeded liabilities and deferred inflows of resources by \$11.2 billion (reported as net position). Of this amount, \$9.3 billion is net investment in capital assets and \$3.9 billion is restricted for specific uses, neither of which are available to meet the State's general obligations, and a negative \$2.0 billion is reported as an unrestricted deficit, which indicates no funds are available for discretionary purposes.
- The State's total net position increased by \$4.5 billion or 67.5% over the prior year, after restatement. Net position of governmental activities increased by \$4.0 billion or 90.1%, after restatement. Net position of business-type activities increased by \$518.7 million or 23.0%. Beginning net position of governmental activities was restated for a net increase of \$3.1 billion, of which \$1.8 billion is an increase to correct an error for expenses recorded for infrastructure projects in progress that should have been recorded as construction in progress; \$1.2 billion is an increase to record infrastructure previously expensed; \$195.2 million is an increase to record rights-of-way previously expensed; \$3.5 million is an increase to correct expenditures erroneously recorded in fiscal year 2018 in the Highway Fund for purchases of items not received prior to year-end; and \$3.9 million is a decrease due an error identified by the Nevada Capital Investment Corporation, a discretely presented component unit, related to earnings paid to the Permanent School Fund erroneously.

Fund-level:

- The State's governmental funds reported combined ending fund balances of \$2.2 billion, an increase of \$256.7 million from the prior year, after restatement. Of the ending fund balance, \$413.8 million is nonspendable, \$647.0 million is restricted, \$1.4 billion is committed and a negative \$216.9 million is unassigned.
- The State's enterprise funds reported combined ending net position of \$2.8 billion, an increase of \$519.3 million from the prior year. Of the ending net position, \$5.8 million is net investment in capital assets, \$2.7 billion is restricted, and \$33.9 million is unrestricted.

Capital Assets and Long-term Debt:

- The State's capital assets, net of depreciation, increased by \$3.6 billion or 50.6%, of which \$3.1 billion was due to a prior period adjustment.
- The State's total bonds payable and certificates of participation payable decreased by \$42.1 million or 1.4%.

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, a schedule of postemployment benefits other than pensions (OPEB) 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, 2019 and 2018 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
	2019	2018	2019	2018	2019	2018	2019-2018
Assets							
Current and other assets	\$ 5,145,385	\$ 4,722,494	\$ 3,759,518	\$ 3,173,635	\$ 8,904,903	\$ 7,896,129	\$ 1,008,774
Net capital assets	10,758,896	7,137,710	13,597	14,223	10,772,493	7,151,933	3,620,560
Total assets	15,904,281	11,860,204	3,773,115	3,187,858	19,677,396	15,048,062	4,629,334
Deferred outflows of resources	472,363	460,239	8,237	8,201	480,600	468,440	12,160
Liabilities							
Other liabilities	2,194,929	2,012,636	52,561	70,456	2,247,490	2,083,092	164,398
Non-current liabilities	5,491,932	5,632,170	951,333	866,682	6,443,265	6,498,852	(55,587)
Total liabilities	7,686,861	7,644,806	1,003,894	937,138	8,690,755	8,581,944	108,811
Deferred inflows of resources	223,765	221,644	4,068	4,246	227,833	225,890	1,943
Net position							
Net investment in capital assets	9,309,140	5,694,397	5,834	6,121	9,314,974	5,700,518	3,614,456
Restricted	1,215,626	1,208,340	2,734,062	2,226,783	3,949,688	3,435,123	514,565
Unrestricted (deficit)	(2,058,748)	(2,448,744)	33,494	21,771	(2,025,254)	(2,426,973)	401,719
Total net position	\$ 8,466,018	\$ 4,453,993	\$ 2,773,390	\$ 2,254,675	\$ 11,239,408	\$ 6,708,668	\$ 4,530,740

Note: The 2018 governmental activities net capital assets and net investment in capital assets has not been restated for a prior period adjustment increase of \$3.1 billion.

Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State reported net position of \$11.2 billion at the end of 2019, compared with \$6.7 billion at the end of the previous year.

The largest portion of the State's net position (\$9.3 billion) 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 (\$3.9 billion) 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 \$2.0 billion as compared to a \$2.4 billion deficit in the prior year. The governmental activities and business-type activities components of the unrestricted net position deficit are discussed below.

The unrestricted net position deficit in governmental activities decreased by \$390.0 million; from a deficit of \$2.4 billion to a deficit of \$2.1 billion. Changes in governmental activities were a result of several factors, including an increase in the unrestricted fund balance of the General Fund and other governmental funds of \$259.1 million and \$86.2 million, respectively. In business-type activities the unrestricted net position increased by \$11.7 million from a net position of \$21.8 million to a net position of \$33.5 million. The increase is primarily due to an increase in the unrestricted net position of the Housing Division fund in the amount of \$12.1 million.

Changes in State of Nevada's Net Position-Primary Government
(expressed in thousands)

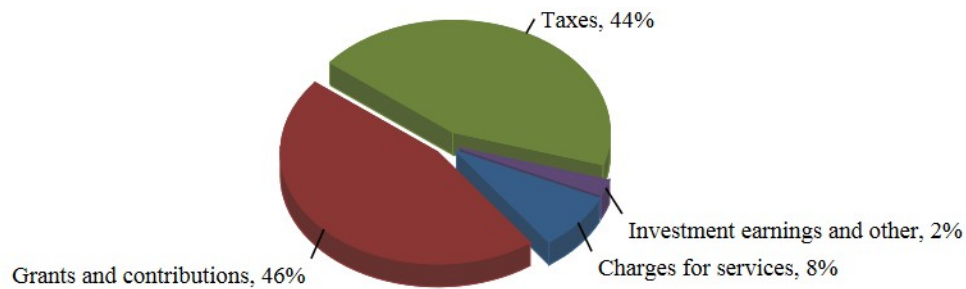
	Governmental Activities		Business-type Activities		Total		Total Change
	2019	2018	2019	2018	2019	2018	2019-2018
Revenue							
Program revenue							
Charges for services	\$ 919,023	\$ 900,670	\$ 135,853	\$ 133,898	\$ 1,054,876	\$ 1,034,568	\$ 20,308
Operating grants and contributions	5,521,790	5,274,340	97,884	82,657	5,619,674	5,356,997	262,677
Capital grants and contributions	42,688	21,999	-	-	42,688	21,999	20,689
General revenues:							
Gaming taxes	953,711	868,923	-	-	953,711	868,923	84,788
Sales and use taxes	1,473,990	1,340,985	-	-	1,473,990	1,340,985	133,005
Modified business taxes	640,552	584,212	-	-	640,552	584,212	56,340
Insurance premium taxes	422,106	394,543	-	-	422,106	394,543	27,563
Lodging taxes	208,477	179,951	-	-	208,477	179,951	28,526
Cigarette taxes	164,393	160,665	-	-	164,393	160,665	3,728
Commerce taxes	227,431	205,013	-	-	227,431	205,013	22,418
Property and transfer taxes	284,615	277,987	-	-	284,615	277,987	6,628
Motor and special fuel taxes	327,475	316,780	-	-	327,475	316,780	10,695
Other taxes	579,536	635,151	684,984	653,150	1,264,520	1,288,301	(23,781)
Unrestricted investment earnings	37,983	10,864	-	-	37,983	10,864	27,119
Other general revenues	216,122	203,347	-	-	216,122	203,347	12,775
Total revenue	12,019,892	11,375,430	918,721	869,705	12,938,613	12,245,135	693,478
Expenses							
General government	391,688	289,383	-	-	391,688	289,383	102,305
Health services	4,391,281	4,142,999	-	-	4,391,281	4,142,999	248,282
Social services	1,699,099	1,700,745	-	-	1,699,099	1,700,745	(1,646)
Education - K-12 state support	1,595,968	1,612,584	-	-	1,595,968	1,612,584	(16,616)
Education - K-12 administrative	606,585	563,634	-	-	606,585	563,634	42,951
Education - higher education	672,643	717,073	-	-	672,643	717,073	(44,430)
Law, justice and public safety	712,443	729,018	-	-	712,443	729,018	(16,575)
Regulation of business	332,615	315,038	-	-	332,615	315,038	17,577
Transportation	483,718	851,333	-	-	483,718	851,333	(367,615)
Recreation and resource development	183,102	178,524	-	-	183,102	178,524	4,578
Interest on long-term debt	75,913	74,499	-	-	75,913	74,499	1,414
Unallocated depreciation	2,306	2,766	-	-	2,306	2,766	(460)
Unemployment insurance	-	-	281,191	297,531	281,191	297,531	(16,340)
Housing	-	-	27,805	23,582	27,805	23,582	4,223
Water loans	-	-	4,361	7,017	4,361	7,017	(2,656)
Workers' compensation and safety	-	-	34,563	39,276	34,563	39,276	(4,713)
Higher education tuition	-	-	8,046	11,293	8,046	11,293	(3,247)
Other	-	-	31,919	31,488	31,919	31,488	431
Total expenses	11,147,361	11,177,596	387,885	410,187	11,535,246	11,587,783	(52,537)
Change in net position before contributions to permanent funds, special items and transfers	872,531	197,834	530,836	459,518	1,403,367	657,352	746,015
Contributions to permanent funds	8,259	10,005	-	-	8,259	10,005	(1,746)
Special item - termination of project construction	-	(16,054)	-	-	-	(16,054)	16,054
Transfers	12,121	(137,005)	(12,121)	137,005	-	-	-
Change in net position	892,911	54,780	518,715	596,523	1,411,626	651,303	760,323
Net position - beginning of year	4,453,993	5,208,706	2,254,675	1,724,660	6,708,668	6,933,366	(224,698)
Net position restatement	3,119,114	(809,493)	-	(66,508)	3,119,114	(876,001)	3,995,115
Net position - beginning of year (as restated)	7,573,107	4,399,213	2,254,675	1,658,152	9,827,782	6,057,365	3,770,417
Net position - end of year	\$ 8,466,018	\$ 4,453,993	\$ 2,773,390	\$ 2,254,675	\$ 11,239,408	\$ 6,708,668	\$ 4,530,740

Changes in Net Position:

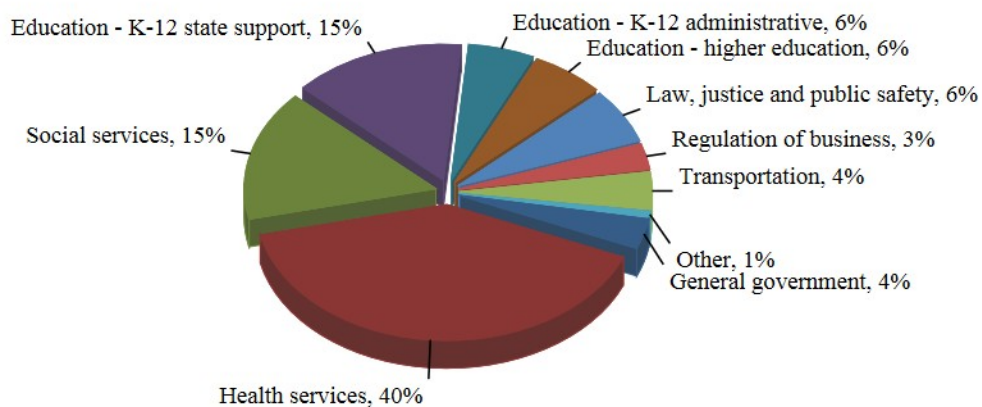
Total government-wide revenues increased by \$693.5 million during the current year. The increase in revenues is a result of several factors, including increases of \$262.7 million in federal funding, \$133.0 million in sales and use taxes, \$84.8 million in gaming taxes and \$56.3 million in modified business taxes.

Governmental activities – The current year net position increased by \$892.9 million. Approximately 43.9% of the total revenue came from taxes, while 46.3% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 7.6% of the total revenues (see chart following). The State's governmental activities expenses cover a range of services and the largest expenses were 39.7% for health services, 15.3% for social services, and 14.4% for state support of K-12 education (see chart following). In 2019, governmental activities expenses exceeded program revenues, resulting in the use of \$4.6 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:



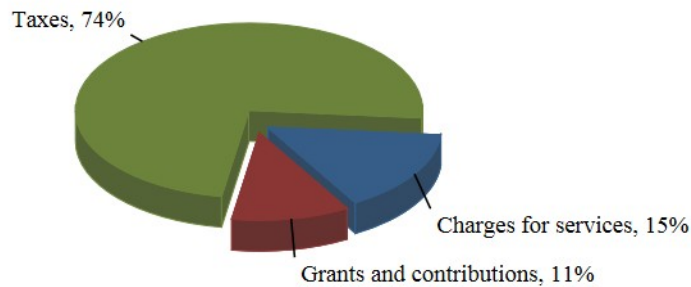
The following table depicts the total program revenues and expenses for each function of governmental activities:

Revenues and Expenses by Function: Governmental Activities
(expressed in thousands)

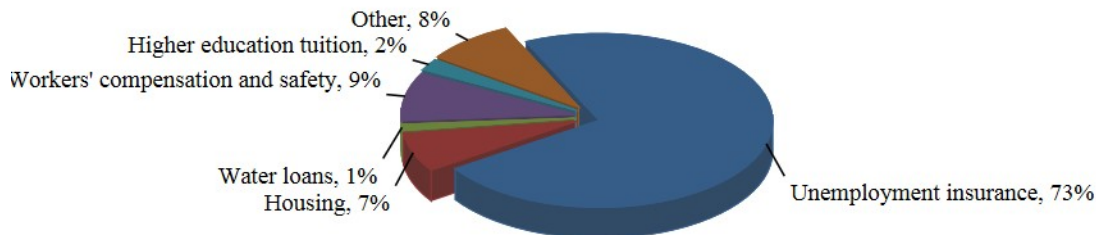
	Expenses	Revenues
General government	\$ 391,688	\$ 226,623
Health services	4,391,281	3,613,389
Social services	1,699,099	1,118,206
Education - K-12 state support	1,595,968	5,160
Education - K-12 administrative	606,585	353,654
Education - higher education	672,643	-
Law, justice and public safety	712,443	360,956
Regulation of business	332,615	282,205
Transportation	483,718	411,586
Recreation and resource development	183,102	110,613
Total	\$ 11,069,142	\$ 6,482,392

Business-type activities – The current year net position increased by \$518.7 million. Approximately 74.6% of the total revenue came from taxes, while 10.7% was in the form of grants and contributions (including federal aid). Charges for various goods and services provided 14.8% of the total revenues (see chart following). The State's business-type activities expenses cover a range of services. The largest expenses were 72.5% for unemployment compensation (see chart following). In 2019, business-type activities expenses exceeded program revenues by \$154.1 million. Of this amount, unemployment compensation was the largest, with net expenses of \$238.1 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 insurance	\$ 281,191	\$ 43,098
Housing	27,805	39,096
Water loans	4,361	32,140
Workers' compensation and safety	34,563	54,442
Higher education tuition	8,046	32,055
Other	31,919	32,905
Total	\$ 387,885	\$ 233,736

The State's overall financial position improved over the past year. Current year operations resulted in a \$892.9 million increase in the net position of the governmental activities and a \$518.7 million increase in the net position of the business-type activities. 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 \$318.1 million or 6.4% compared to an increase of \$65.1 million or 1.3% in the prior fiscal year. In addition, operating grants and contributions for governmental activities increased \$247.5 million primarily due to Medicaid receipts.

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 \$2.2 billion, an increase of \$256.7 million from the prior year, after restatement. Of these total ending fund balances, \$413.8 million or 18.4% is nonspendable, either due to its form or legal constraints, and \$647.0 million or 28.8% is restricted for specific programs by external

constraints, constitutional provisions, or contractual obligations. An additional \$1.4 billion or 62.4% of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. 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. In addition, 1% of the total anticipated revenue for the fiscal year, as projected by the Economic Forum, is deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists, or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2019 is \$356.7 million. The remaining negative \$216.9 million or (9.7)% 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 \$808.7 million compared to \$547.7 million in the prior fiscal year. The fund balance increased by \$261.0 million or 47.7% over the previous year. The negative unassigned fund balance of \$216.9 million is primarily due to an accrual for Medicaid expenditures and for unearned gaming 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, 2019 and 2018 (expressed in thousands). Other financing sources are not included.

	General Fund Revenues (expressed in thousands)					
	2019		2018		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Gaming taxes, fees, licenses	\$ 941,144	9.0 %	\$ 849,965	8.8 %	\$ 91,179	10.7 %
Sales taxes	1,465,518	14.1 %	1,337,930	13.9 %	127,588	9.5 %
Modified business taxes	640,375	6.2 %	581,844	6.1 %	58,531	10.1 %
Insurance premium taxes	422,512	4.1 %	394,263	4.1 %	28,249	7.2 %
Lodging taxes	183,398	1.8 %	179,951	1.9 %	3,447	1.9 %
Cigarette taxes	164,393	1.6 %	160,665	1.7 %	3,728	2.3 %
Commerce taxes	226,770	2.2 %	201,927	2.1 %	24,843	12.3 %
Property and transfer taxes	104,431	1.0 %	106,921	1.1 %	(2,490)	(2.3)%
Motor and special fuel taxes	2,289	0.0 %	2,255	0.0 %	34	1.5 %
Other taxes	434,980	4.2 %	406,907	4.2 %	28,073	6.9 %
Intergovernmental	5,246,960	50.4 %	4,867,647	50.7 %	379,313	7.8 %
Licenses, fees and permits	388,527	3.7 %	383,914	4.0 %	4,613	1.2 %
Sales and charges for services	70,008	0.7 %	67,368	0.7 %	2,640	3.9 %
Interest and investment income	44,986	0.4 %	9,593	0.1 %	35,393	368.9 %
Settlement income	22,780	0.2 %	1,151	0.0 %	21,629	1,879.1 %
Other	52,108	0.5 %	57,840	0.6 %	(5,732)	(9.9)%
Total revenues	\$ 10,411,179	100.0 %	\$ 9,610,141	100.0 %	\$ 801,038	8.3 %

The total General Fund revenues increased \$801.0 million or 8.3%. The largest increases in revenue sources were \$379.3 million or 7.8% in intergovernmental revenues, \$127.6 million or 9.5% in sales taxes, \$91.2 million or 10.7% in gaming taxes, fees, licenses and \$58.5 million or 10.1% in modified business taxes. The increase in intergovernmental revenues is primarily due to an increase of \$176.0 million in receipts for Medicaid over the prior year. The increase in sales taxes is a result of an increase in taxable sales, while the increase in gaming taxes, fees, licenses is a combination of an increase in gaming win and a decrease in transferable tax credits applied to gaming taxes. The increase in modified business taxes is a result of an increase in gross wages. Decreases in revenue sources were \$5.7 million in other revenue, and \$2.5 million in property and transfer taxes.

The following schedule presents a summary of expenditures by function of the General Fund for the fiscal years ended June 30, 2019 and 2018 (expressed in thousands). Other financing uses are not included.

General Fund Expenditures (expressed in thousands)						
	2019		2018		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 205,310	2.0 %	\$ 177,106	1.8 %	\$ 28,204	15.9 %
Health services	4,397,082	43.3 %	4,132,487	42.6 %	264,595	6.4 %
Social services	1,635,930	16.1 %	1,592,241	16.4 %	43,689	2.7 %
Education - K-12 state support	1,595,968	15.7 %	1,612,584	16.6 %	(16,616)	(1.0)%
Education - K-12 administrative	602,009	5.9 %	562,281	5.8 %	39,728	7.1 %
Education - higher education	677,048	6.7 %	645,297	6.7 %	31,751	4.9 %
Law, justice and public safety	559,392	5.5 %	530,498	5.5 %	28,894	5.4 %
Regulation of business	310,440	3.1 %	292,614	3.0 %	17,826	6.1 %
Recreation and resource development	156,949	1.5 %	146,621	1.5 %	10,328	7.0 %
Debt service	3,669	0.0 %	3,718	0.0 %	(49)	(1.3)%
Total expenditures	\$ 10,143,797	100.0 %	\$ 9,695,447	100.0 %	\$ 448,350	4.6 %

The total General Fund expenditures increased 4.6%. The largest increases in expenditures were \$264.6 million or 6.4% in health services expenditures due to expansion of the Medicaid program, \$43.7 million or 2.7% in social services due to construction of the Northern Nevada State Veterans Home and a project to replace the child support enforcement system (NV KIDS), and \$39.7 million or 7.1% in education - K-12 administrative due to an increase in federal program funding. The largest decrease was \$16.6 million or 1.0% in education - K-12 state support due to an increase in local taxes which reduced the state's share in the funding model.

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 by \$65.1 million or 12.3% during the current fiscal year compared to a decrease of \$18.0 million or 3.3% in the prior year. The current year net change in fund balance was a decrease of \$68.6 million, and beginning fund balance was increased by \$3.5 million for correction of an error for expenditures recorded in fiscal year 2018 that were for purchases of items not received prior to year-end and which should have been recorded in fiscal year 2019. Total revenues increased by \$12.7 million. This current year change is primarily a combination of increases in motor and special fuel taxes of \$10.3 million, interest and investment income of \$14.3 million, vehicle registration fees of \$8.2 million and a decrease in intergovernmental revenues of \$24.1 million. Expenditures decreased by \$69.9 million or 5.9% over the prior year. This was primarily due to a decrease of \$67.5 million in transportation expenditures, due to major road construction projects either nearing completion or being completed. One such project nearing completion is Project NEON, and the Carson Freeway Project was completed in 2019. Other financing sources and uses decreased by \$133.2 million or 106.4% over the prior year, primarily since no Highway bonds were issued in 2019.

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 \$3.4 million during the current fiscal year, which is a 3.7% decrease from the prior year. This decrease was primarily due to principal payments received from municipalities for outstanding loans, which reduced the loans receivable. The principal and interest received from the municipalities is then transferred out to the debt service fund.

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 \$6.0 million or 1.7%, of which \$3.9 million is a decrease to beginning fund balance. Beginning fund balance was restated to correct an error identified by the Nevada Capital Investment Corporation, a discretely presented component unit, for earnings paid to the Permanent School Fund erroneously since 2013. The increase in current activity of \$9.9 million is due to revenues from land sales and court fines.

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 \$2.7 billion, the net position of the nonmajor enterprise funds is \$26.9 million and the total combined net position of all enterprise funds is \$2.8 billion. The combined net position of all enterprise funds increased by \$519.3 million in 2019. 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 home buyers with low or moderate incomes. The net position increased by \$11.3 million or 5.3%, resulting in an ending net position of \$226.4 million. Revenues from interest on loans increased by 38.5% reflecting Nevada's strong housing market. Operating expenses increased by \$4.3 million, and operating revenues increased by \$4.4 million.

The *Unemployment Compensation Fund* accounts for the payment of unemployment compensation benefits to unemployed State citizens. The net position increased by \$448.4 million during the current fiscal year, resulting in an ending net position of \$1.9 billion. The increase in net position is primarily due to revenues exceeding expenses by \$446.5 million. During fiscal year 2019, \$281.2 million of unemployment compensation benefits was paid to unemployed State citizens compared to \$297.3 million paid in fiscal year 2018, representing a 5.4% 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 \$26.0 million during the current fiscal year, for a final net position of \$458.8 million, which is a 6.0% 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 twenty-first enrollment period during the fiscal year with 669 new enrollments. The net position increased by \$24.6 million, for an ending net position of \$127.7 million, a 23.9% increase over last year, primarily due to a decrease in claims expenses.

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 2019, total internal service fund net position decreased by \$13.0 million, for a final net position deficit of \$10.6 million. The three 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 \$18.1 million or 23.8% during the current year, for a final net position of \$58.1 million. The decrease in net position from current activity is primarily due to replacing one of the fully insured health plans with a self funded plan, which resulted in higher claims payments for those members.

The *Information Services Fund* accounts for design, maintenance and operation of the State's central computer facility, radio communication and telecommunication systems. The net position deficit increased by \$5.9 million or 40.4% during the current year, for a final net position deficit of \$20.5 million. The decrease in net position from current activity is a result of a reduction in user assessments charged, higher salaries and benefits expense and an increase in depreciation expense. The remaining change is considered a normal fluctuation in services and expenses of the fund.

The *Insurance Premiums Fund* accounts for general, civil (tort), auto and property casualty liabilities of State agencies. The net position deficit decreased by \$2.0 million or 4.4% during the current year, resulting in an ending net position deficit of \$43.0 million. The increase in net position from current activity is considered a normal fluctuation of insurance claims and expenses.

ANALYSIS OF GENERAL FUND BUDGET VARIATIONS

The General Fund budgetary revenues and other financing sources were \$592.1 million or 4.6% 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 \$1.4 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 nonexecutive budgets approved after July 1 and increased estimated receipts were approximately \$966.1 million. Other significant increases were a result of appropriations approved by the 80th (2019) Legislative Session, including \$91.8 million for capital improvement projects and purchase of vehicles; \$56.2 million for a new State enterprise resource planning system and other implementation projects for technology systems; \$38.0 million to restore balances in state claims and contingency accounts; \$33.0 million for an appropriation to the Millennium Scholarship Fund; \$20.8 million for education increases in K-12 enrollment, school safety facility improvements and incentives for teachers; \$17.8 million for increases in Medicaid; \$15.0 million for costs of the 80th Legislative Session; and \$13.7 million for conservation and natural resources equipment, projects and maintenance.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets:

The State's capital assets for governmental and business-type activities as of June 30, 2019 amount to \$12.2 billion, net of accumulated depreciation of \$1.4 billion, leaving a net book value of \$10.8 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.

At June 30, 2019, the State had construction contract commitments of approximately \$299.2 million in the Highway Fund for construction of various highway projects, and \$91.2 million in capital projects funds for buildings and improvements. Funding for the commitments will come from existing resources in these funds and from future appropriations and bond proceeds.

As allowed by GASB Statement No. 34, the State has adopted an alternative process for recording depreciation expense on elected 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 95 and will also maintain its bridges so that not more than 10% are structurally deficient or functionally obsolete. 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 95

	I	II	III	IV	V
	70%	65%	60%	40%	10%
State Policy-minimum percentage					
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%

Condition Level of the Bridges

Percentage of substandard bridges

	2017	2016	2015
State Policy-minimum percentage	10%	10%	10%
Actual results condition assessment	1%	2%	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 2019 by \$4.6 million. Even though actual spending for maintenance and reservation 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.

Additional information on the State's capital assets can be found in Note 7 to the financial statements.

Long-term Debt Administration:

As of year-end, the State had \$2.87 billion in bonds and certificates of participation outstanding, compared to \$2.92 billion last year, a decrease of \$42.1 million or 1.4% during the current fiscal year. This decrease was due primarily to the payment of principal on debt.

The most current bond ratings for the State's general obligation debt were AA+ from Fitch Ratings, Aa1 from Moody's Investors Service, and AA+ from S&P Global Ratings. 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. 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.

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

1907 THOMAS FLYER

WINNER OF THE 1908 NEW YORK TO PARIS AUTOMOBILE RACE



Traveling 22,000 miles over land and sea, victory was claimed after 169 days of fierce competition. The Thomas Flyer was built by E.R. Thomas Motor Company of Buffalo, New York, for a price of \$4,500. The car was in very poor condition when it was purchased by Bill Harrah for his collection. To authenticate the car, Harrah contacted 91-year old George Schuster, who had driven the Flyer to victory in Paris. Schuster authenticated the Flyer by pointing out repairs he had made during the race. They hired 40 craftsmen for the restoration and the Flyer was completed in six weeks. It achieved a “Gold Star,” the highest restoration designation given by Harrah’s Automobile Collection for quality and authenticity.

automuseum.org



Statement of Net Position

June 30, 2019 (Expressed in Thousands)

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	Component Units	
Assets					
Cash and pooled investments	\$ 2,443,580	\$ 1,906,125	\$ 4,349,705	\$ 257,622	
Investments	324,061	500,780	824,841	1,462,378	
Internal balances	(7,131)	7,131	-	-	
Due from component unit	30,446	2	30,448	-	
Due from primary government	-	-	-	171,634	
Accounts receivable	160,958	3,488	164,446	68,716	
Taxes/assessments receivable	1,397,294	215,089	1,612,383	-	
Intergovernmental receivables	603,763	1,313	605,076	70,255	
Accrued interest and dividends	11,168	24,103	35,271	192	
Contracts receivable	-	38,602	38,602	-	
Mortgages receivable	-	465,108	465,108	-	
Notes/loans receivable	103,850	430,538	534,388	7,743	
Capital lease receivable	47,455	-	47,455	-	
Other receivables	-	-	-	10,206	
Inventory	23,080	1,555	24,635	7,459	
Prepaid expenses	4,709	525	5,234	26,850	
<i>Restricted assets:</i>					
Cash	2,148	-	2,148	94,238	
Investments	-	165,154	165,154	11,943	
Other assets	4	5	9	74,191	
<i>Capital assets:</i>					
Land, infrastructure and construction in progress	9,291,577	568	9,292,145	378,005	
Other capital assets, net	1,467,319	13,029	1,480,348	2,070,725	
Total assets	15,904,281	3,773,115	19,677,396	4,712,157	
Deferred Outflows of Resources					
Deferred charge on refunding	49,958	394	50,352	12,052	
Pension contributions	398,131	7,359	405,490	72,220	
OPEB contributions	24,274	484	24,758	16,725	
Total deferred outflows of resources	472,363	8,237	480,600	100,997	
Liabilities					
Accounts payable	1,400,606	35,025	1,435,631	70,915	
Accrued payroll and related liabilities	57,943	1,050	58,993	82,716	
Intergovernmental payables	249,723	642	250,365	-	
Interest payable	17,110	3,484	20,594	15,012	
Due to component units	150,795	9	150,804	-	
Due to primary government	-	-	-	30,448	
Contracts/retentions payable	84,099	-	84,099	-	
Unearned revenues	147,220	12,321	159,541	66,767	
Other liabilities	87,434	30	87,464	50,533	
<i>Long-term liabilities:</i>					
<i>Portion due or payable within one year:</i>					
Reserve for losses	112,449	-	112,449	-	
Obligations under capital leases	3,604	-	3,604	2,468	
Compensated absences	76,992	1,435	78,427	38,493	
Tuition benefits payable	-	18,351	18,351	-	
Bonds payable	192,401	20,274	212,675	45,106	
Certificates of participation payable	3,514	-	3,514	-	
Pollution remediation obligations	747	-	747	-	
<i>Portion due or payable after one year:</i>					
Federal advances	-	-	-	7,303	
Reserve for losses	43,770	-	43,770	-	
Obligations under capital leases	11,266	-	11,266	50,329	
Net pension liability	2,219,471	41,761	2,261,232	404,877	

Statement of Net Position

June 30, 2019 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Net OPEB liability	777,594	15,495	793,089	520,472
Compensated absences	27,667	484	28,151	17,383
Tuition benefits payable	-	192,754	192,754	-
Bonds payable	1,922,514	660,779	2,583,293	741,150
Certificates of participation payable	74,587	-	74,587	-
Due to component unit	20,830	-	20,830	-
Unearned revenue	-	-	-	44,206
Pollution remediation obligations	4,525	-	4,525	-
Total liabilities	7,686,861	1,003,894	8,690,755	2,188,178
Deferred Inflows of Resources				
Pension related amounts	170,602	3,029	173,631	20,849
OPEB related amounts	52,139	1,039	53,178	34,899
Taxes	93	-	93	-
Fines and forfeitures	931	-	931	-
Lease revenue	-	-	-	6,621
Split-interest agreements	-	-	-	2,861
Service concession arrangement	-	-	-	2,645
Total deferred inflows of resources	223,765	4,068	227,833	67,875
Net Position				
Net investment in capital assets	9,309,140	5,834	9,314,974	1,706,365
Restricted for:				
Unemployment compensation	-	1,933,966	1,933,966	-
Tuition contract benefits	-	127,707	127,707	-
Security of outstanding obligations	-	187,215	187,215	-
Workers' compensation	-	26,387	26,387	-
Capital projects	2,243	-	2,243	162,358
Debt service	26,635	-	26,635	32,066
Education - K to 12	3,611	-	3,611	7,813
Transportation	403,935	-	403,935	-
Recreation and resource development	46,951	-	46,951	-
Law, justice and public safety	52,577	-	52,577	-
Health services	280,616	-	280,616	-
Regulation of business	32,003	2	32,005	-
Scholarships	-	-	-	531,346
Loans	-	458,785	458,785	6,985
Research and development	-	-	-	11,200
Other purposes	300	-	300	11,570
Funds held as permanent investments:				
Nonexpendable	366,734	-	366,734	431,137
Expendable	21	-	21	-
Unrestricted (deficit)	(2,058,748)	33,494	(2,025,254)	(343,739)
Total net position	\$ 8,466,018	\$ 2,773,390	\$ 11,239,408	\$ 2,557,101

The notes to the financial statements are an integral part of this statement.

Statement of Activities

For the Year Ended June 30, 2019 (Expressed in Thousands)

Function/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government								
<i>Governmental activities:</i>								
General government	\$ 391,690	\$ 210,572	\$ 16,051	\$ -	\$ (165,067)	\$ -	\$ (165,067)	-
Health services	4,391,281	187,583	3,425,806	-	(777,892)	-	(777,892)	-
Social services	1,699,099	50,875	1,044,262	23,069	(580,893)	-	(580,893)	-
Education - K-12 state support	1,595,968	-	5,160	-	(1,590,808)	-	(1,590,808)	-
Education - K-12 administrative	606,585	3,172	350,482	-	(252,931)	-	(252,931)	-
Education - higher education	672,643	-	-	-	(672,643)	-	(672,643)	-
Law, justice and public safety	712,443	283,688	63,368	13,900	(351,487)	-	(351,487)	-
Regulation of business	332,615	95,363	186,842	-	(50,410)	-	(50,410)	-
Transportation	483,718	32,635	374,530	4,421	(72,132)	-	(72,132)	-
Recreation and resource development	183,102	55,137	54,177	1,299	(72,489)	-	(72,489)	-
Interest on long-term debt	75,913	-	1,113	-	(74,800)	-	(74,800)	-
Unallocated depreciation	2,306	-	-	-	(2,306)	-	(2,306)	-
Total governmental activities	11,147,363	919,025	5,521,791	42,689	(4,663,858)	-	(4,663,858)	-
<i>Business-type activities:</i>								
Unemployment insurance	281,188	4,198	38,900	-	-	(238,090)	(238,090)	-
Housing	27,805	26,707	12,389	-	-	11,291	11,291	-
Water loans	4,361	9,527	22,613	-	-	27,779	27,779	-
Workers' compensation and safety	34,563	49,781	4,661	-	-	19,879	19,879	-
Higher education tuition	8,046	13,792	18,263	-	-	24,009	24,009	-
Other	31,921	31,848	1,057	-	-	984	984	-
Total business-type activities	387,884	135,853	97,883	-	-	(154,148)	(154,148)	-
Total primary government	\$ 11,535,247	\$ 1,054,878	\$ 5,619,674	\$ 42,689	(4,663,858)	(154,148)	(4,818,006)	-
Total component units	\$ 2,023,518	\$ 775,542	\$ 486,498	\$ 3,711	-	-	-	(757,767)

General Revenues:				
Taxes:				
Gaming taxes	953,711	-	953,711	-
Sales and use taxes	1,293,167	-	1,293,167	-
Modified business taxes	640,552	-	640,552	-
Insurance premium taxes	422,106	-	422,106	-
Cigarette taxes	164,393	-	164,393	-
Commerce taxes	227,431	-	227,431	-
Property and transfer taxes	118,653	-	118,653	-
Lodging taxes	25,079	-	25,079	-
Motor and special fuel taxes	2,289	-	2,289	-
Other taxes	419,194	422	419,616	-
Restricted for unemployment compensation:				
Other taxes	-	684,562	684,562	-
Restricted for general government purposes:				
Settlement income	396	-	396	-
Restricted for health services purposes:				
Other taxes	52,054	-	52,054	-
Restricted for social services purposes:				
Other taxes	13,903	-	13,903	-
Restricted for educational purposes:				
Sales and use taxes	180,822	-	180,822	-
Lodging taxes	183,398	-	183,398	-
Restricted for law, justice and public safety:				
Other taxes	64	-	64	-
Restricted for regulation of business:				
Other taxes	4,546	-	4,546	-
Restricted for transportation purposes:				
Motor and special fuel taxes	250,301	-	250,301	-
Other taxes	89,174	-	89,174	-
Restricted for recreation and resources development:				
Other taxes	602	-	602	-
Settlement income	1,902	-	1,902	-
Restricted for debt service purposes:				
Property and transfer taxes	165,961	-	165,961	-
Motor and special fuel taxes	74,884	-	74,884	-
Other	5,110	-	5,110	-
Settlement income	60,396	-	60,396	-
Unrestricted investment earnings	37,983	-	37,983	86,794
Gain on sale of assets	-	-	-	7,969
Other general revenues	148,318	-	148,318	5,594
Contributions to permanent funds	8,259	-	8,259	20,663
Payments from State of Nevada	-	-	-	645,649
Transfers	12,121	(12,121)	-	-
Total general revenues, contributions, payments and transfers	5,556,769	672,863	6,229,632	766,669
Change in net position	892,911	518,715	1,411,626	8,902
Net position - beginning	4,453,993	2,254,675	6,708,668	2,540,481
Net position restatement	3,119,114	-	3,119,114	7,718
Net position - beginning (as restated)	7,573,107	2,254,675	9,827,782	2,548,199
Net position - ending	\$ 8,466,018	\$ 2,773,390	\$ 11,239,408	\$ 2,557,101

The notes to the financial statements are an integral part of this statement.



1941 “Lana Turner” Chrysler Newport

Only six built and four known to exist today

This car was owned by millionaire playboy Henry J. “Bob” Topping, former husband of movie star Lana Turner. Topping customized it with a Cadillac engine and transmission, and personalized it by having his name cast into the hubcaps and engine valve covers. He also added his initials to the grill. One of the six Newports was selected as the 1941 Indianapolis Pace Car and became the first concept car to front the Indy 500.

automuseum.org

Balance Sheet

Governmental Funds

June 30, 2019

	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
<i>Cash and pooled investments:</i>						
Cash with treasurer	\$ 1,176,031,102	\$ 453,841,521	\$ 5,600	\$ 24,327,998	\$ 563,805,142	\$ 2,218,011,363
Cash in custody of other officials	4,742,916	196,197	-	26,377,614	84,508	31,401,235
Investments	12,719,108	-	-	309,847,395	1,494,080	324,060,583
<i>Receivables:</i>						
Accounts receivable	120,237,233	6,980,332	-	660	20,633,463	147,851,688
Taxes receivable	1,336,409,417	60,037,803	-	-	846,486	1,397,293,706
Intergovernmental receivables	567,933,344	23,595,719	-	275,608	9,130,079	600,934,750
Accrued interest and dividends	9,979,742	-	1,140,447	43,697	3,791	11,167,677
Notes/loans receivable	15,700,472	-	88,085,000	-	-	103,785,472
Capital lease receivable	-	-	-	-	47,455,000	47,455,000
Due from other funds	82,325,277	19,515,880	723	233,103	156,914,109	258,989,092
Due from fiduciary funds	302,649	-	-	-	2,549,049	2,851,698
Due from component units	11,307	7	-	30,219,778	183,930	30,415,022
Inventory	6,426,619	16,030,168	-	-	364,142	22,820,929
Advances to other funds	4,868,593	3,577,419	-	-	150,636	8,596,648
Restricted cash	2,147,588	-	-	-	-	2,147,588
Prepaid items	3,945,320	396,340	-	-	95,452	4,437,112
Total assets	\$ 3,343,780,687	\$ 584,171,386	\$ 89,231,770	\$ 391,325,853	\$ 803,709,867	\$ 5,212,219,563
Liabilities						
<i>Accounts payable and accruals:</i>						
Accounts payable	\$ 713,832,512	\$ 9,433,758	\$ -	\$ -	\$ 9,726,293	\$ 732,992,563
Accrued payroll and related liabilities	40,459,906	14,093,619	-	-	1,988,416	56,541,941
Intergovernmental payables	232,472,944	16,137,907	-	-	1,040,771	249,651,622
Contracts/retentions payable	720,787	53,319,805	-	-	30,058,822	84,099,414
Due to other funds	171,585,238	18,021,290	6,032	24,182,244	67,823,371	281,618,175
Due to fiduciary funds	657,117,528	185,342	-	-	51,894	657,354,764
Due to component units	44,732,879	291,665	-	-	105,757,093	150,781,637
Unearned revenues	141,889,528	38,959	-	-	1,630,103	143,558,590
Other liabilities	82,934,067	2,819,207	-	417,848	1,262,940	87,434,062
Total liabilities	2,085,745,389	114,341,552	6,032	24,600,092	219,339,703	2,444,032,768
Deferred Inflows of Resources						
<i>Unavailable revenue:</i>						
Taxes	146,080,635	957,117	-	-	384,997	147,422,749
Intergovernmental	265,287,159	-	-	-	-	265,287,159
Licenses, fees and permits	3,844,785	2,129,771	-	-	-	5,974,556
Sales and charges for services	6,896,792	557,423	-	-	7,780	7,461,995
Settlement income	-	-	-	-	18,578,438	18,578,438
Lease principal payments	-	-	-	-	47,455,000	47,455,000
Interest	1,206,189	456,846	145,298	21,009	581,502	2,410,844
Other	25,008,386	3,547,487	-	660	1,016,222	29,572,755
Taxes	93,017	-	-	-	-	93,017
Fines and forfeitures	931,334	-	-	-	-	931,334
Total deferred inflows of resources	449,348,297	7,648,644	145,298	21,669	68,023,939	525,187,847
Fund Balances						
Nonspendable	30,206,848	16,426,508	-	366,704,092	489,594	413,827,042
Restricted	79,610,540	399,851,049	-	-	167,488,872	646,950,461
Committed	915,746,466	45,903,633	89,080,440	-	348,367,759	1,399,098,298
Unassigned	(216,876,853)	-	-	-	-	(216,876,853)
Total fund balances	808,687,001	462,181,190	89,080,440	366,704,092	516,346,225	2,242,998,948
Total liabilities, deferred inflows of resources and fund balances	\$ 3,343,780,687	\$ 584,171,386	\$ 89,231,770	\$ 391,325,853	\$ 803,709,867	\$ 5,212,219,563

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2019

Total fund balances - governmental funds		\$ 2,242,998,948
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	\$ 168,862,304	
Construction in progress	2,315,177,612	
Infrastructure assets	5,844,906,871	
Rights-of-way	961,597,236	
Buildings	1,914,901,072	
Improvements other than buildings	154,508,472	
Furniture and equipment	406,968,518	
Software costs	307,280,915	
Accumulated depreciation/amortization	<u>(1,343,638,106)</u>	
Total capital assets		10,730,564,894
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.		524,163,496
Intergovernmental receivable not providing current resources.		185,538
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.		(10,154,317)
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.		49,958,254
Deferred outflow of resources related to pensions are not reported in the governmental funds.		388,100,114
Deferred outflow of resources related to other post-employment benefits are not reported in the governmental funds.		23,606,607
Deferred inflow of resources related to pensions are not reported in the governmental funds.		(166,381,217)
Deferred inflow of resources related to other post-employment benefits are not reported in the governmental funds.		(50,705,492)
Certain liabilities for settlement agreements are not due and payable in the current period and therefore are not reported in the funds.		(3,401)
Amounts due to component unit for bonds authorized to be issued are not reported in the funds as they are not due and payable.		(20,830,000)
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 liability	(2,163,532,517)	
Net OPEB liability	(756,201,189)	
Bonds payable	(2,111,718,684)	
Accrued interest on bonds	(17,109,897)	
Certificates of participation	(78,101,598)	
Capital leases	(12,400,529)	
Compensated absences	(101,148,811)	
Pollution remediation liability	<u>(5,272,000)</u>	
Total long-term liabilities		<u>(5,245,485,225)</u>
Net position of governmental activities		\$ 8,466,018,199

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, 2019

	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Gaming taxes, fees, licenses	\$ 941,144,174	\$ -	\$ -	\$ -	\$ 13,365,192	\$ 954,509,366
Sales taxes	1,465,518,389	-	-	-	-	1,465,518,389
Modified business taxes	640,374,679	-	-	-	-	640,374,679
Insurance premium taxes	422,512,406	-	-	-	-	422,512,406
Lodging taxes	183,397,890	-	-	-	-	183,397,890
Cigarette taxes	164,392,540	-	-	-	-	164,392,540
Commerce taxes	226,770,333	-	-	-	-	226,770,333
Property and transfer taxes	104,430,645	-	-	-	180,184,126	284,614,771
Motor and special fuel taxes	2,289,106	250,301,472	-	-	74,884,366	327,474,944
Other taxes	434,980,283	120,560,305	-	-	57,763,619	613,304,207
Intergovernmental	5,246,960,224	386,720,302	-	-	104,303,073	5,737,983,599
Licenses, fees and permits	388,527,182	237,664,273	-	-	23,433,431	649,624,886
Sales and charges for services	70,008,241	18,094,497	-	-	25,938,092	114,040,830
Interest and investment income	44,986,413	19,237,236	3,381,342	16,616,136	14,203,097	98,424,224
Settlement income	22,779,743	-	-	-	40,892,560	63,672,303
Land sales	-	-	-	4,242,460	-	4,242,460
Other	52,107,669	23,628,044	-	5,462,738	18,795,854	99,994,305
Total revenues	10,411,179,917	1,056,206,129	3,381,342	26,321,334	553,763,410	12,050,852,132
Expenditures						
<i>Current:</i>						
General government	205,310,107	-	-	-	37,850,196	243,160,303
Health services	4,397,081,656	-	-	-	1,272	4,397,082,928
Social services	1,635,930,357	-	-	-	85,207,381	1,721,137,738
Education - K-12 state support	1,595,967,613	-	-	-	-	1,595,967,613
Education - K-12 administrative	602,008,583	-	-	-	5,023,700	607,032,283
Education - higher education	677,048,368	-	-	-	28,792,730	705,841,098
Law, justice and public safety	559,392,445	191,368,478	-	-	32,702,596	783,463,519
Regulation of business	310,440,462	-	-	-	21,205,152	331,645,614
Transportation	-	925,474,873	-	-	-	925,474,873
Recreation and resource development	156,948,661	-	-	-	30,655,089	187,603,750
Capital outlay	-	-	-	-	94,754,945	94,754,945
<i>Debt service:</i>						
Principal	2,932,615	-	-	-	163,590,000	166,522,615
Interest, fiscal charges	727,265	-	-	-	98,032,086	98,759,351
Debt issuance costs	9,283	-	-	-	521,666	530,949
Total expenditures	10,143,797,415	1,116,843,351	-	-	598,336,813	11,858,977,579
Excess (deficiency) of revenues over (under) expenditures	267,382,502	(60,637,222)	3,381,342	26,321,334	(44,573,403)	191,874,553
Other Financing Sources (Uses)						
Bonds issued	975,000	-	-	-	58,625,000	59,600,000
Premium on bonds issued	39,380	-	-	-	4,418,657	4,458,037
Sale of capital assets	123,249	-	-	-	10,732	133,981
Transfers in	120,269,407	13,992,752	-	-	187,788,185	322,050,344
Transfers out	(127,848,119)	(21,969,010)	(6,848,544)	(16,382,426)	(147,993,058)	(321,041,157)
Total other financing sources (uses)	(6,441,083)	(7,976,258)	(6,848,544)	(16,382,426)	102,849,516	65,201,205
Net change in fund balances	260,941,419	(68,613,480)	(3,467,202)	9,938,908	58,276,113	257,075,758
Fund balances, July 1	547,745,582	527,284,558	92,547,642	360,679,167	458,070,112	1,986,327,061
Fund balance restatement	-	3,510,112	-	(3,913,983)	-	(403,871)
Fund balances, July 1 (as restated)	547,745,582	530,794,670	92,547,642	356,765,184	458,070,112	1,985,923,190
Fund balances, June 30	\$ 808,687,001	\$ 462,181,190	\$ 89,080,440	\$ 366,704,092	\$ 516,346,225	\$ 2,242,998,948

The notes to the financial statements are an integral part of this statement.

1938 Phantom Corsair

Only one Built

This experimental six-passenger coupe had a projected production price of \$12,500; it cost \$24,000 to build. The car was designed by Rust Heinz (Heinz ketchup family) and Maurice Schwarz (Bohman & Schwarz custom body firm). Heinz died shortly after the Phantom was completed, ending plans to go into limited production.

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Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2019

Net change in fund balances - total governmental funds		\$ 257,075,758
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	\$ 594,262,869	
Depreciation expense	<u>(85,005,754)</u>	
Excess of capital outlay over depreciation expense		509,257,115
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	(59,600,000)	
Premiums on debt issued	<u>(4,458,037)</u>	
Total bond proceeds		(64,058,037)
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	160,034,677	
Certificates of participation retirement	3,042,000	
Capital lease payments	<u>2,580,615</u>	
Total long-term debt repayment		165,657,292
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.		
		(12,463,324)
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		
		(32,661,033)
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 change in net assets differs from the change in fund balance by the cost of the asset sold.		
		(2,420,887)
Amortization of deferred loss on early retirement of debt is reported as an expense for the statement of activities.		
		(10,118,684)
Amortization of premiums on bonds and certificates of participation is reported as a reduction of interest expense for the statement of activities.		
		35,309,963
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	12,165,833	
Other post-employment benefit costs, net	4,041,189	
Accrued interest payable	587,419	
Compensated absences	(3,859,170)	
Long term due to component unit	33,198,000	
Settlement agreement liability	546,601	
Pollution remediation liability	<u>653,000</u>	
Total additional expenditures		47,332,872
Net change in net position - governmental activities		\$ <u>892,911,035</u>

The notes to the financial statements are an integral part of this statement.

Statement of Net Position

Proprietary Funds

June 30, 2019

	Enterprise Funds							
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Assets								
Current assets:								
<i>Cash and pooled investments:</i>								
Cash with treasurer	\$ 1,202,960	\$ -	\$ 97,942,263	\$ 7,672,086	\$ 80,318,493	\$ 187,135,802	\$ 194,167,628	
Cash in custody of other officials	-	1,718,495,853	-	277,848	215,049	1,718,988,750	-	
Investments	78,025,477	-	-	292,418,805	-	370,444,282	-	
<i>Receivables:</i>								
Accounts receivable	-	-	-	22	3,481,952	3,481,974	6,682,054	
Assessments receivable	-	215,089,411	-	-	-	215,089,411	-	
Intergovernmental receivables	-	-	230,088	-	1,082,848	1,312,936	2,642,664	
Contracts receivable	-	-	-	8,865,168	-	8,865,168	-	
Mortgages receivable	15,154,214	-	-	-	-	15,154,214	-	
Accrued interest and dividends	19,176,981	-	4,538,124	388,108	-	24,103,213	-	
Notes/loans receivable	-	-	33,108,438	-	-	33,108,438	5,000	
Due from other funds	57,447	7,088,424	878,417	74,318	1,728,170	9,826,776	17,427,470	
Due from fiduciary funds	-	-	-	-	6,158	6,158	3,572,619	
Due from component units	-	-	-	-	1,760	1,760	31,100	
Inventory	-	-	-	-	1,554,824	1,554,824	259,444	
Prepaid items	-	-	461	116	524,902	525,479	272,245	
<i>Restricted assets:</i>								
Investments	88,689,120	-	-	-	-	88,689,120	-	
Total current assets	202,306,199	1,940,673,688	136,697,791	309,696,471	88,914,156	2,678,288,305	225,060,224	
Noncurrent assets:								
Investments	130,335,691	-	-	-	-	130,335,691	-	
<i>Receivables:</i>								
Contracts receivable	-	-	-	29,736,747	-	29,736,747	-	
Mortgages receivable	449,953,296	-	-	-	-	449,953,296	-	
Notes/loans receivable	31,387,007	-	366,042,948	-	-	397,429,955	60,000	
<i>Restricted assets:</i>								
Investments	76,464,778	-	-	-	-	76,464,778	-	
Other assets	-	-	-	-	5,000	5,000	3,761	
<i>Capital assets:</i>								
Land	-	-	-	-	567,812	567,812	1,032,737	
Buildings	-	-	-	-	1,406,840	1,406,840	20,392,485	
Improvements other than buildings	-	-	-	-	5,638,507	5,638,507	3,839,621	
Furniture and equipment	798,555	-	5,910	173,374	15,904,433	16,882,272	53,848,380	
Software costs	-	-	-	-	-	-	16,134,510	
Less accumulated depreciation/amortization	(656,556)	-	(5,910)	(133,366)	(10,103,107)	(10,898,939)	(66,917,005)	
Total noncurrent assets	688,282,771	-	366,042,948	29,776,755	13,419,485	1,097,521,959	28,394,489	
Total assets	890,588,970	1,940,673,688	502,740,739	339,473,226	102,333,641	3,775,810,264	253,454,713	
Deferred Outflows of Resources								
Deferred charge on refunding	-	-	191,903	-	201,677	393,580	-	
Pension contributions	365,873	-	102,884	58,126	6,831,917	7,358,800	10,030,798	
OPEB contributions	24,664	-	6,893	3,891	448,441	483,889	667,472	
Total deferred outflows of resources	390,537	-	301,680	62,017	7,482,035	8,236,269	10,698,270	

(continued)

	Enterprise Funds							
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Liabilities								
Current liabilities:								
<i>Accounts payable and accruals:</i>								
Accounts payable	\$ 27,136,642	\$ 6,486,629	\$ 29,879	\$ 139,077	\$ 1,170,814	\$ 34,963,041	\$ 6,406,206	
Accrued payroll and related liabilities	52,392	-	15,896	7,786	973,548	1,049,622	1,401,050	
Interest payable	2,747,860	-	674,142	-	61,878	3,483,880	-	
Intergovernmental payables	621,326	-	1,152	-	19,801	642,279	72,370	
Bank overdraft	-	-	-	-	-	-	3,829,541	
Due to other funds	42,510	202,086	132,591	32,110	1,685,867	2,095,164	2,529,999	
Due to fiduciary funds	-	-	-	-	62,204	62,204	14,878	
Due to component units	-	-	-	1,952	6,600	8,552	13,598	
Unearned revenues	-	-	-	-	12,321,332	12,321,332	3,661,538	
Other liabilities	-	18,540	-	-	11,450	29,990	337	
<i>Short-term portion of long-term liabilities:</i>								
Reserve for losses	-	-	-	-	-	-	112,449,071	
Compensated absences	80,867	-	31,711	14,694	1,307,534	1,434,806	2,389,723	
Benefits payable	-	-	-	18,350,735	-	18,350,735	-	
Bonds payable	8,731,089	-	11,189,312	-	353,457	20,273,858	513,323	
Obligations under capital leases	-	-	-	-	-	-	1,074,233	
Total current liabilities	39,412,686	6,707,255	12,074,683	18,546,354	17,974,485	94,715,463	134,355,867	
Noncurrent liabilities:								
Advances from other funds	-	-	-	-	144,690	144,690	8,451,958	
Reserve for losses	-	-	-	-	-	-	43,770,310	
Net pension obligation	2,043,290	-	588,365	325,340	38,804,452	41,761,447	55,938,929	
Net OPEB liability	789,749	-	220,735	124,586	14,359,528	15,494,598	21,393,226	
Compensated absences	30,231	-	13,775	6,249	434,130	484,385	1,120,417	
Benefits payable	-	-	-	192,754,039	-	192,754,039	-	
Bonds payable	622,066,780	-	31,302,737	-	7,409,442	660,778,959	2,682,957	
Obligations under capital leases	-	-	-	-	-	-	1,394,995	
Total noncurrent liabilities	624,930,050	-	32,125,612	193,210,214	61,152,242	911,418,118	134,752,792	
Total liabilities	664,342,736	6,707,255	44,200,295	211,756,568	79,126,727	1,006,133,581	269,108,659	
Deferred Inflows of Resources								
Pension related amounts	148,193	-	42,671	23,596	2,814,350	3,028,810	4,220,718	
OPEB related amounts	52,954	-	14,801	8,354	962,838	1,038,947	1,433,889	
Total deferred inflows of resources	201,147	-	57,472	31,950	3,777,188	4,067,757	5,654,607	
Net Position								
Net investment in capital assets	141,999	-	-	40,008	5,651,586	5,833,593	22,712,196	
<i>Restricted for:</i>								
Unemployment compensation	-	1,933,966,433	-	-	-	1,933,966,433	-	
Tuition contract benefits	-	-	-	127,706,717	-	127,706,717	-	
Security of outstanding obligations	187,215,133	-	-	-	-	187,215,133	-	
Workers' compensation	-	-	-	-	26,386,678	26,386,678	-	
Revolving loans	-	-	458,784,652	-	-	458,784,652	-	
Regulation of business	-	-	-	-	2,000	2,000	-	
Unrestricted (deficit)	39,078,492	-	-	-	(5,128,503)	33,949,989	(33,322,479)	
Total net position	\$ 226,435,624	\$ 1,933,966,433	\$ 458,784,652	\$ 127,746,725	\$ 26,911,761	\$ 2,773,845,195	\$ (10,610,283)	
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.						(455,966)		
Net position of business-type activities						\$ 2,773,389,229		

The notes to the financial statements are an integral part of this statement.

1948 Tucker

51 Tuckers were produced in one year of production

The Tucker was designed by Preston T. Tucker, a visionary ahead of his time. It featured a rear-engine with automatic transmission, disc brakes, independent suspension and a center headlight that turned with the direction of the car. Many advanced safety features included a padded dash, pop-out windshield and a place where a front-seat passenger could crouch in case of an accident.

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Statement of Revenues, Expenditures and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2019

	Enterprise Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Total Enterprise Funds	
Operating Revenues							
Net premium income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,188,053
Sales	-	-	-	13,699,172	6,931,894	20,631,066	2,374,388
Assessments	-	684,561,625	-	-	422,044	684,983,669	-
Charges for services	-	-	-	92,600	13,329,824	13,422,424	57,083,787
Rental income	-	-	-	-	135,900	135,900	20,028,259
Interest income on loans/notes	18,400,716	-	9,527,048	-	-	27,927,764	-
Federal government	-	3,418,545	20,381,867	-	-	23,800,412	-
Licenses, fees and permits	-	-	-	-	47,584,758	47,584,758	-
Fines	-	-	-	-	2,587,238	2,587,238	-
Other	8,306,221	4,197,613	-	-	2,451,518	14,955,352	468,605
Total operating revenues	26,706,937	692,177,783	29,908,915	13,791,772	73,443,176	836,028,583	462,143,092
Operating Expenses							
Salaries and benefits	424,862	-	395,554	201,995	37,146,912	38,169,323	41,838,611
Operating	1,501,496	-	2,709,587	624,640	13,522,362	18,358,085	47,042,373
Claims and benefits expense	-	281,191,401	-	7,201,161	3,149,929	291,542,491	328,495,270
Interest on bonds payable	20,338,999	-	1,249,287	-	-	21,588,286	-
Materials or supplies used	-	-	-	-	2,408,387	2,408,387	177,084
Servicers' fees	17,948	-	-	-	-	17,948	-
Depreciation	36,254	-	-	16,698	816,480	869,432	7,432,218
Bond issuance costs	1,031,375	-	-	-	-	1,031,375	-
Insurance premiums	-	-	-	-	-	-	65,697,680
Total operating expenses	23,350,934	281,191,401	4,354,428	8,044,494	57,044,070	373,985,327	490,683,236
Operating Income	3,356,003	410,986,382	25,554,487	5,747,278	16,399,106	462,043,256	(28,540,144)
Nonoperating Revenues (Expenses)							
Interest and investment income	8,045,592	35,481,854	2,231,027	18,263,467	2,122,216	66,144,156	4,726,745
Interest expense	-	-	-	-	(276,025)	(276,025)	(101,403)
Federal grant revenue	4,343,787	-	-	-	3,596,116	7,939,903	-
Federal grant expense	(4,419,658)	-	-	-	-	(4,419,658)	-
Gain (loss) on disposal of assets	-	-	-	-	-	-	(257,346)
Total nonoperating revenues (expenses)	7,969,721	35,481,854	2,231,027	18,263,467	5,442,307	69,388,376	4,367,996
Income before transfers	11,325,724	446,468,236	27,785,514	24,010,745	21,841,413	531,431,632	(24,172,148)
Transfers							
Transfers in	-	7,088,112	5,025	669,982	302,901	8,066,020	11,229,773
Transfers out	-	(5,207,049)	(1,780,040)	-	(13,200,003)	(20,187,092)	(117,888)
Change in net position	11,325,724	448,349,299	26,010,499	24,680,727	8,944,311	519,310,560	(13,060,263)
Net position, July 1	215,109,900	1,485,617,134	432,774,153	103,065,998	17,967,450		2,449,980
Net position, June 30	\$ 226,435,624	\$ 1,933,966,433	\$ 458,784,652	\$ 127,746,725	\$ 26,911,761		\$ (10,610,283)

Adjustment for the net effect of the current year activity
between the internal service funds and the enterprise funds.

Change in net position of business-type activities

(596,939)

\$ 518,713,621

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, 2019

	Enterprise Funds						
	Major Funds						
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	\$ -	\$ 675,690,924	\$ -	\$ 15,856,420	\$ 76,402,991	\$ 767,950,335	\$ 32,899,724
Receipts for interfund services provided	519,111	1,405,952	-	107,884	1,808,401	3,841,348	424,573,467
Receipts from component units	-	-	-	-	-	-	14,862,445
Receipts of principal on loans/notes	89,650,513	-	-	-	-	89,650,513	5,000
Receipts of interest on loans/notes	19,667,862	-	-	-	-	19,667,862	-
Receipts from Federal government	-	3,418,545	20,493,880	-	-	23,912,425	-
Payments to suppliers, other governments and beneficiaries	(26,584,072)	(280,340,286)	(2,635,502)	7,090,963	(12,321,895)	(314,790,792)	(396,512,333)
Payments to employees	(1,431,719)	-	(425,778)	(208,862)	(37,929,760)	(39,996,119)	(40,977,404)
Payments for interfund services	(726,028)	-	(122,145)	(14,228,136)	(7,146,221)	(22,222,530)	(19,624,325)
Payments to component units	-	-	-	(7,347,829)	(87,155)	(7,434,984)	(180,032)
Purchase of loans and notes	(207,960,480)	-	-	-	-	(207,960,480)	-
Net cash provided by (used for) operating activities	(126,864,813)	400,175,135	17,310,455	1,270,440	20,726,361	312,617,578	15,046,542
Cash flows from noncapital financing activities							
Grant receipts	4,343,787	-	-	-	3,210,266	7,554,053	-
Proceeds from sale of bonds	222,920,326	-	-	-	-	222,920,326	-
Transfers and advances from other funds	-	-	5,125	660,010	12,638	677,773	3,273,645
Principal paid on noncapital debt	(118,005,465)	-	(11,190,000)	-	-	(129,195,465)	-
Interest paid on noncapital debt	(20,054,317)	-	(1,851,575)	-	-	(21,905,892)	-
Transfers and advances to other funds	-	(5,242,229)	(1,896,765)	-	(13,257,555)	(20,396,549)	(393,953)
Payments to other governments and organizations	(4,419,658)	-	-	-	-	(4,419,658)	-
Net cash provided by (used for) noncapital financing activities	84,784,673	(5,242,229)	(14,933,215)	660,010	(10,034,651)	55,234,588	2,879,692
Cash flows from capital and related financing activities							
Proceeds from sale of capital assets	-	-	-	-	-	-	97,281
Purchase of capital assets	-	-	-	-	(243,183)	(243,183)	(2,618,009)
Principal paid on capital debt	-	-	-	-	(277,000)	(277,000)	(1,678,380)
Interest paid on capital debt	-	-	-	-	(316,233)	(316,233)	(101,403)
Net cash provided by (used for) capital and related financing activities	-	-	-	-	(836,416)	(836,416)	(4,300,511)
Cash flows from investing activities							
Proceeds from sale of investments	306,837,141	-	-	-	-	306,837,141	-
Receipts of principal on loans/notes	-	-	32,994,163	-	-	32,994,163	-
Purchase of investments	(280,015,723)	-	-	(17,723,177)	-	(297,738,900)	-
Purchase of loans and notes	-	-	(23,482,867)	-	-	(23,482,867)	-
Interest, dividends and gains (losses)	5,872,162	35,481,854	11,577,108	18,209,827	1,920,822	73,061,773	4,199,606
Net cash provided by (used for) investing activities	32,693,580	35,481,854	21,088,404	486,650	1,920,822	91,671,310	4,199,606
Net increase (decreases) in cash	(9,386,560)	430,414,760	23,465,644	2,417,100	11,776,116	458,687,060	17,825,329
Cash and cash equivalents, July 1	10,589,520	1,288,081,093	74,476,619	5,532,834	68,757,426	1,447,437,492	176,342,299
Cash and cash equivalents, June 30	\$ 1,202,960	\$ 1,718,495,853	\$ 97,942,263	\$ 7,949,934	\$ 80,533,542	\$ 1,906,124,552	\$ 194,167,628

(continued)

	Enterprise Funds						
	Major Funds						Internal Service Funds
	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust	Nonmajor Enterprise Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ 3,356,003	\$ 410,986,382	\$ 25,554,487	\$ 5,747,278	\$ 16,399,106	\$ 462,043,256	\$ (28,540,144)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	36,254	-	-	16,698	816,480	869,432	7,432,218
Interest on loans	-	-	(9,527,048)	-	-	(9,527,048)	-
Interest on bonds payable	20,338,999	-	1,249,287	-	-	21,588,286	-
Decrease (increase) in loans and notes receivable	(112,829,419)	-	-	-	-	(112,829,419)	5,000
Decrease (increase) in accrued interest and receivables	(15,217,790)	(11,662,362)	112,013	2,172,532	1,772,609	(22,822,998)	5,954,350
Decrease (increase) in inventory, deferred charges, other assets	-	-	(461)	(116)	(284,252)	(284,829)	241,838
Decrease (increase) in deferred outflow of resources	73,154	-	(2,454)	(3,375)	(368,124)	(300,799)	(725,885)
Increase (decrease) in accounts payable, accruals, other liabilities	(21,542,000)	851,115	(40,295)	(6,655,216)	(110,831)	(27,497,227)	25,631,680
Increase (decrease) in unearned revenues	-	-	-	-	2,985,607	2,985,607	3,612,622
Increase (decrease) in net pension liability	(1,027,847)	-	(27,810)	(8,877)	(234,996)	(1,299,530)	1,240,732
Increase (decrease) in net OPEB liability	27,642	-	(3,903)	2,573	(154,579)	(128,267)	72,973
Increase (decrease) in deferred inflows of resources	(79,809)	-	(3,361)	(1,057)	(94,659)	(178,886)	121,158
Total adjustments	(130,220,816)	(10,811,247)	(8,244,032)	(4,476,838)	4,327,255	(149,425,678)	43,586,686
Net cash provided by (used for) operating activities	\$ (126,864,813)	\$ 400,175,135	\$ 17,310,455	\$ 1,270,440	\$ 20,726,361	\$ 312,617,578	\$ 15,046,542

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2019

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds	Agency Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 480,301	\$ -	\$ 10,649,387	\$ 132,739,626
Cash in custody of other officials	164,984,554	7,165,010	21,650,245	30,168,593
<i>Investments:</i>				
Investments	1,728,842	1,904,521,262	26,680,453,066	-
Fixed income securities	11,123,162,688	-	-	-
Marketable equity securities	19,584,793,144	-	-	-
International securities	8,850,569,497	-	-	-
Real estate	2,018,660,096	-	-	-
Alternative investments	2,376,261,251	-	-	-
Collateral on loaned securities	253,210,571	-	-	-
<i>Receivables:</i>				
Accounts receivable	-	-	258,176	-
Taxes receivable	-	-	-	75,857,954
Intergovernmental receivables	133,506,019	-	66,308	1,598
Accrued interest and dividends	167,361,497	26,250,836	2,675,926	-
Other receivables	3,835	-	-	86,961
Contributions receivables	-	-	21,035,190	-
Trades pending settlement	313,815,524	-	2,223,397	-
Due from other funds	159,406	-	159,181	657,113,259
Due from fiduciary funds	24,391,935	-	-	17,020,033
Due from component units	1,411,976	-	-	-
Other assets	3,532,311	-	-	-
Furniture and equipment	45,584,887	-	48,222	-
Less accumulated depreciation/amortization	(41,682,216)	-	(48,222)	-
Total assets	45,021,936,118	1,937,937,108	26,739,170,876	912,988,024
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	17,026,305	78,432	3,608,755	-
Accrued payroll and related liabilities	-	-	-	18,301
Intergovernmental payables	-	95,618	7,168	762,745,505
Redemptions payable	-	-	10,332,002	-
Trades pending settlement	325,150,400	24,268,504	10,118,292	-
Bank overdraft	-	-	1,337,000	-
Obligations under securities lending	253,210,571	-	-	-
Due to other funds	3,572,619	7,392	2,850,464	-
Due to fiduciary funds	8,348	-	907	41,402,713
<i>Other liabilities:</i>				
Deposits	-	-	-	102,200,022
Other liabilities	122,659	22,625	-	6,621,483
Total liabilities	599,090,902	24,472,571	28,254,588	912,988,024
Net Position				
<i>Restricted for:</i>				
Pension benefits	44,422,613,819	-	-	-
OPEB benefits	231,397	-	-	-
Pool participants	-	1,913,464,537	-	-
Individuals	-	-	26,710,916,288	-
Total net position	\$ 44,422,845,216	\$ 1,913,464,537	\$ 26,710,916,288	\$ -

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2019

	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Private purpose trust funds
Additions			
<i>Contributions:</i>			
Employer	\$ 1,012,044,616	\$ -	\$ -
Plan members	965,603,463	-	-
Participants	-	-	9,354,456,572
Repayment and purchase of service	98,770,718	-	-
Total contributions	2,076,418,797	-	9,354,456,572
<i>Investment income:</i>			
Net increase (decrease) in fair value of investments	2,464,216,576	31,078,106	715,704,871
Interest, dividends	938,209,138	42,011,758	889,238,325
Securities lending	4,980,937	-	-
Other	124,740,975	-	-
	3,532,147,626	73,089,864	1,604,943,196
Less investment expense:			
Other	(53,927,375)	(67,187)	-
Net investment income	3,478,220,251	73,022,677	1,604,943,196
<i>Other:</i>			
Investment from local governments	-	2,037,988,649	-
Other	2,888,441	395	-
Total other	2,888,441	2,037,989,044	-
Total additions	5,557,527,489	2,111,011,721	10,959,399,768
Deductions			
Principal redeemed	-	1,889,252,741	7,913,137,188
Benefit payments	2,650,848,542	-	26,657,390
Refunds	33,988,680	-	-
Contribution distributions	219,889	4,043,551	-
Administrative expense	11,991,141	434,665	37,142,099
Total deductions	2,697,048,252	1,893,730,957	7,976,936,677
Change in net position	2,860,479,237	217,280,764	2,982,463,091
Net position, July 1	41,562,365,979	1,696,183,773	23,728,453,197
Net position, June 30	\$ 44,422,845,216	\$ 1,913,464,537	\$ 26,710,916,288

The notes to the financial statements are an integral part of this statement.

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2019

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Assets				
Cash and pooled investments	\$ 17,806,265	\$ 239,816,000	\$ -	\$ 257,622,265
Investments	-	1,424,359,000	38,019,318	1,462,378,318
Due from primary government	179,249	171,454,538	-	171,633,787
Accounts receivable	1,169,508	67,546,462	-	68,715,970
Intergovernmental receivables	-	70,255,000	-	70,255,000
Accrued interest and dividends	178,607	-	13,650	192,257
Notes/loans receivable	-	7,743,000	-	7,743,000
Other receivables	-	10,206,000	-	10,206,000
Inventory	-	7,459,000	-	7,459,000
Prepaid expenses	26,850,074	-	-	26,850,074
<i>Restricted assets:</i>				
Cash	2,501,597	91,736,000	-	94,237,597
Investments	-	11,943,000	-	11,943,000
Other assets	-	74,191,000	-	74,191,000
<i>Capital assets:</i>				
Land, infrastructure and construction in progress	-	378,005,000	-	378,005,000
Other capital assets, net	47,148,049	2,023,577,000	-	2,070,725,049
Total assets	95,833,349	4,578,291,000	38,032,968	4,712,157,317
Deferred Outflows of Resources				
Deferred charge on refunding	-	12,052,000	-	12,052,000
Pension contributions	1,049,737	71,170,000	-	72,219,737
OPEB contributions	69,279	16,656,000	-	16,725,279
Total deferred outflows of resources	1,119,016	99,878,000	-	100,997,016
Liabilities				
Accounts payable	2,808,015	68,107,480	-	70,915,495
Accrued payroll and related liabilities	147,586	82,568,000	-	82,715,586
Interest payable	264,356	14,748,000	-	15,012,356
Due to primary government	6,584	221,520	30,219,778	30,447,882
Unearned revenues	3,331,831	63,435,000	-	66,766,831
Other liabilities	2,818,442	47,715,000	-	50,533,442
<i>Long-term liabilities:</i>				
<i>Portion due or payable within one year:</i>				
Obligations under capital leases	-	2,468,000	-	2,468,000
Compensated absences	282,168	38,211,000	-	38,493,168
Bonds payable	740,000	44,366,000	-	45,106,000
<i>Portion due or payable after one year:</i>				
Federal advances	-	7,303,000	-	7,303,000
Obligations under capital leases	-	50,329,000	-	50,329,000
Net pension liability	5,993,734	398,883,000	-	404,876,734
Net OPEB liability	2,218,398	518,254,000	-	520,472,398
Compensated absences	175,941	17,207,000	-	17,382,941
Bonds payable	26,596,123	714,554,000	-	741,150,123
Unearned revenue	44,206,447	-	-	44,206,447
Total liabilities	89,589,625	2,068,370,000	30,219,778	2,188,179,403
Deferred Inflows of Resources				
Lease revenue	-	6,621,000	-	6,621,000
Split-interest agreements	-	2,861,000	-	2,861,000
Service concession arrangement	-	2,645,000	-	2,645,000
Pension related amounts	434,704	20,414,000	-	20,848,704
OPEB related amounts	148,748	34,750,000	-	34,898,748
Total deferred inflows of resources	583,452	67,291,000	-	67,874,452
Net Position				
Net investment in capital assets	47,148,049	1,659,217,000	-	1,706,365,049
<i>Restricted for:</i>				
Capital projects	-	162,358,000	-	162,358,000
Debt service	-	32,066,000	-	32,066,000
Scholarships	-	531,346,000	-	531,346,000
Loans	-	6,985,000	-	6,985,000
Education - K to 12	-	-	7,813,190	7,813,190
Research and development	11,199,713	-	-	11,199,713
Other purposes	-	11,570,000	-	11,570,000
Funds held as permanent investments:				
Nonexpendable	-	431,137,000	-	431,137,000
Unrestricted (deficit)	(51,568,474)	(292,171,000)	-	(343,739,474)
Total net position	\$ 6,779,288	\$ 2,542,508,000	\$ 7,813,190	\$ 2,557,100,478

The notes to the financial statements are an integral part of this statement.

Combining Statement of Activities

Discretely Presented Component Units

For the Fiscal Year Ended June 30, 2019

	Major Component Units		Nonmajor Component Unit	
	Colorado River Commission	Nevada System of Higher Education	Nevada Capital Investment Corporation	Total
Expenses	\$ 47,034,552	\$ 1,976,485,000	\$ -	\$ 2,023,519,552
<i>Program revenue:</i>				
Charges for services	46,893,443	728,649,000	-	775,542,443
Operating grants and contributions	-	486,498,000	-	486,498,000
Capital grants and contributions	-	3,711,000	-	3,711,000
Total program revenue	46,893,443	1,218,858,000	-	1,265,751,443
<i>General revenues:</i>				
Unrestricted investment earnings	259,352	84,080,000	2,454,230	86,793,582
Gain on sale of assets	-	7,969,000	-	7,969,000
Other general revenues	69,127	5,525,000	-	5,594,127
Contributions to permanent funds	-	20,663,000	-	20,663,000
Payments from State of Nevada	-	645,649,000	-	645,649,000
Total general revenues, contributions and payments	328,479	763,886,000	2,454,230	766,668,709
Change in net position	187,370	6,259,000	2,454,230	8,900,600
Net position, July 1	6,673,554	2,532,363,000	1,444,977	2,540,481,531
Net position restatement	(81,636)	3,886,000	3,913,983	7,718,347
Net position, July 1 (as restated)	6,591,918	2,536,249,000	5,358,960	2,548,199,878
Net position, June 30	\$ 6,779,288	\$ 2,542,508,000	\$ 7,813,190	\$ 2,557,100,478

The notes to the financial statements are an integral part of this statement.



1949 “James Dean” Mercury

One of the most famous movie cars in history

James Dean drove this 1949 Mercury in the 1955 movie, *Rebel Without a Cause*. The car was de-chromed for the production. The movie’s premiere was at New York’s Astor Theatre in October 1955 one month after James Dean’s death. The Mercury developed a cult following and it still is one of the most famous cars in history.

automuseum.org



Notes to the Financial Statements

For the Year Ended June 30, 2019

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Notes to the Financial Statements

For the Year Ended June 30, 2019

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

Notes to the Financial Statements

For the Year Ended June 30, 2019

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.

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 previously described, 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 accounted for in another fund.

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 - provides 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 14, 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.

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 as 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Investments - Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 at current exchange rates. Fixed income securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investments is established by independent third party valuation firm in conjunction with Member Appraisal Institute (MAI) 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.

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 acquisition value at time of donation. The government defines capital assets as assets with a unit cost of \$5,000 or more for furniture and

Notes to the Financial Statements

For the Year Ended June 30, 2019

equipment, or \$500,000 or more for buildings and improvements or \$1,000,000 or more for internally generated software, 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. Collections are capitalized at the acquisition value at the date of donation. Depreciation is computed on a straight-line basis over estimated useful lives of 40 years for buildings, 10 to 15 years for land improvements and 3 to 11 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 interest 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 inventories, prepaid amounts and the 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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.
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 13 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. Additionally, commencing with the fiscal year that began on July 1, 2017, 1% of the total anticipated revenue for the fiscal year in which the transfer will be made as projected by the Economic Forum for that fiscal year, is also deposited to the Stabilization Account. Expenditures may occur if actual revenues for the biennium fall short by 5% or more from anticipated revenues, if the Legislature and Governor declare that a fiscal emergency exists or if the Legislature allocates it to be used for any other purpose. The balance in the Stabilization Account committed for fiscal emergency at June 30, 2019 is \$356,723,399.

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.

Postemployment Benefits Other than Pensions (OPEB) - For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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. Plan assets 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 \$15,321,209 were made in the 2019 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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, fiduciary funds 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 and Fiduciary 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. NRS 356 directs 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. Cash and cash equivalents consist of deposits in money market funds, which are not federally insured, and cash in the bank. As of June 30, 2019, deposits in money market funds totaled \$164,055,146, and cash in bank was \$67,933,418 of which \$16,348,152 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, 2019 NSHE's deposits in money market funds totaled \$153,782,000 and cash in bank was \$53,782,000. 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

The College Savings Plan of Nevada was created under Title 31, Chapter 353B of the Nevada Revised Statutes, as amended, to encourage individuals and families to save for future costs of higher education. The plan is designed to qualify for treatment as a qualified tuition program under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Plan assets are held for the benefit of account owners and their designated beneficiaries in the Nevada College Savings Trust. The Board of Trustees is responsible for the overall administration of the program, subject to implementing regulations set forth in the Nevada Administration Code. Pursuant to NRS 353B.005 the Board of Trustees consists of five members, the State Treasurer, who may name a designee to serve on the Board on his or her behalf; the Director of the Office of Finance, or designee; the Chancellor of the System, or a designee; and two members appointed by the Governor. The State of Nevada, acting through the Board of the College Savings Plan, and acting by and through its Administrator, the State Treasurer, offers and administers the various plans.

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 and Fiduciary 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, 2019 (expressed in thousands):

	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury securities	\$ 12,387,824	\$ 515,218	\$ 7,684,735	\$ 2,100,764	\$ 2,087,107
Negotiable certificate of deposit	749,069	745,151	3,918	-	-
U.S. agencies	953,644	840,609	61,317	22,649	29,069
Repurchase agreements	232,000	232,000	-	-	-
Asset backed corporate securities	59,303	1,172	51,363	6,160	608
Corporate bonds and notes	635,570	257,745	376,457	1,109	259
Commercial paper	674,158	674,158	-	-	-
Investment agreements	63,483	4,625	58,858	-	-
Other investments	6,289	-	6,289	-	-
Money market funds	312,618	312,618	-	-	-
Total	\$ 16,073,958	\$ 3,583,296	\$ 8,242,937	\$ 2,130,682	\$ 2,117,043

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, 2019 (expressed in thousands):

Less than 1 year	\$ 165,573
1 to 5 years	152,419
6 to 10 years	128,775
Total	\$ 446,767

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 and Fiduciary 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:

Notes to the Financial Statements

For the Year Ended June 30, 2019

- 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). Investments having credit risk are included in the table below.

The State's investments as of June 30, 2019 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):

	Quality Rating				
	AAA	AA	A	BBB	Unrated
U.S. Treasury securities	\$ 107,709	\$ 192,654	\$ 4,799	\$ -	\$ 12,082,662
Negotiable certificate of deposit	-	2,522	208,477	-	538,070
U.S. agencies	23,571	784,011	144,581	-	1,481
Mutual funds	-	-	-	-	27,054,778
Repurchase agreements	-	100,000	-	-	132,000
Asset backed corporate securities	17,561	14,979	-	-	26,763
Corporate bonds and notes	5,812	125,742	468,902	25,113	11,662
Commercial paper	-	-	560,040	-	114,118
Investment agreements	-	63,483	-	-	-
Short-term Investments	137,803	-	-	-	-
Other investments	-	4,828	1,461	-	111
Equity securities	-	-	-	-	28,831,365
Real estate	-	-	-	-	2,018,677
Private equity	-	-	-	-	2,376,261
Money market funds	151,706	-	-	-	160,912
Total	\$ 444,162	\$ 1,288,219	\$ 1,388,260	\$ 25,113	\$ 73,348,860

Component Units – 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, 2019 is as follows (at fair value, expressed in thousands):

	Unrated
Mutual funds publicly traded	\$ 472,309
Partnerships	55,186
Endowment cash/cash equivalents	2,601
Trust(s)	4,302
Private commingled funds	293,911
	828,309
Less: GBC Foundation Endowments	(7,996)
Total	\$ 820,313

Notes to the Financial Statements

For the Year Ended June 30, 2019

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. At June 30, 2019, no individual investment exceeded 5% of the total portfolio of the Primary Government.

At June 30, 2019, 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	\$ 20,726	7.09%

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, 2019, the Housing Division's investments in Fannie Mae and Ginnie Mae are 2.49% and 17.53% 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, and 99.9% equity interest in Accion, LLC, a New Mexico limited liability company, for the purpose of obtaining income. At June 30, 2019 the investment in equity interest of SSOF and Accion 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.

Primary Government and Fiduciary 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, 2019. The following table summarizes the pension and investment trust funds' exposure to foreign currency risk in U.S. dollars as of June 30, 2019 (expressed in thousands):

	Currency by Investment and Fair Value				
	Equity	Private Equity	Pending Transactions	Cash	Total
Australian Dollar	\$ 529,211	\$ -	\$ -	\$ 121	\$ 529,332
British Pound Sterling	1,235,262	19,600	(600)	3,457	1,257,719
Canadian Dollar	757,733	-	(300)	714	758,147
Danish Krone	126,901	-	-	-	126,901
Euro	2,348,021	223,200	(600)	358	2,570,979
Hong Kong Dollar	272,831	-	-	623	273,454
Israeli Shekel	25,030	-	-	101	25,131
Japanese Yen	1,747,312	-	(3,600)	5,178	1,748,890
New Zealand Dollar	18,032	-	-	100	18,132
Norwegian Krone	49,583	-	-	117	49,700
Singapore Dollar	100,554	-	-	4	100,558
S. African Comm Rand	100	-	-	-	100
Swedish Krona	196,032	-	-	(300)	195,732
Swiss Franc	686,195	-	(100)	108	686,203
Total	<u>\$ 8,092,797</u>	<u>\$ 242,800</u>	<u>\$ (5,200)</u>	<u>\$ 10,581</u>	<u>\$ 8,340,978</u>

Notes to the Financial Statements

For the Year Ended June 30, 2019

Component Unit - The NSHE does not directly invest in foreign currency investments and is therefore not subject to foreign currency risk. However, it has \$158,938 in mutual funds in both the operating and endowment pools that are primarily invested in international equities at June 30, 2019.

Fair Value of Investments: The State uses the market approach to determine the fair value of its investments. The State categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using quoted prices for identical securities in markets that are not active; Level 3 inputs are significant unobservable inputs. The following table summarizes the fair value measurements of the primary government and fiduciary funds as of June 30, 2019 (expressed in thousands):

	Fair Value Measurements Using			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investments by fair value level				
U.S. Treasury securities	\$ 12,266,279	\$ 56,085	\$ -	\$ 12,322,364
Negotiable certificates of deposit	-	749,069	-	749,069
U.S. agencies	4,885	939,449	-	944,334
Mutual funds	374,325	-	-	374,325
Repurchase agreements	-	232,000	-	232,000
Asset backed corporate securities	1,417	57,886	-	59,303
Corporate bonds & notes	15,551	621,680	-	637,231
Commercial paper	-	674,158	-	674,158
Short-term investments	137,803	-	-	137,803
Other investments	111	6,289	-	6,400
Equity securities	28,802,392	-	-	28,802,392
Money market funds	312,618	-	-	312,618
Total investments by fair value level	<u>\$ 41,915,381</u>	<u>\$ 3,336,616</u>	<u>\$ -</u>	<u>45,251,997</u>
Investments at NAV				
Equity securities				28,973
Mutual funds (unrated)				26,680,453
Real estate				2,018,677
Private equity				<u>2,376,261</u>
Total investments at NAV				<u>31,104,364</u>
Investments at amortized cost				
U.S. Treasury				65,460
U.S. Agencies				9,310
Investment agreements				<u>63,483</u>
Total investments at amortized cost				<u>138,253</u>
Total of Investments				<u>\$ 76,494,614</u>

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 fair 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, 2019 (excluding PERS).

Public Employees' Retirement System (PERS) – PERS 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, U.S. 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 fair 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 fair value, plus accrued interest in the case of fixed income securities.

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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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, 2019 is \$2,450,700,480. Collateral received for outstanding securities lending arrangements consisted of cash in the amount of \$253,210,571 and non-cash in the amount of \$2,289,420,671. The cash collateral is reported on the Statement of Fiduciary Net Position as an asset with a related liability. At June 30, 2019, PERS has collateral consisting of cash and securities issued by the U.S. Government, its agencies or instrumentalities, in excess of the fair 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 November 2015 respectively. The primary government has no exposure to derivatives as of June 30, 2019.

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 Governmental Funds			Total
	General Fund	Municipal Bond Bank	Permanent School Fund	
As shown on financial statements:				
Intergovernmental receivables	\$ 567,933	\$ -	\$ 276	\$ 568,209
Notes/loans receivable	15,700	88,085	-	103,785
Due from component units	11	-	30,220	30,231
Total	\$ 583,644	\$ 88,085	\$ 30,496	\$ 702,225
Classified:				
Current portion:	\$ 519,700	\$ 4,405	\$ 276	\$ 524,381
Noncurrent portion:				
Intergovernmental receivables	48,978	-	-	48,978
Notes/loans receivable	14,966	83,680	-	98,646
Due from component units	-	-	30,220	30,220
Total noncurrent portion	63,944	83,680	30,220	177,844
Total	\$ 583,644	\$ 88,085	\$ 30,496	\$ 702,225

Not included in the receivable balances are amounts considered to be uncollectible. In the governmental funds, uncollectible taxes receivable are estimated at \$23.4 million, and uncollectible accounts receivable are estimated at \$181.1 million. The proprietary funds have \$44.4 million in uncollectible accounts receivable of which \$5.8 million are from uninsured employers’ fines and penalties, and \$13.7 million are from unemployment contributions and benefit overpayments.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 5. Interfund Transactions

A. Interfund Advances

A summary of interfund advances at June 30, 2019, follows (expressed in thousands):

<u>Advances To</u>	<u>Advances From</u>			<u>Total</u>
	<u>General Fund</u>	<u>State Highway</u>	<u>Nonmajor Governmental</u>	
Nonmajor enterprise	\$ 145	\$ -	\$ -	\$ 145
Internal Service Funds	4,724	3,577	151	8,452
Total other funds	\$ 4,869	\$ 3,577	\$ 151	\$ 8,597

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 following.

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, 2019, is shown below (expressed in thousands):

	Due To					
	Major Governmental Funds					
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund	Nonmajor Governmental	Total Governmental
Due From						
Major Governmental Funds:						
General	\$ -	\$ 11,638	\$ 1	\$ 233	\$ 141,029	\$ 152,901
State Highway	10,134	-	-	-	7,032	17,166
Municipal Bond Bank	6	-	-	-	-	6
Permanent School Fund	24,182	-	-	-	-	24,182
Nonmajor governmental	44,527	7,534	-	-	8,497	60,558
Total Governmental	78,849	19,172	1	233	156,558	254,813
Major Enterprise Funds:						
Housing Division	40	-	-	-	-	40
Unemployment Comp	-	-	-	-	202	202
Water Projects Loans	132	-	-	-	-	132
Higher Ed Tuition Trust	31	-	-	-	-	31
Nonmajor enterprise	1,546	3	-	-	-	1,549
Total Enterprise	1,749	3	-	-	202	1,954
Internal Service	1,727	341	-	-	155	2,223
Total other funds	\$ 82,325	\$ 19,516	\$ 1	\$ 233	\$ 156,915	\$ 258,990
Fiduciary	\$ 303	\$ -	\$ -	\$ -	\$ 2,549	\$ 2,852
Component Units:						
Nevada System of Higher Education	\$ 11	\$ -	\$ -	\$ -	\$ 184	\$ 195
Nevada Capital Investment Corporation	-	-	-	30,220	-	30,220
Total Component Units	\$ 11	\$ -	\$ -	\$ 30,220	\$ 184	\$ 30,415

Notes to the Financial Statements

For the Year Ended June 30, 2019

	Due To								
	Major Enterprise Funds				Nonmajor Enterprise	Total Enterprise	Internal Service	Total Other Funds	Fiduciary
Due From	Housing Division	Unemployment Compensation	Water Projects Loans	Higher Education Tuition Trust					
Major Governmental Funds:									
General	\$ 57	\$ -	\$ 878	\$ 74	\$ 1,663	\$ 2,672	\$ 16,012	\$ 171,585	\$ 657,118
State Highway	-	-	-	-	11	11	845	18,022	185
Municipal Bond Bank	-	-	-	-	-	-	-	6	-
Permanent School Fund	-	-	-	-	-	-	-	24,182	-
Nonmajor governmental	-	7,088	-	-	38	7,126	139	67,823	52
Total Governmental	57	7,088	878	74	1,712	9,809	16,996	281,618	657,355
Major Enterprise Funds:									
Housing Division	-	-	-	-	-	-	2	42	-
Unemployment Comp	-	-	-	-	-	-	-	202	-
Water Projects Loans	-	-	-	-	-	-	1	133	-
Higher Ed Tuition Trust	-	-	-	-	-	-	1	32	-
Nonmajor enterprise	-	-	-	-	-	-	137	1,686	62
Total Enterprise	-	-	-	-	-	-	141	2,095	62
Internal Service	-	-	-	-	17	17	290	2,530	15
Total other funds	\$ 57	\$ 7,088	\$ 878	\$ 74	\$ 1,729	\$ 9,826	\$ 17,427	\$ 286,243	\$ 657,432
Fiduciary	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ 3,573	\$ 6,431	\$ 41,412
Component Units:									
Colorado River Commission	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 5	\$ 7	\$ -
Nevada System of Higher Education	-	-	-	-	-	-	26	221	1,412
Nevada Capital Investment Corporation	-	-	-	-	-	-	-	30,220	-
Total Component Units	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 31	\$ 30,448	\$ 1,412

	Due To		
	Component Units		Total Component Units
	Colorado River Commission	Nevada System of Higher Education	
Due From			
Primary Government:			
Governmental Activities for long term receivable	\$ -	\$ 20,830	\$ 20,830
Major Governmental Funds:			
General	178	44,554	44,732
State Highway	1	291	292
Nonmajor governmental	-	105,757	105,757
Total Governmental	179	150,602	150,781
Major Enterprise Funds:			
Higher Ed Tuition Trust	-	2	2
Nonmajor Enterprise	-	7	7
Total Enterprise	-	9	9
Internal Service	-	14	14
Total	\$ 179	\$ 171,455	\$ 171,634

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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

C. Transfers From/Transfers To Other Funds

A summary of transfers between funds for the year ended June 30, 2019, is shown below (expressed in thousands):

	Transfers Out/To					
	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund		
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ 17,697	\$ 6	\$ 16,382	\$ 71,160	\$ 105,245
State Highway	6,457	-	-	-	7,524	13,981
Nonmajor governmental	109,196	4,272	6,843	-	62,221	182,532
Total Governmental	115,653	21,969	6,849	16,382	140,905	301,758
Major Enterprise Funds:						
Unemployment Comp	-	-	-	-	7,088	7,088
Higher Ed Tuition Trust	670	-	-	-	-	670
Water Project Loans	5	-	-	-	-	5
Nonmajor enterprise	291	-	-	-	-	291
Total Enterprise	966	-	-	-	7,088	8,054
Internal Service	11,230	-	-	-	-	11,230
Total other funds	\$ 127,849	\$ 21,969	\$ 6,849	\$ 16,382	\$ 147,993	\$ 321,042

	Transfers Out/To					
	Major Enterprise Funds			Nonmajor Enterprise Funds	Total Enterprise	Total Other Funds
	Housing Division	Unemployment Compensation	Water Projects Loans			
Transfers In/From						
Major Governmental Funds:						
General	\$ -	\$ -	\$ 1,780	\$ 13,188	\$ 14,968	\$ 120,269
State Highway	-	-	-	-	-	13,993
Nonmajor governmental	-	5,207	-	-	5,207	187,789
Total Governmental	-	5,207	1,780	13,188	20,175	322,051
Major Enterprise Funds:						
Unemployment Comp	-	-	-	-	-	7,088
Higher Ed Tuition Trust	-	-	-	-	-	670
Water Project Loans	-	-	-	-	-	5
Nonmajor enterprise	-	-	-	12	12	303
Total Enterprise	-	-	-	12	12	8,066
Internal Service	-	-	-	-	-	11,230
Total other funds	\$ -	\$ 5,207	\$ 1,780	\$ 13,200	\$ 20,187	\$ 341,347

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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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, 2019 are as follows (expressed in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Restricted:			
Cash	\$ 2,148	\$ -	\$ 94,238
Investments	-	165,154	11,943
Total	\$ 2,148	\$ 165,154	\$ 106,181
Restricted for:			
Debt service	\$ -	\$ 165,154	\$ 1,026
Capital projects	-	-	91,736
Regulation of business	2,148	-	-
Other purposes	-	-	13,419
Total	\$ 2,148	\$ 165,154	\$ 106,181

Note 7. Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2019, was as follows (expressed in thousands):

	Beginning Balance *	Increases	Decreases	Ending Balance
Governmental Activities:				
<i>Capital assets, not being depreciated</i>				
Land	\$ 169,205	\$ 690	\$ -	\$ 169,895
Construction in progress	1,887,794	590,701	(163,317)	2,315,178
Infrastructure	5,860,692	11,641	(27,426)	5,844,907
Rights-of-way	966,118	-	(4,521)	961,597
Total capital assets, not being depreciated	8,883,809	603,032	(195,264)	9,291,577
<i>Capital assets, being depreciated/amortized</i>				
Buildings	1,829,986	105,308	-	1,935,294
Improvements other than buildings	150,761	7,587	-	158,348
Furniture and equipment	463,301	41,453	(43,937)	460,817
Software costs	294,916	34,693	(6,194)	323,415
Total capital assets, being depreciated/amortized	2,738,964	189,041	(50,131)	2,877,874
<i>Less accumulated depreciation/amortization for:</i>				
Buildings	(720,687)	(46,959)	-	(767,646)
Improvements other than buildings	(96,516)	(4,066)	-	(100,582)
Furniture and equipment	(368,219)	(29,204)	42,730	(354,693)
Software costs	(180,122)	(12,209)	4,697	(187,634)
Total accumulated depreciation/amortization	(1,365,544)	(92,438)	47,427	(1,410,555)
Total capital assets, being depreciated/amortized, net	1,373,420	96,603	(2,704)	1,467,319
Governmental activities capital assets, net	\$ 10,257,229	\$ 699,635	\$ (197,968)	\$ 10,758,896

* The beginning balances for construction in progress, infrastructure and rights-of-way have been restated by increases of \$1.8 billion, \$1.2 billion, and \$195.2 million, respectively.

Notes to the Financial Statements

For the Year Ended June 30, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<i>Capital assets, not being depreciated</i>				
Land	\$ 568	\$ -	\$ -	\$ 568
Total capital assets, not being depreciated	568	-	-	568
<i>Capital assets, being depreciated</i>				
Buildings	1,407	-	-	1,407
Improvements other than buildings	5,638	-	-	5,638
Furniture and equipment	16,794	243	(154)	16,883
Total capital assets, being depreciated	23,839	243	(154)	23,928
<i>Less accumulated depreciation for:</i>				
Buildings	(1,160)	(54)	-	(1,214)
Improvements other than buildings	(2,705)	(75)	-	(2,780)
Furniture and equipment	(6,319)	(740)	154	(6,905)
Total accumulated depreciation	(10,184)	(869)	154	(10,899)
Total capital assets, being depreciated, net	13,655	(626)	-	13,029
Business-type activities capital assets, net	\$ 14,223	\$ (626)	\$ -	\$ 13,597

Included in the table above are three Department of Corrections facilities that have been closed. These assets are idle, with a carrying value of \$8.5 million.

Current period depreciation and amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental activities:	
General government	\$ 5,205
Education, support services	156
Health services	1,209
Law, justice, public safety	36,643
Recreation, resource development	6,374
Social services	15,660
Transportation	14,167
Regulation of business	3,286
Unallocated	2,306
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	7,432
Total depreciation/amortization expense - governmental activities	\$ 92,438
Business-type activities:	
Enterprise	\$ 869
Total depreciation/amortization expense - business-type activities	\$ 869

Notes to the Financial Statements

For the Year Ended June 30, 2019

Capital asset activity of the Nevada System of Higher Education for the year ended June 30, 2019, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Nevada System of Higher Education:				
Construction in progress	\$ 115,892	\$ 193,118	\$ (109,822)	\$ 199,188
Land	163,162	2,836	(92)	165,906
Land improvements	288	-	-	288
Intangibles	642	-	-	642
Collections	11,897	84	-	11,981
Total capital assets, not being depreciated	291,881	196,038	(109,914)	378,005
Capital assets, being depreciated				
Buildings	2,827,273	126,177	(1,866)	2,951,584
Land improvements	162,093	2,080	-	164,173
Machinery and equipment	386,062	30,937	(12,997)	404,002
Intangibles	46,509	1,013	-	47,522
Library books and media	122,739	1,767	(808)	123,698
Total capital assets, being depreciated	3,544,676	161,974	(15,671)	3,690,979
Less accumulated depreciation for:				
Buildings	(1,010,746)	(72,502)	585	(1,082,663)
Land improvements	(113,495)	(5,414)	-	(118,909)
Machinery and equipment	(294,079)	(23,980)	10,511	(307,548)
Intangibles	(34,506)	(4,445)	42	(38,909)
Library books and media	(118,048)	(2,086)	761	(119,373)
Total accumulated depreciation	(1,570,874)	(108,427)	11,899	(1,667,402)
Total capital assets being depreciated, net	1,973,802	53,547	(3,772)	2,023,577
Nevada System of Higher Education activity capital assets, net	\$ 2,265,683	\$ 249,585	\$ (113,686)	\$ 2,401,582

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 was completed in fiscal year 2016. At the end of the lease, title to the buildings transfers to the NSHE. Construction was financed by Lease Revenue Certificates of Participation Series 2013 at 4.0-5.0% interest. Proceeds from the certificates of participation were used to pay the capitalized interest during the construction period, and NSHE began making capital lease principal and interest payments starting in fiscal year 2017.

The future minimum lease payments receivable for capital leases are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities
2020	\$ 3,383
2021	3,383
2022	3,381
2023	3,380
2024	3,381
2025-2044	64,260
Total future minimum lease revenues	\$ 81,168

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 9. Short and Long -Term Obligations

A. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations of the primary government for the fiscal year ended June 30, 2019 (expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
<i>Bonds payable:</i>					
General obligation bonds	\$ 1,267,120	\$ 57,100	\$ (117,123)	\$ 1,207,097	\$ 118,911
General obligation bonds-private placement	2,310	-	(1,135)	1,175	1,175
Special obligation bonds	785,085	-	(39,790)	745,295	40,835
Subtotal	2,054,515	57,100	(158,048)	1,953,567	160,921
Issuance premiums (discounts)	191,869	4,435	(34,956)	161,348	31,480
Total bonds payable	2,246,384	61,535	(193,004)	2,114,915	192,401
Certificates of participation	77,815	-	(2,690)	75,125	2,880
Certificates of participation-private placement	3,014	-	(352)	2,662	359
Subtotal	80,829	-	(3,042)	77,787	3,239
Issuance premiums (discounts)	646	-	(331)	315	275
Total certificates of participation	81,475	-	(3,373)	78,102	3,514
Other Governmental long-term activities:					
Obligations under capital leases	18,490	-	(3,620)	14,870	3,604
Compensated absences obligations	100,668	98,312	(94,321)	104,659	76,992
Pollution remediation obligations	5,925	-	(653)	5,272	747
Total other governmental long-term activities	125,083	98,312	(98,594)	124,801	81,343
Governmental activities long-term obligations	\$ 2,452,942	\$ 159,847	\$ (294,971)	\$ 2,317,818	\$ 277,258
Business-type activities:					
<i>Bonds payable:</i>					
General obligation bonds	\$ 60,430	\$ -	\$ (11,467)	\$ 48,963	\$ 11,019
Special obligation bonds	525,491	221,364	(117,907)	628,948	8,676
Subtotal	585,921	221,364	(129,374)	677,911	19,695
Issuance premiums (discounts)	2,404	1,556	(818)	3,142	579
Total bonds payable	588,325	222,920	(130,192)	681,053	20,274
Compensated absences obligations	1,881	1,768	(1,730)	1,919	1,435
Tuition benefits payable	217,792	9,897	(16,584)	211,105	18,351
Business-type activities long-term obligations	\$ 807,998	\$ 234,585	\$ (148,506)	\$ 894,077	\$ 40,060

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 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

General obligation bonds and special obligation bonds of the primary government outstanding at June 30, 2019 are comprised of the following (expressed in thousands):

	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Principal Outstanding</u>
Governmental activities:			
<i>General obligation bonds:</i>			
Subject to Constitutional Debt Limitation	3.0-6.17%	\$ 1,237,490	\$ 988,260
Exempt from Constitutional Debt Limitation	2.0-6.0%	287,538	218,837
Exempt from Constitutional Debt Limitation-Private Placements	3.69%	7,405	1,175
<i>Special obligation bonds:</i>			
Exempt from Constitutional Debt Limitation-Highway Improvement Revenue Bonds	3.0-5.0%	869,925	745,295
Subtotal		2,402,358	1,953,567
Issuance premiums (discounts)		346,314	161,348
Governmental activities bonds payable		2,748,672	2,114,915
Business-type activities:			
<i>General obligation bonds:</i>			
Exempt from Constitutional Debt Limitation	2.0-5.5%	90,402	48,963
<i>Special obligation bonds:</i>			
Housing Bonds	*.50-6.95%	1,014,776	628,948
Subtotal		1,105,178	677,911
Issuance premiums (discounts)		9,610	3,142
Business-type activities bonds payable		1,114,788	681,053
Total bonds payable		\$ 3,863,460	\$ 2,795,968

*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, 2019, of the primary government are summarized in the table following (expressed in thousands):

Year Ending June 30	Governmental Activities							
	General Obligation		Private Placement		Special Obligation		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 118,911	\$ 55,534	\$ 1,175	\$ 43	\$ 40,835	\$ 32,751	\$ 19,695	\$ 27,761
2021	121,693	49,416	-	-	42,875	30,658	39,041	26,812
2022	120,918	43,335	-	-	35,545	28,698	11,511	25,668
2023	115,544	37,244	-	-	37,225	26,943	10,131	25,017
2024	105,514	31,429	-	-	38,855	25,118	7,013	43,919
2025-2029	438,282	79,634	-	-	223,265	94,422	46,467	118,024
2030-2034	140,300	21,295	-	-	236,340	41,750	104,343	106,916
2035-2039	45,935	2,966	-	-	90,355	4,495	68,522	87,046
2040-2044	-	-	-	-	-	-	54,935	76,974
2045-2049	-	-	-	-	-	-	34,789	71,900
2050-2054	-	-	-	-	-	-	281,464	38,670
Total	\$ 1,207,097	\$ 320,853	\$ 1,175	\$ 43	\$ 745,295	\$ 284,835	\$ 677,911	\$ 648,707

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, 2019, the debt limitation and its unused portion are computed as follows (expressed in thousands):

Debt limitation (2% of total assessed valuation)	\$ 2,682,567
Less: Bonds and leases payable as of June 30, 2019, subject to limitation	(988,260)
Remaining debt capacity	\$ 1,694,307

Notes to the Financial Statements

For the Year Ended June 30, 2019

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. Twelve projects were funded through the Nevada Municipal Bond Bank as of June 30, 2019, and total outstanding loans to local governments amounted to \$88,085,000.

E. Refunded Debt and Redemptions

During the fiscal year 2019, the State of Nevada did not issue any refunding bonds.

F. Capital Leases

The State has entered into various agreements for the lease of vehicles and improvement of buildings. Assets of the primary government acquired under such leases at June 30, 2019 include vehicles and building improvements of \$32,159,486 with accumulated depreciation of \$10,450,226.

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, 2019 follow (expressed in thousands):

Year Ending June 30	Governmental Activities
2020	\$ 4,210
2021	4,177
2022	2,982
2023	1,901
2024	1,977
2025-2029	1,348
Total minimum lease payments	16,595
Less: amount representing interest	(1,725)
Obligations under capital leases	\$ 14,870

G. Certificates of Participation

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. Meanwhile, the NRPC entered into a Ground Lease with respect to the real property on which the Project is located.

In fiscal year 2017, the NRPC issued \$3,730,000 of Lease Revenue Refunding Certificates of Participation Series 2016A at 2.22% interest to refund the outstanding balances of Lease Revenue Certificate of Participation Series 2006 which were 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. These Certificates of Participation are Privately Placed.

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

Notes to the Financial Statements

For the Year Ended June 30, 2019

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.

The following schedule presents future certificates of participation payments as of June 30, 2019 (expressed in thousands):

Year Ending June 30	Certificates of Participation		Certificates of Participation-Private Placements	
	Principal	Interest	Principal	Interest
2020	\$ 2,880	\$ 3,538	\$ 359	\$ 59
2021	3,005	3,411	371	51
2022	3,140	3,270	377	43
2023	3,295	3,113	388	35
2024	3,465	2,948	393	26
2025-2029	19,975	12,083	774	25
2030-2034	15,265	7,703	-	-
2035-2039	12,105	4,807	-	-
2040-2044	11,995	1,536	-	-
Total	\$ 75,125	\$ 42,409	\$ 2,662	\$ 239

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	\$ 211,105
Net position available	338,851
Net position as a percentage of tuition benefits obligation	160.51 %

The actuarial valuation used an investment yield assumption of 5.25% per year and tuition growth assumptions as follows:

	Universities	Community Colleges
2020-21	4.00%	4.00%
2021-22	2.80%	2.80%
2022-23	2.80%	2.80%
2023-24 and later	4.50%	3.75%

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 calculated as of June 30, 2019 is \$0.

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

Notes to the Financial Statements

For the Year Ended June 30, 2019

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, 2019 there are eight series of Industrial Revenue Bonds and six series of Charter School Bonds outstanding, with an aggregate principal amount payable of \$416,506,139.

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, 2019, the outstanding balance of Highway Improvement Revenue and Refunding bonds is \$745,295,000. The total of principal and interest remaining on the bonds is \$1,030,130,369 payable through December 2037. Upon completion of eligible projects, federal aid of \$368,298,919 is expected to be received in fiscal year 2020. For the current year, principal and interest paid was \$74,417,366 and total motor vehicle fuel and special fuel tax revenues were \$310,843,725.

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, 2019, the outstanding balance of Lease Revenue Certificates of Participation is \$77,787,000. The total of principal and interest remaining on the certificates is \$120,434,964 payable through June 2043. In fiscal year 2019, principal and interest of \$6,764,298 was paid. Building rent of \$7,000,000 is expected to be collected in fiscal year 2020, which will be used to pay the fiscal year 2020 debt service principal and interest of \$6,835,984.

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.

As of June 30, 2019, the outstanding balance of single-family and multi-unit bonds is \$630,797,869. The total of principal and interest remaining on the bonds is \$1,271,372,719 payable through June 2054. In fiscal year 2019, principal and interest of \$107,602,965 was paid. As of June 30, 2019, \$165,740,616 was held by the trustee for the benefit of the single-family bondholders. The amount of payments received for mortgage loans in fiscal year 2019 is \$104,914,861. Fifty million is expected to be collected in fiscal year 2020, which, along with assets held by the trustee, will be used to pay the fiscal year 2020 debt service principal and interest of \$34,778,956.

L. Pollution Remediation Obligation

Currently there are five sites in Nevada in various stages of pollution cleanup associated with contaminated soil and groundwater. The pollution remediation liabilities associated with these sites were measured using the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution. As of June 30, 2019 the total pollution remediation obligation is \$5,272,000.

Notes to the Financial Statements

For the Year Ended June 30, 2019

M. Component Unit Obligations

Nevada System of Higher Education (NSHE) – Bonds, notes, capital leases and compensated absences payable by NSHE at June 30, 2019 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	\$ 760,133	\$ -	\$ (42,571)	\$ 717,562	\$ 41,063
Issuance premiums (discounts)	44,677	-	(3,319)	41,358	3,303
Total bonds payable	804,810	-	(45,890)	758,920	44,366
Obligations under capital leases	49,968	4,453	(2,317)	52,104	2,228
Compensated absences obligations	50,553	31,612	(27,117)	55,048	38,211
Total	\$ 905,331	\$ 36,065	\$ (75,324)	866,072	84,805
Discretely presented component units of the NSHE:					
Compensated absences				370	-
Capital leases				693	240
Total				\$ 867,135	\$ 85,045

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, 2019 (expressed in thousands):

Year Ending June 30	Principal	Interest
2020	\$ 41,063	\$ 32,170
2021	65,830	29,371
2022	39,745	26,500
2023	37,702	24,967
2024	31,874	23,492
2025-2029	137,999	95,088
2030-2034	145,600	62,955
2035-2039	106,140	34,053
2040-2044	70,465	16,213
2045-2049	41,144	2,943
	<u>717,562</u>	<u>347,752</u>
Premiums	41,358	-
Total	\$ 758,920	\$ 347,752

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
2020	\$ 4,733
2021	4,610
2022	4,513
2023	4,438
2024	3,539
2025-2029	17,174
Thereafter	<u>47,352</u>
Total minimum lease payments	86,359
Less: amount representing interest	<u>(34,255)</u>
Obligations under capital leases	\$ 52,104

Notes to the Financial Statements

For the Year Ended June 30, 2019

Colorado River Commission (CRC) – Bonds and compensated absences payable by CRC at June 30, 2019, 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	\$ 28,210	\$ -	\$ (730)	\$ 27,480	\$ 740
Issuance premiums (discounts)	(150)	-	6	(144)	-
Total bonds payable	28,060	-	(724)	27,336	740
Compensated absences obligations	408	232	(182)	458	282
Total	<u>\$ 28,468</u>	<u>\$ 232</u>	<u>\$ (906)</u>	<u>\$ 27,794</u>	<u>\$ 1,022</u>

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
2020	\$ 740	\$ 1,050
2021	755	1,033
2022	770	1,015
2023	800	994
2024	815	970
2025-2029	4,490	4,421
2030-2034	5,395	3,491
2035-2039	6,465	2,238
2040-2044	7,250	796
Total	<u>\$ 27,480</u>	<u>\$ 16,008</u>

N. Short-Term Obligations

Primary Government - On November 1, 2018, the State issued short-term bonds of \$2,500,000 for the purpose of financing the costs of environmental improvement projects for the Lake Tahoe Basin. These general obligation bonds, which were privately placed with the State Bond and Interest Redemption Fund, were paid off on June 1, 2019. There was no short-term debt outstanding at July 1, 2018 or June 30, 2019.

Note 10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each pension plan and additions to/deductions from each pension plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The aggregate pension related amounts for the primary government consist of a net pension liability of \$2,261,232,891, deferred outflows of resources of \$405,489,714, deferred inflows of resources of \$173,630,745, pension expenditures of \$146,368,157 and pension expense of \$5,779,403. Pension expenditures and expense total \$152,147,560. The State's defined benefit pension plans are described in detail below.

The aggregate pension related amounts for discretely presented component units consist of a net pension liability of \$404,876,734, deferred outflows of resources of \$72,219,737, deferred inflows of resources of \$20,848,704 and pension expense of \$888,534.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 public 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, as required by statute, 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	Police/Fire Members
<u>Before January 1, 2010</u>	<u>Before January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 60 with 10 years of service	Age 55 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 25 years of service
<u>On or after January 1, 2010</u>	<u>On or after January 1, 2010</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Any age with 30 years of service	Age 50 with 20 years of service
	Any age with 30 years of service
<u>On or after July 1, 2015</u>	<u>On or after July 1, 2015</u>
Age 65 with 5 years of service	Age 65 with 5 years of service
Age 62 with 10 years of service	Age 60 with 10 years of service
Age 55 with 30 years of service	Age 50 with 20 years of service
Any age with 33.3 years of service	Any age with 33.3 years of service

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. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. Lastly, for 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.

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 thereafter. 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). For retirees entering the

Notes to the Financial Statements

For the Year Ended June 30, 2019

System on or after July 1, 2015, the increases begin at 2% in years 4, 5 and 6; increase to 2.5% in years 7, 8 and 9; the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar years following year 10 and every year thereafter.

Member and Employer Contributions - The authority for establishing and amending the obligation to make contributions, and member contribution rates, is set 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. Although PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis, 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, 2019 were as follows:

	Statutory Rate	
	Employer	Employees
Regular employees:		
Employer-pay plan	28.00 %	-
Employee/employer plan (matching rate)	14.50 %	14.50 %
Police and Fire employees:		
Employer-pay plan	40.50 %	-
Employee/employer plan (matching rate)	20.75 %	20.75 %

The primary government contributions recognized as part of pension expense for the current fiscal year ended June 30, 2019 were \$153,762,408 and discretely presented component unit contributions totaled \$27,436,477.

Pension Liabilities, Pension Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Primary Government - At June 30, 2019, the State reported a liability of \$2,248,728,935, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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, 2018, the State's proportion was 16.49%, a decrease of .30% from its proportion measured at June 30, 2017.

For the year ended June 30, 2019, the State recognized pension expenditure of \$143,410,115 and pension expense of \$5,779,403. At June 30, 2019, 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	\$ 70,446	\$ (104,380)
Changes of assumption	118,494	-
Net difference between projected and actual earnings on pension plan investments	-	(10,706)
Changes in proportionate share of contributions	49,764	(53,151)
State contributions subsequent to the measurement date	161,030	-
Total	\$ 399,734	\$ (168,237)

Notes to the Financial Statements

For the Year Ended June 30, 2019

Deferred outflows of resources of \$161,029,600 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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:		
2020	\$	42,359
2021		7,131
2022		(27,260)
2023		29,244
2024		17,818
Thereafter		1,175

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Nevada System of Higher Education (NSHE) - At June 30, 2019, the NSHE reported a liability of \$398,883,000, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NSHE's proportion of the net pension liability was based on the NSHE's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2018, the NSHE's proportion was 2.92%, an increase of .04% from its proportion measured at June 30, 2017.

For the year ended June 30, 2019, the NSHE recognized pension expense of \$415,986. At June 30, 2019, the NSHE 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	\$ 12,496	\$ (13,909)
Changes of assumption	21,019	-
Net difference between projected and actual earnings on pension plan investments	-	(1,426)
Changes in proportionate share of contributions	9,107	(5,079)
NSHE contributions subsequent to the measurement date	28,548	-
Total	\$ 71,170	\$ (20,414)

Deferred outflows of resources of \$28,548,000 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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:		
2020	\$	(15,478)
2021		(4,122)
2022		10,611
2023		(5,743)
2024		(6,584)
Thereafter		(893)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Colorado River Commission (CRC) - At June 30, 2019, the CRC reported a liability of \$5,993,734, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CRC's proportion of the net

Notes to the Financial Statements

For the Year Ended June 30, 2019

pension liability was based on the CRC's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2018, the CRC's proportion was .04%, no change from its proportion measured at June 30, 2017.

For the year ended June 30, 2019, the CRC recognized pension expense of \$472,548. At June 30, 2019, the CRC 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	\$ 188	\$ (278)
Changes of assumption	316	-
Net difference between projected and actual earnings on pension plan investments	-	(29)
Changes in proportionate share of contributions	123	(128)
CRC contributions subsequent to the measurement date	423	-
Total	\$ 1,050	\$ (435)

Deferred outflows of resources of \$423,042 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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:		
2020	\$	124
2021		23
2022		(89)
2023		78
2024		52
Thereafter		4

Actuarial Assumptions – The net pension liability was measured as of June 30, 2018, 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:

<i>Inflation rate:</i>	2.75%
<i>Payroll growth:</i>	5.00%, including inflation
<i>Investment rate of return:</i>	7.50%
<i>Productivity pay increase:</i>	0.50%
<i>Projected salary increases:</i>	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2018 funding actuarial valuation

Notes to the Financial Statements

For the Year Ended June 30, 2019

Mortality rates were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled members were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement members were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.

Actuarial assumptions used in the June 30, 2018 valuation were based on an experience study for the period from July 1, 2012, through June 30, 2016.

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, 2018, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. stocks	42%	5.50%
International stocks	18%	5.75%
U.S. bonds	30%	0.25%
Private markets	10%	6.80%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2018. 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. 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, 2018.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability at June 30, 2018 calculated using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Primary government - net pension liability	\$ 3,431,143	\$ 2,248,729	\$ 1,269,731
Nevada System of Higher Education - net pension liability	607,273	398,883	224,513
Colorado River Commission - net pension liability	9,140	5,994	3,379

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, 2019, the primary government reported payables to the defined benefit pension plan of \$16,726,066 for legally required employer contributions which had been withheld from employee wages but not yet remitted to PERS.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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.

At June 30, 2018, the LRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	72
Inactive vested members	10
Inactive non-vested members	33
Active members	30
Total	145

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 post-retirement 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, and prior to July 1, 2015, same as above, except the increases in (a) above do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, 2% per year following the third through fifth anniversaries of the commencement of benefits; 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser of 3% or the CPI for the preceding calendar 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 employee contribution of 15% of compensation is paid by the employee 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 \$195,870 for fiscal years 2019 and 2020, 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 2019, of which \$97,935 (half) was recognized as employer contributions in the fiscal year 2019, and the other half will be recognized as employer contributions in fiscal year 2020.

Notes to the Financial Statements

For the Year Ended June 30, 2019

State contributions recognized as part of pension expense for the fiscal year ended June 30, 2019 were \$97,935.

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). Beginning July 1, 2014, actuarial valuations are done annually. 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.

Pension Liabilities, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the State reported a net pension liability of \$457,654. The net pension liability was measured as of June 30, 2018, 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, 2019, the State recognized pension expenditure of \$50,059. At June 30, 2019, 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	\$ 1	\$ -
Differences between expected and actual experience	2	-
State contributionss subsequent to the measurement date	98	-
Total	\$ 101	\$ -

Deferred outflows of resources of \$97,935 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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	
2020	\$ 53
2021	11
2022	(49)
2023	(12)
2024	-
Thereafter	-

The following table presents the changes in the net pension liability for LRS for the year ended June 30, 2018 (expressed in thousands):

Notes to the Financial Statements

For the Year Ended June 30, 2019

	2018
Total pension liability	
Service cost	\$ 30
Interest	373
Difference between expected and actual experience	47
Benefit payments, including refunds	(460)
Net change in total pension liability	(10)
Total pension liability - beginning	5,175
Total pension liability - ending (a)	\$ 5,165
Plan fiduciary net position	
Contributions - employer	\$ 105
Contributions - plan member	20
Net investment income	397
Benefit payments, including refunds	(460)
Administration expenses	(72)
Other	73
Net change in plan fiduciary net position	63
Plan fiduciary net position - beginning	4,645
Plan fiduciary net position - ending (b)	\$ 4,708
Net pension liability - beginning	\$ 530
Net pension liability - ending (a) - (b)	\$ 457
Plan fiduciary net position as a percentage of total pension liability	91%
Covered payroll	N/A
Net pension liability as a percentage of covered payroll	N/A

Actuarial Assumptions – The State’s net pension liability was measured as of June 30, 2018, 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:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	2.75%
<i>Consumer price index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2018 funding actuarial valuation

Mortality rates were based on the Headcount-Weighted RP-2014 Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are projected to 2020 with Scale MP-2016. The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement. No pre-retirement mortality is assumed.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

Investment Policy – The Retirement 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 expected real rates of return for each asset class included in the fund’s investment portfolio as of June 30, 2018, are included in the following table:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
U.S. stocks	49%	5.50%
International stocks	21%	5.75%
U.S. bonds	30%	0.25%

Notes to the Financial Statements

For the Year Ended June 30, 2019

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2018. 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 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net pension liability	\$ 901	\$ 458	\$ 77

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, 2019, 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.

At June 30, 2018, the JRS pension plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	73
Inactive vested members	4
Active members	113
Total	190

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 times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits and survivor benefits.

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 benefit payments 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 enrolled in the Judicial Retirement Plan on or after July 1, 2015 will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions.

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.

Members enrolled on or after July 1, 2015, become fully vested after five years of service. Eligible retirement age is 65 with five years of service, at age 62 with 10 years of service, age 55 with 30 years of service, and at any age with 33 1/3 years of service.

Member and Employer Contributions –The participating employers submit the percentage of compensation determined by the actuary to pay the normal costs and administrative expenses. Also, 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 State's annual actuarially determined contribution to fund the System at June 30, 2019 was \$5,190,756 and the actual contribution made was \$4,743,909.

Pension Liability, Pension Expenditure, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the State reported a liability of \$12,046,302 for its net pension liability for the JRS pension plan. The net pension liability was measured as of June 30, 2018, 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, 2019, the State recognized pension expenditure of \$2,907,983. At June 30, 2019, 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	\$ 770	\$ (5,127)
Change of assumptions	39	-
Net difference between projected and actual earnings on pension plan investments	-	(114)
Changes in proportion and differences between State contributions and proportionate share of contributions	102	(153)
State contributions subsequent to the measurement date	4,744	-
Total	\$ 5,655	\$ (5,394)

Notes to the Financial Statements

For the Year Ended June 30, 2019

Deferred outflows of resources of \$4,743,909 for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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:	
2020	\$ (454)
2021	(1,142)
2022	(1,752)
2023	(848)
2024	-
Thereafter	-

The following table presents the changes in the net pension liability for JRS for the year ended June 30, 2018 (expressed in thousands):

	2018
Total pension liability	
Service cost	\$ 4,231
Interest	10,141
Differences between expected and actual experience	(5,065)
Benefit payments, including refunds	(5,657)
Other	515
Net change in total pension liability	4,165
Total pension liability - beginning	133,561
Total pension liability - ending (a)	\$ 137,726
Plan fiduciary net position	
Contributions - employer	\$ 5,307
Employee purchase of service	115
Net investment income	9,696
Benefit payments, including refunds	(5,657)
Administrative expenses	(101)
Other	515
Net change in plan fiduciary net position	9,875
Plan fiduciary net position - beginning	114,499
Plan fiduciary net position - ending (b)	\$ 124,374
Net pension liability - beginning	\$ 19,062
Net pension liability - ending (a) - (b)	\$ 13,352
Plan fiduciary net position as a percentage of total pension liability	90%
Covered payroll (measurement as of end of fiscal year)	\$ 20,451
Net pension liability as a percentage of covered payroll	65%

Actuarial Assumptions – The State’s net pension liability was measured as of June 30, 2018, 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:

<i>Inflation rate:</i>	2.75%
<i>Investment rate of return:</i>	7.50%
<i>Projected salary increases:</i>	3.00% to 8.00%, varying by service
<i>Consumer Price Index:</i>	2.75%
<i>Other assumptions:</i>	Same as those used in the June 30, 2018 funding actuarial valuation

Post-Retirement mortality rates were based on Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the

Notes to the Financial Statements

For the Year Ended June 30, 2019

mortality rate for members at age 50 to the mortality at age 50 from the Employee mortality tables. The mortality rates are then projected to 2020 with Scale MP-2016. Pre-Retirement mortality rates were based on Headcount-Weighted RP-2014 Employee Mortality Tables, projected to 2020 with Scale MP-2016.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the actuarial experience study for the period July 1, 2012, through June 30, 2016.

Investment Policy – The Retirement 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 expected real rates of return for each asset class included in the fund's investment portfolio as of June 30, 2018, are included in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>
U.S. stocks	49%	6.60%
International stocks	21%	7.37%
U.S. bonds	30%	0.36%

Discount Rate – The discount rate used to measure the total pension liability was 7.5% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that 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 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate (expressed in thousands):

	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
Net pension liability	\$ 26,181	\$ 12,046	\$ 49

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued JRS report.

Payables to the Pension Plan – At June 30, 2019, the State reported payables to the defined benefit pension plan of \$245,991 for legally required employer contributions not yet remitted to JRS.

Note 11. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the State's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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. Plan assets are reported at fair value.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Plan description – Officers and employees of the State of Nevada and of certain other participating local governmental agencies within the State of Nevada are provided with OPEB through the Nevada Public Employees’ Benefits Program (PEBP), a multiple-employer cost-sharing defined postemployment benefit plan. The program is administered by the PEBP Board, whose ten members are appointed by the governor. NRS 287.023 provides officers and employees eligible to be covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287 the option upon retirement to cancel or continue any such coverage. The cost to administer the program is financed through the contributions and investment earnings of the plan. NRS 287.043 grants the PEBP Board the authority to establish and amend the benefit terms of the program. PEBP issues a publicly available financial report that includes financial statements and the required supplementary information for the plan. That report may be obtained from Public Employees’ Benefits Program, 901 South Stewart Street, Suite 1001, Carson City, NV 89701.

Benefits provided – Benefits other than pensions are provided to eligible retirees and their dependents through the payment of subsidies from the State Retirees’ Health & Welfare Benefits Fund. The “base” subsidy rates are set by PEBP and approved by the Legislature and vary depending on the number of dependents and the medical plan selected. These subsidy rates are subtracted from the premium to arrive at the “participant premium”. The “years of service” subsidy rates are then used to adjust the “participant premium” based on years of service. The current subsidy rates can be found on the PEBP website at www.pebp.state.nv.us. Benefits include health, prescription drug, dental and life insurance coverage. As required by statute, benefits are determined by the number of years of service at the time of retirement and the individual’s initial date of hire. Officers and employees hired after December 31, 2011 are not eligible to receive subsidies to reduce premiums. The following individuals and their dependents are eligible to receive subsidies from the Retirees’ Fund:

Any PEBP covered retiree with State service whose last employer was the State or a participating local government entity and who:

- Was initially hired by the State prior to January 1, 2010 and has at least five years of public service; or
- Was initially hired by the State on or after January 1, 2010, but before January 1, 2012 and has at least fifteen years of public service; or
- Was initially hired by the State on or after January 1, 2010, but before January 1, 2012 and has at least five years of public service and has a disability; or
- Any PEBP covered retiree with State service whose last employer was not the State or a participating local government entity and who has been continuously covered under PEBP as a retiree since November 30, 2008.

State service is defined as employment with any Nevada State agency, the Nevada System of Higher Education and any State Board or Commission. Participating local government entity is defined as a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency that has an agreement in effect with PEBP to obtain group insurance.

Contributions – The State Retirees’ Health and Welfare Benefits Fund (Retirees’ Fund) was established in 2007 by the Nevada Legislature 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 State retirees (NRS 287.0436). The money in the Retirees’ Fund belongs to the officers, employees and retirees of the State of Nevada in aggregate; neither the State nor the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State, nor any single officer, employee or retiree of any such entity has any right to the money in the Retirees’ Fund.

The authority for establishing an assessment to pay for a portion of the cost of premiums or contributions for the program is in statute. According to NRS 287.046 the Office of Finance shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who were initially hired before January 1, 2012, and have retired with State service. The money assessed must be deposited into the Retirees’ Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for persons who retired before January 1, 1994, or for persons who retire on or after January 1, 1994, as adjusted by the years of service subsidy rates. The required contribution rate for employers (the retired employees group insurance rate), as a percentage of covered-employee payroll, for the fiscal year ended June 30, 2018 was 2.35%. Contributions recognized as part of OPEB expense for the current fiscal year ended June 30, 2019 were \$24,757,967 for the primary government, \$16,656,000 for the Nevada System of Higher Education, and \$69,279 for the Colorado River Commission.

Notes to the Financial Statements

For the Year Ended June 30, 2019

OPEB Liabilities, OPEB Expenditure/Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Primary Government - At June 30, 2019, the State reported a liability of \$793,089,012, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The State's proportion of the collective net OPEB liability was based on the State's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2019, the State's proportion was 59.88% a decrease of 1.55% from its proportion measured at June 30, 2018.

For the year ended June 30, 2019, the State recognized OPEB expenditure of \$19,693,278 and OPEB expense of \$1,092,859. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 53,080
Net Differences between projected and actual investment earnings on OPEB plan investments	-	98
Contributions subsequent to the measurement date	24,758	-
Total	<u>\$ 24,758</u>	<u>\$ 53,178</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$24,757,967 resulting from State contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:	
2020	\$ (17,461)
2021	(17,461)
2022	(14,642)
2023	(3,614)
2024	-
Thereafter	-

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Nevada System of Higher Education (NSHE) - At June 30, 2019, the NSHE reported a liability of \$518,254,000, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The NSHE's proportion of the collective net OPEB liability was based on the NSHE's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2019, the NSHE's proportion was 39.13% an increase of 1.54% from its proportion measured at June 30, 2018.

For the year ended June 30, 2019, the NSHE recognized OPEB expense of \$32,401,000. At June 30, 2019, the NSHE reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 34,686
Net Differences between projected and actual investment earnings on OPEB plan investments	-	64
Contributions subsequent to the measurement date	16,656	-
Total	<u>\$ 16,656</u>	<u>\$ 34,750</u>

Notes to the Financial Statements

For the Year Ended June 30, 2019

Of the total amount reported as deferred outflows of resources related to OPEB, \$16,656,000 resulting from NSHE contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:		
2020	\$	(11,410)
2021		(11,410)
2022		(9,568)
2023		(2,362)
2024		-
Thereafter		-

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB - Colorado River Commission (CRC) - At June 30, 2019, the CRC reported a liability of \$2,218,398, for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of July 1, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2018. The CRC's proportion of the collective net OPEB liability was based on the CRC's share of contributions in the OPEB plan relative to the total contributions of all participating OPEB employers and members. At June 30, 2019, the CRC's proportion was 0.1675% a decrease of 0.0065% from its proportion measured at June 30, 2018.

For the year ended June 30, 2019, the CRC recognized OPEB expense of \$118,034. At June 30, 2019, the CRC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 148
Net Differences between projected and actual investment earnings on OPEB plan investments	-	1
Contributions subsequent to the measurement date	69	-
Total	<u>\$ 69</u>	<u>\$ 149</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$69,279 resulting from CRC contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:		
2020	\$	(39)
2021		(39)
2022		(39)
2023		(31)
2024		-
Thereafter		-

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Notes to the Financial Statements

For the Year Ended June 30, 2019

<i>Inflation:</i>	2.50%
<i>Salary increases:</i>	0.50% productivity pay increase, 2.73% average promotional and merit salary increase
<i>Investment rate of return:</i>	3.87% based on a 20-Year Municipal Bond Index
<i>Healthcare cost trend rates:</i>	7.00% initially, decreasing to a 4.50% long-term trend rate after seven years

Regular mortality rates were based on the RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set back one year for females. Police/Fire mortality rates were based on the RP-2000 Combined Healthy Mortality projected to 2014 with Scale AA, set forward one year. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality projected to 2014 with Scale AA, set forward three years.

The actuarial assumptions used in the January 1, 2018 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary Aon, in conjunction with the State and guidance from the GASB statement.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.87% up from 3.58% in the prior year, which is consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2018 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate.

Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate – The following presents the proportionate share of the collective net OPEB liability, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (expressed in thousands):

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
State's proportionate share of the collective net OPEB liability	\$ 873,844	\$ 793,089	\$ 722,907
NSHE's proportionate share of the collective net OPEB liability	571,024	518,254	472,392
CRC's proportionate share of the collective net OPEB liability	2,444	2,218	2,022

Sensitivity of the Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the proportionate share of the collective net OPEB liability, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (expressed in thousands):

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's proportionate share of the collective net OPEB liability	\$ 739,768	\$ 793,089	\$ 856,038
NSHE's proportionate share of the collective net OPEB liability	483,410	518,254	559,388
CRC's proportionate share of the collective net OPEB liability	2,069	2,218	2,394

OPEB plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PEBP financial report.

Payables to the OPEB Plan – At June 30, 2019, the primary government and the NSHE reported payables to the defined benefit OPEB plan of \$159,406 and \$1,532,000, respectively, for statutorily required employer contributions which had been assessed on employee salaries but not yet remitted to the Retirees' Fund.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 12. 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	Insurance Premiums
Balance June 30, 2017	\$ 68,669	\$ 65,725
Claims and changes in estimates	227,863	11,657
Claim payments	(224,849)	(16,191)
Balance June 30, 2018	71,683	61,191
Claims and changes in estimates	314,547	13,949
Claim payments	(291,349)	(13,802)
Balance June 30, 2019	\$ 94,881	\$ 61,338
Due Within One Year	\$ 94,881	\$ 17,568

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, 2019. 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 four 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 sixty-five 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

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 \$48,062,915 as of June 30, 2019 were determined using standard actuarial techniques as estimates for the case, reserves, incurred but not reported losses and allocated loss adjustment expenses under the plan as of June 30, 2019.

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, 2019, 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. 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, lung and cancer disease benefits payable under the Nevada Occupational Disease Act. Any fireman or police officer that satisfies the two-year employment period under this act is eligible for coverage under Workers' Compensation for heart and lung disease. Any fireman that satisfies the five-year employment period under this act is eligible for coverage under Workers' Compensation for cancer disease. A range of estimated losses from \$5,949,500 to \$21,172,400 for heart disease, \$7,168,130 for lung disease and \$6,587,260 for cancer 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.

Loss reserve estimates are inherently uncertain because the ultimate amount the Fund will pay for many of the claims it has incurred as of the balance sheet date will not be known for many years. The estimate of loss reserves is intended to equal the difference between the expected ultimate losses of all claims that have occurred as of a balance sheet date and amounts already paid. The Fund establishes loss reserves based on its own analysis of emerging claims and review of the results of actuarial projections. The Fund's aggregate carried reserve for unpaid losses is the sum of its reserves for each accident year and represents its best estimate of outstanding loss reserves.

At June 30, 2019 total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$42,999,124. The Fund is liable for approximately \$45,000,000 as of June 30, 2019 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.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 13. Fund Balances and Net Position

A. Net Position-Restricted by Enabling Legislation

The government-wide statement of net position reports \$3,949,688,000 of net position-restricted for the primary government, of which \$139,222,886 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, 2019, is shown below (expressed in thousands):

	Major Governmental Funds				Nonmajor Governmental Funds	Total Governmental
	General Fund	State Highway	Municipal Bond Bank	Permanent School Fund		
Fund balances:						
Nonspendable:						
Long term notes/loans receivable	\$ 14,966	\$ -	\$ -	\$ -	\$ -	\$ 14,966
Inventory	6,427	16,031	-	-	365	22,823
Advances	4,869	-	-	-	-	4,869
Prepaid items	3,945	396	-	-	95	4,436
Permanent fund principal	-	-	-	366,704	30	366,734
Restricted for:						
Administration	128	-	-	-	6,682	6,810
Agriculture	456	-	-	-	-	456
Business and industry	10,270	-	-	-	21,862	32,132
Capital projects	-	-	-	-	66,178	66,178
Conservation and natural resources	35,590	-	-	-	4,895	40,485
Corrections	12	-	-	-	20,571	20,583
Debt service	-	-	-	-	26,635	26,635
Economic development	2,148	-	-	-	-	2,148
Education K-12	579	-	-	-	-	579
Elected officials	2,328	-	-	-	-	2,328
Gaming control	9,655	-	-	-	-	9,655
Health and human services	1,963	-	-	-	13,427	15,390
Motor vehicles	-	60,227	-	-	-	60,227
Other purposes	-	-	-	-	7,239	7,239
Public safety	1,487	21,335	-	-	-	22,822
Transportation	-	318,289	-	-	-	318,289
Veteran's services	1,215	-	-	-	-	1,215
Wildlife	13,780	-	-	-	-	13,780
Committed to:						
Administration	11,902	-	-	-	-	11,902
Agriculture	6,628	-	-	-	839	7,467
Business and Industry	38,414	-	-	-	5,697	44,111
Capital projects	-	-	-	-	51,434	51,434
Conservation and natural resources	103,589	-	-	-	8,208	111,797
Corrections	5,553	-	-	-	-	5,553
Debt service	-	-	89,080	-	154,445	243,525
Economic development	11,873	-	-	-	6,165	18,038
Education K-12	39,130	-	-	-	-	39,130
Elected Officials	103,558	-	-	-	2,273	105,831
Employment and training	4,285	-	-	-	-	4,285
Fiscal emergency	356,723	-	-	-	-	356,723
Gaming control	7,898	-	-	-	-	7,898
Health and human services	52,645	-	-	-	1,392	54,037
Judicial	6,292	-	-	-	-	6,292
Legislative	100,486	-	-	-	-	100,486
Military	346	-	-	-	-	346
Motor vehicles	2,306	-	-	-	-	2,306
Other purposes	6,388	-	-	-	-	6,388
Public safety	17,380	2,228	-	-	-	19,608
Silver state health insurance	10,565	-	-	-	-	10,565
Social services	-	-	-	-	40,022	40,022
Tobacco settlement program	-	-	-	-	77,893	77,893
Taxation	5,016	-	-	-	-	5,016
Transportation	-	43,676	-	-	-	43,676
Veteran's services	5,646	-	-	-	-	5,646
Wildlife	19,123	-	-	-	-	19,123
Unassigned:	(216,877)	-	-	-	-	(216,877)
Total fund balances	<u>\$ 808,687</u>	<u>\$ 462,182</u>	<u>\$ 89,080</u>	<u>\$ 366,704</u>	<u>\$ 516,347</u>	<u>\$ 2,243,000</u>

Notes to the Financial Statements

For the Year Ended June 30, 2019

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 a decrease in net position of \$673,933 for the year ended June 30, 2019, resulting in a negative net position of \$7,847,164 at June 30, 2019.

Nevada Magazine - The Nevada Magazine Fund accounts for the operation of the publication, Nevada Magazine, which is published to promote tourism. The fund recorded an increase in net position of \$111,306 for the year ended June 30, 2019, resulting in a negative net position of \$1,145,262 at June 30, 2019.

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 an increase in net position of \$915,187 for the year ended June 30, 2019, resulting in a negative net position of \$5,775,949 at June 30, 2019.

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 an increase in net position of \$18,223 for the year ended June 30, 2019, resulting in a negative net position of \$1,057,912 at June 30, 2019.

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 \$1,951,264 for the year ended June 30, 2019, resulting in a negative net position of \$42,999,124 at June 30, 2019.

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 \$6,701 for the year ended June 30, 2019, resulting in a negative net position of \$3,822,912 at June 30, 2019.

Personnel - The Personnel Fund accounts for the costs of administering the State personnel system. The fund recorded an increase in net position of \$930,310 for the year ended June 30, 2019, resulting in a negative net position of \$7,392,179 at June 30, 2019.

Purchasing - The Purchasing Fund provides purchasing services to State agencies and other governmental units. The fund recorded a decrease in net position of \$21,712 for the year ended June 30, 2019, resulting in a negative net position of \$2,399,351 at June 30, 2019.

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 \$5,937,747 for the year ended June 30, 2019, resulting in a negative net position of \$20,476,783 at June 30, 2019.

Note 14. 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:

Notes to the Financial Statements

For the Year Ended June 30, 2019

Sales and Use Taxes are imposed at a minimum rate of 6.85%, with county and local option up to an additional 1.40%, 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, financial institutions and mining. Businesses other than financial institutions and mining are assessed a tax at a rate of 1.475% per calendar quarter for amounts the wages exceed \$50,000. Modified Business Tax is imposed on financial institutions and mining 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.

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.

Cigarette Tax is imposed at a rate of 90 mills per cigarette. A tax on tobacco products, other than cigarettes, is imposed at a rate of 30% of the wholesale price.

Commerce Tax is imposed upon each business entity whose Nevada gross revenue in a taxable year exceeds \$4 million. The business entity is entitled to deduct certain amounts. The tax rate is based on the primary business industry classification.

Lodging Tax is imposed at a rate of at least 1% of the gross receipts from the rental of transient lodging with three-eighths of the first 1% paid to the State for the Tourism Promotion Fund. In counties with populations greater than 300,000, an additional tax of up to 3% is remitted to the State for distribution to the State Supplemental School Support Account.

Other Sources of tax revenues include: Controlled Substance Tax, Jet Fuel, Liquor Tax, Live Entertainment Tax (non-gaming establishments), 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, Tire Tax and Marijuana Excise 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 a rate of 9% on admission to a facility where live entertainment is provided with an occupancy over 200. Live entertainment provided by escort services is also subject to the tax.

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.

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For the Year Ended June 30, 2019

Note 15. 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. In Boulder City, the Nevada State Railroad Museum displays and operates locomotives. 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 16. Tax Abatements

Abatement of Taxes on Business: The Governor's Office of Economic Development (GOED) provides multiple tax abatement programs to incentivize business development in Nevada. GOED promotes a robust, diversified and prosperous economy to attract new business and facilitate community development, stimulate business expansion and retention, and encourage entrepreneurial enterprise.

A company that intends to locate or expand a business in the State may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. GOED may approve an application, upon making certain determinations, as outlined in NRS 360.750, which is effective through June 30, 2032. In addition to agreeing to continue in operation in the State for at least 5 years, applicants must also meet two of the following three requirements:

- New businesses locating in urban areas require fifty or more full-time employees on the payroll by the eighth calendar quarter following the calendar quarter in which the abatement becomes effective; in rural areas, the requirement is ten or more full-time employees. For an existing business that is expanding, the number of employees on the payroll must increase either by 10% more than the number of employees prior to the abatement becoming effective, or by 25 employees for urban areas (6 for rural areas), whichever is greater.
- New businesses locating in urban areas must make a capital investment of \$1 million in eligible equipment within two years; in rural areas, the requirement is \$250,000 in eligible equipment. For an existing business that is expanding, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- The average hourly wage paid to new employees must meet a specified minimum, and the business must provide a health insurance plan for all employees and their dependents by a specified time period.

A company that intends to locate or expand a business in certain areas of Economic Development may apply to GOED for a partial abatement of one or more of the taxes imposed on new or expanded business. Certain areas of Economic Development are defined in NRS 274.310 as a historically underutilized business zone, a redevelopment area created pursuant to Chapter 279

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of NRS, an area eligible for a community development block grant pursuant to 24 Code of Federal Regulations (CFR) Part 570, or an enterprise community established pursuant to 24 CFR Part 597. Applicants must agree to continue in operation in the State for at least 5 years, and is effective through June 30, 2032. Additionally, businesses looking to start or expand in certain areas of Economic Development must meet either one of the two following requirements to apply for an abatement:

- New businesses must invest a minimum of \$500,000 in capital assets. For an existing business that is expanding, the investment in capital assets is a minimum of \$250,000 (NRS 274.310 through 274.320).
- The business must hire one or more dislocated workers, pay a wage of not less than 100 percent of federally designated levels and provide medical benefits to the employees and their dependents which meet the minimum requirements (NRS 274.330).

All abatements granted to eligible businesses terminate upon determination that the business has ceased to meet eligibility requirements for the abatement. The business shall refund the abatement amount for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of the payment of the tax. These refund payments are also subject to interest at the rate most recently established pursuant to NRS 99.040.

The programs outlined below reflect the requirements and the abatements offered to eligible businesses.

Local Sales and Use Tax Abatement (NRS 374.357 through 374.358) – The tax abatement is on the gross receipts from the sale, and the storage, use or other consumption, of eligible capital equipment. The sale and use tax rates vary by county within Nevada. The abatement reduces the local sales and use tax rate to 2%, which is the State's portion of the tax. Therefore, none of the State's sales and use tax is abated; only local sales and use taxes are abated. The approved business is eligible for tax abatements for not less than 1 year but not more than 5 years beginning the date the abatement becomes effective. This is effective through June 30, 2032.

Modified Business Tax Abatement (NRS 363B.120) – The current excise tax imposed on each employer is at the rate of 1.475% on taxable wages over \$50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations. For a new company, the abatement of the modified business tax applies to the number of new employees stated in its application. For an expanding business, the abatement does not apply to existing employees of the business, but does apply to the number of new employees directly related to the expansion. This is effective through June 30, 2032.

Personal Property Tax Abatement (NRS 361.0687) – The abatement can be up to 50% of the tax due, or 75% in certain areas of Economic Development, for not less than 1 year and up to 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion or operation in Nevada. The personal property tax abatement applies only to the same list of machinery and equipment eligible for the local sales and use tax abatement allowed under NRS 374.357 or 374.358. Property tax rates vary by taxing district within Nevada. This is effective through June 30, 2032.

Aviation Tax Abatement (NRS 360.753) - The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of tangible personal property used to operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement applies to aircraft and the personal property used to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales and use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period. The local sales and use tax abatement excludes aircraft purchase. This is effective through June 30, 2035.

Data Center Tax Abatement (NRS 360.754) – The abatement includes local sales and use tax and personal property tax. The local sales and use tax abatement applies to the purchase of eligible machinery or equipment for use at a data center. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years. The personal property tax abatement applies to personal property located at the center and can be up to 75% of the taxes due for 10 or 20-year abatement periods. The data center will, within 5 years after the date on which the abatement becomes effective, have or have added 10 or more full-time employees who are residents of Nevada, and provide health insurance. The data center must commit to continue operation within the State for a period of not less than 10 years, and must bind successors to the same. This is effective through December 31, 2056.

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For the Year Ended June 30, 2019

Capital Investment of at least \$1 Billion Tax Abatement (NRS 360.893) – The partial abatements include personal property, modified business, real property, or local sales and use taxes for companies that have a minimum capital investment of \$1 billion dollars within 10 years of approval of the abatement application. The personal property, modified business and real property tax abatement can be up to 75% of the taxes due for an abatement period of not more than 10 years. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for an abatement period of not more than 15 years. The State's 2% portion of the sales and use tax is not abated. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such a time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of the fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. This is effective through June 30, 2032.

Capital Investments of at least \$3.5 Billion Tax Abatement (NRS 360.945) – An abatement from personal property, modified business, real property, or local sales and use tax are available to companies that have a minimum capital investment of \$3.5 billion dollars within 10 years of approval of the abatement application. The personal property, modified business, and real property tax abatements can be up to 100% of the taxes due for up to a 10-year abatement period. Abatements for local sales and use tax are for taxes imposed on the purchase of eligible personal property and construction materials for up to a 20-year period. The State's 2% portion of the sales and use tax is not abated. This was approved during the 28th Special Session of the State Legislature in 2014, and is effective through June 30, 2036.

Transferable Tax Credits to Promote Economic Development (NRS 231.1555) – Transferable tax credits are available to entities who intend to locate or expand a business in Nevada. The business can apply for credits above or below \$100,000 as long as the transferable tax credits do not extend for a period of more than 5 fiscal years per applicant and, in total, do not exceed set amounts each fiscal year as outlined in statute. The transferable tax credits can be applied to modified business, insurance premium and/or gaming percentage fee taxes. The applicant must set forth the proposed use of the credits, the plans, projects and programs for which the credits will be used, the expected benefits, and a statement of short-term and long-term impacts of the issuance of the transferable tax credits.

Film and Other Productions (NRS 360.758 through 360.7598) - A transferable tax credit is available to production companies producing a film, television series, commercial, music video or other qualified production in Nevada. A production may qualify for a transferable tax credit of up to 25% of the qualified direct production expenditures incurred in Nevada if at least 60% of the total qualified expenditures are incurred in Nevada. Principal photography of the production must begin within 90 days after the application is issued. The transferable tax credits issued for qualified film production completed in the State may be used against the modified business, insurance premium and/or the gaming percentage fee taxes.

Economic Development with Capital Investment of at least \$3.5 Billion (NRS 360.945 through 360.980) – The 2014 28th Special Session 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, insurance premium and/or the gaming percentage fee taxes. A qualifying project is required to be located within the geographical borders of the State of Nevada, make a new capital investment in the State of at least \$3.5 billion during the 10-year period immediately following approval of the application, employ Nevada residents in at least half of the project's construction jobs and operational jobs, and provides health insurance to all employees. The amount of transferable tax credits 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 may not exceed \$45 million per fiscal year (although any unissued credits may be issued in any subsequent fiscal year ending on or before June 30, 2022), and GOED may not issue total tax credits in excess of \$195 million. This is effective through June 30, 2036.

Renewable Energy Tax Abatements: The mission of the Governor's Office of Energy is to ensure the wise development of Nevada's energy resources in harmony with local economic needs, and to position Nevada to lead the nation in renewable energy production, conservation, and exportation. In an effort to incentivize the development of renewable energy in Nevada, the program awards partial sales and use tax and property tax abatements to eligible renewable energy facilities. Businesses must make a capital investment of \$3 million or \$10 million, dependent on the project location.

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For the Year Ended June 30, 2019

Local Sales and Use Tax Abatement (NRS 701A.360 through NRS 701A.365) – The abatement applies to the 3 years following the approval of the application in which the applicant will only be required to pay sales and use taxes imposed in the State at the rate of 2.6%, of which 2% is the State’s portion of the tax. Therefore, none of the State’s sales and use tax is abated. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. The applicant must state that the facility will, after the date on which the abatement becomes effective, continue in operation in the State for a period of not less than 10 years, and bind any successors to the same. This is effective through June 30, 2049.

Real and Personal Property Tax Abatement (NRS 701A.370) – The abatement is for a duration of the 20 fiscal years immediately following the date of approval of the application and is equal to 55% of the taxes on real and personal property payable by the facility each year. The abatement must not apply during any period in which the facility is receiving another abatement or exemption from local sales and use taxes. This is effective through June 30, 2049.

Green Building Tax Abatements: The Governor’s Office of Energy administers the green building tax abatement program based on criteria set forth in the Leadership in Energy and Environmental Design (LEED) or Green Globes (GG) rating system and certification from the U.S. Green Building Council or the Green Building Initiative. Both LEED and GG rating systems provide a complete framework for assessing building performance and meeting environmental sustainable goals. They use industry recognized standards for designing, operating and certifying green building projects. The program was instituted in 2007 as an incentive for business owners to improve the energy efficiency of new and existing buildings. To qualify for the tax abatement, applicants must earn a minimum number of points for energy conservation to meet the Silver Level or higher through the LEED rating system or two globes or higher under the GG rating system. LEED and GG building rating systems are based on a set of standards for the environmentally sustainable design, construction and operation of the building.

Real Property Taxes (NRS 701A.110) – Incentives range from 25% to 35% of the portion of taxes imposed pursuant to NRS 361, other than any taxes imposed for public education, for a period of 5 to 10 years, depending on the certification level. The abatement terminates if it is determined that the building or other structure has ceased to meet the equivalent of the Silver Level or higher.

The State’s tax abatement programs as of June 30, 2019, on an accrual basis, are summarized in the following table (expressed in thousands):

Abatement Program	Taxes Abated			
	Modified Business Tax	Property Tax	Gaming Tax	Total
Businesses	\$ 2,414	\$ 2,372	\$ -	\$ 4,786
Capital Investment \$3.5B	4,285	-	-	4,285
Renewable Energy	-	954	-	954
Green Building	-	4,289	-	4,289
Transferable Tax Credits	-	-	45,714	45,714
Total	\$ 6,699	\$ 7,615	\$ 45,714	\$ 60,028

Note 17. 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

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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 a defendant on several lawsuits associated with the Little Valley fire, which occurred in October 2016. The State intends to defend these lawsuits vigorously. The outcome of the lawsuits is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant associated with a medical malpractice class action lawsuit. A jury awarded a plaintiffs' verdict, which was reduced to \$100,000 per plaintiff. Although a class has been certified, the Court has not determined how many persons are in the class. The potential exposure ranges between \$100,000 and \$10 million depending on the number of class members. Moreover, the potential judgment will be subject to post-trial motions and appeals. As a result, it is possible that the existing judgment will be reduced or eliminated. The outcome of the lawsuit is not presently determinable, and as the amount is neither probable nor capable of reasonable estimation, the accompanying financial statements do not include a liability for any potential loss.

The State is a defendant on a Fair Labor Standards Act collective, class-action lawsuit associated with the Nevada Department of Corrections. On October 16, 2019, The U.S. Court of Appeals for the Ninth Circuit rendered an opinion stating that the State waived the right for state sovereign immunity from suit on certain federal-law claims. As the amount of potential loss is not capable of reasonable estimation at this time, the accompanying financial statements do not include a liability for any potential loss.

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, 2019 amounted to \$49.0 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, 2019 (expressed in thousands):

For the Year Ending June 30	Amount
2020	\$ 42,648
2021	34,992
2022	29,545
2023	24,355
2024	19,735
2025-2029	34,054
2030-2034	6,546
2035-2039	6,656
2040-2044	3,967
Total	\$ 202,498

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, 2019, 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.

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

Notes to the Financial Statements

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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, 2019 were \$175.5 million which includes accrued interest of \$1.0 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, 2019, encumbered expenditures in governmental funds were as follows (expressed in thousands):

	Amount
General Fund	\$ 4,293
State Highway	3,980
Nonmajor governmental funds	16
Total	\$ 8,289

Construction Commitments – As of June 30, 2019, the Nevada Department of Transportation had total contractual commitments of approximately \$299.2 million for construction of various highway projects. Other major non-highway construction commitments for the primary government's budgeted capital projects funds total \$91.2 million.

B. Discretely Presented Component Units

Nevada System of Higher Education (NSHE) – As of June 30, 2019, 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 adversely affect the net position, changes in net position or cash flows of NSHE.

The NSHE and the State of Nevada are defendants in various lawsuits, collectively referred to as the Little Valley Fire Cases. The cases relate to a prescribed burn conducted by the Nevada Division of Forestry in October 2016 on land partially owned by the University of Nevada at Reno. Embers from the fire escaped and burned 23 structures. A jury verdict in August 2018 finding liability on behalf of the Nevada Division of Forestry, but no liability on behalf of NSHE/UNR. However, oral arguments occurred in November 2018 before the Nevada Supreme Court and the case is not yet final.

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, 2019.

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, 2019 is \$91.0 million. These costs will be financed by State appropriations, private donations, available resources and/or long-term borrowings.

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.

Nevada Capital Investment Corporation (NCIC) - The NCIC currently has commitments to the Silver State Opportunity Fund (SSOF) of \$50.0 million (the First Tranche) and to Accion 2017G, LLC, of \$1.0 million. As of June 30, 2019, the NCIC has

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fulfilled \$44.6 million of its total commitment to SSOF and \$1.0 million to Accion. The NCIC has the right, but not the obligation, to increase its capital commitment to SSOF 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 18. Subsequent Events

A. Primary Government

Bonds – On December 10, 2019, the State issued \$196,350,000 in General Obligation Bonds. The 2019A Bonds were issued to finance various capital improvement projects, including construction of a new Department of Motor Vehicles Service Center, Reno, and construction of a new Engineering Building at the University of Nevada, Reno. These bonds were not used for refunding purposes. The 2019B Bonds were issued to finance costs of environmental improvement projects for the Lake Tahoe Basin and to provide grants for water conservation and capital improvements to certain water systems. The 2019C Bonds were issued to provide state matching funds for the State's Safe Drinking Water Revolving Fund program for the protection and preservation of the property and natural resources of the State. The 2019D Bonds were issued to provide state matching funds for the State's Water Pollution Control Revolving Fund program for the construction of treatment works, the implementation of pollution control projects and to pay costs of issuance of the 2019D Bonds. The 2019E Bonds were issued to pay the interest and installments of principal on any bonds issued.

Litigation Settlement – On July 11, 2019, the State, along with 29 other states announced a \$10 million settlement with Premiera Blue Cross, the largest health insurance company in the Pacific Northwest, to resolve claims about its failure to secure sensitive consumer data. Premiera's insufficient data security exposed the protected health information and personal information of more than 10.4 million consumers nationwide, including 49,529 Nevada consumers. Premiera is also required under the settlement to implement specific data security controls intended to protect personal health information, annually review its security practices, and provide data security reports to the attorneys general.

On July 22, 2019, the State, along with a coalition of 50 attorneys general, 48 states, the District of Columbia and the Commonwealth of Puerto Rico, reached a settlement with Equifax following a national investigation into a massive 2017 data breach. The investigation found that Equifax's failure to maintain a reasonable security system enabled hackers to penetrate its systems, exposing the data of 56 percent of American adults - the largest-ever breach of consumer data.

As a result of the investigations, the coalition of attorneys general secured a settlement with Equifax that includes a Consumer Restitution Fund of up to \$425 million, a \$175 million payment to the states and injunctive relief, which also includes a significant financial commitment. Equifax also agreed to pay the states a total of \$175 million, which includes \$1,468,342 for Nevada.

B. Discretely Presented Component Units

Nevada System of Higher Education – On July 5, 2019, two explosions occurred on the UNR campus that damaged Argenta and Nye Halls, two of UNR's residence halls, as well as the primary residence hall dining facility located in Argenta Hall. The net book value of Argenta and Nye Halls was \$23,197,000 at June 30, 2019. The explosions originated in the boiler room of Argenta Hall. No one was seriously injured in the explosions and, while significantly damaged, both Argenta and Nye Halls have been evaluated by outside engineers and the structures have been preliminarily determined to be repairable. UNR has secured temporary housing facilities nearby in the newly renovated, non-gaming West Tower of Circus Circus, Reno in order to accommodate the approximately 1,300 students displaced by the temporary closing of Argenta and Nye Halls. The term of the lease for the temporary housing is from July 31, 2019 through May 16, 2020 and monthly rent was due beginning on August 15, 2019 in nine monthly payments of \$2,408,340. In addition, there is an option to extend the lease for one additional period from July 31, 2020 through May 15, 2021. Interim dining facilities have also been adapted to accommodate all UNR residence hall occupants during the repair timeframe.

Notes to the Financial Statements

For the Year Ended June 30, 2019

UNR is covered by both casualty and business interruption insurance. Based on assurances from UNR's insurers with respect to casualty and business interruption coverages, the System does not expect the July 5th incident to have materially adverse consequences to UNR's overall financial position or operations. However, while the System would characterize the current status of negotiations with UNR's insurers as generally positive and the payments of claims as timely, it is not possible for the System to predict with certainty at this time whether issues might arise in the future that could negatively impact UNR's liquidity of financial resources.

In September 2019, UNR sold a parcel of land with a net book value at June 30, 2019 of \$1,035,000 for consideration of \$18,000,000.

C. New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. This statement is effective for fiscal years beginning after December 15, 2018. The anticipated impact of this pronouncement is uncertain at this time.

In June 2017, the GASB issued Statement No. 87, Leases. The primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for fiscal years beginning after December 15, 2019. The anticipated impact of this pronouncement is uncertain at this time.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for reporting periods beginning after December 15, 2019. The anticipated impact of this pronouncement is uncertain at this time.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests-An Amendment to GASB Statements No. 14 and No. 61. The primary objectives are to improve the consistency and comparability of reporting a government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. This statement is effective for fiscal years beginning after December 15, 2018. The anticipated impact of this pronouncement is uncertain at this time.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objective of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for fiscal years beginning after December 15, 2020. The anticipated impact of this pronouncement is uncertain at this time.

Notes to the Financial Statements

For the Year Ended June 30, 2019

Note 19. Accounting Changes and Restatements

Beginning net position of governmental activities was restated for a net increase of \$3.1 billion, due to correction of an error for expenses recorded for infrastructure projects in progress that should have been recorded as construction in progress; correction of an error for infrastructure and rights-of-way previously not recorded; correction of an error in the State Highway Fund for expenditures recorded in fiscal year 2018 that were for purchases of items not received prior to year-end and which should have been recorded in fiscal year 2019; and correction of an error in the Permanent School Fund, as identified by the Nevada Capital Investment Corporation, for earnings paid to the Permanent School Fund erroneously since 2013, and which overstated the Due from Component Unit.

The following table shows the changes to the beginning net position as of July 1, 2018 for the primary government (expressed in thousands):

	Governmental Activities
Net position at June 30, 2018 as previously reported	\$ 4,453,993
Infrastructure construction in progress previously recorded as expenses	1,760,275
Infrastructure previously not recorded	1,164,054
Rights-of-way previously not recorded	195,189
Correction of earnings in the Permanent School Fund	(3,914)
Expenses recorded in the wrong fiscal year	3,510
Net position at July 1, 2018 as restated	<u>\$ 7,573,107</u>

The following table shows the changes to the beginning fund balance as of July 1, 2018 for the following major funds (expressed in thousands):

	Major Governmental Funds	
	State Highway	Permanent School Fund
Fund balance at June 30, 2018 as previously reported	\$ 527,285	\$ 360,679
Earnings erroneously received in the Permanent School Fund	-	(3,914)
Expenses recorded in the wrong fiscal year	3,510	-
Fund balance at July 1, 2018 as restated	<u>\$ 530,795</u>	<u>\$ 356,765</u>

REQUIRED SUPPLEMENTARY INFORMATION

1956 Mercedes-Benz 300 SL Gullwing

The famous " Gullwing " doors that gave it its name, made this car a legend.

The doors were not just for show but the result of the structure of the chassis which ran high on the sides to maximize its strength. With tubular chassis, six-cylinder engine with direct injection, dry sump, finned Alfin brakes, independent suspension and streamlined body, the Mercedes 300 SL was shaped by the race track. The names of people who bought the new Mercedes form a veritable 'Who's Who' of celebrities of the day: Pablo Picasso, the Shah of Iran, prince Ali Khan, Clark Gable, Tony Curtis, King Hussein of Jordan...without mentioning motoring enthusiasts such as Luigi Chinetti or Briggs Cunningham.



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

For the Fiscal Year Ended June 30, 2019

	General Fund			Variance with
	Original Budget	Final Budget	Actual	Final Budget
Sources of Financial Resources				
Fund balances, July 1	\$ 1,146,546,402	\$ 1,146,546,402	\$ 1,146,546,402	\$ -
Prior period adjustment	4,386,443	4,386,443	4,386,443	-
<i>Revenues:</i>				
Sales taxes	1,262,102,000	1,282,268,000	1,284,695,935	2,427,935
Gaming taxes, fees, licenses	920,210,303	933,461,224	901,568,916	(31,892,308)
Intergovernmental	4,173,814,393	4,818,188,148	4,443,771,295	(374,416,853)
Other taxes	2,113,982,358	2,298,984,476	2,357,417,225	58,432,749
Sales, charges for services	286,442,573	307,612,274	273,647,046	(33,965,228)
Licenses, fees and permits	725,056,355	782,488,617	771,042,285	(11,446,332)
Interest	13,118,094	31,245,470	29,897,956	(1,347,514)
Other	347,760,796	411,550,368	348,297,693	(63,252,675)
<i>Other financing sources:</i>				
Proceeds from sale of bonds	1,035,097	1,005,097	1,005,097	-
Transfers	752,433,427	927,012,470	788,893,191	(138,119,279)
Reversions from other funds	-	-	1,523,555	1,523,555
Total sources of financial resources	11,746,888,241	12,944,748,989	12,352,693,039	(592,055,950)
Uses of Financial Resources				
<i>Expenditures and encumbrances:</i>				
Elected officials	172,385,128	269,470,815	138,803,887	130,666,928
Legislative and judicial	124,103,063	183,938,490	85,120,510	98,817,980
Finance and administration	159,350,506	196,833,941	147,915,463	48,918,478
Education - K to 12	2,379,256,998	2,574,354,927	2,408,856,233	165,498,694
Education - higher education	966,531,125	1,003,002,292	994,873,370	8,128,922
Human services	5,767,030,920	6,337,441,703	5,961,234,358	376,207,345
Commerce and industry	446,331,741	479,655,929	338,553,051	141,102,878
Public safety	494,449,404	550,107,081	465,814,958	84,292,123
Motor vehicles	-	-	-	-
Infrastructure	350,276,326	472,147,189	217,362,954	254,784,235
Special purpose agencies	89,895,322	101,613,460	74,429,099	27,184,361
<i>Other financing uses:</i>				
Transfers to other funds	34,110,498	185,090,242	185,090,242	-
Reversions to other funds	-	-	880,603	(880,603)
Projected reversions	(50,000,000)	(50,000,000)	-	(50,000,000)
Total uses of financial resources	10,933,721,031	12,303,656,069	11,018,934,728	1,284,721,341
Fund balances, June 30	\$ 813,167,210	\$ 641,092,920	\$ 1,333,758,311	\$ 692,665,391

(continued)

State Highway				Municipal Bond Bank			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 511,457,073	\$ 511,457,073	\$ 511,457,073	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
345,938,096	373,230,043	364,248,603	(8,981,440)	-	-	-	-
389,260,685	445,538,472	445,746,143	207,671	-	-	-	-
20,146,274	19,830,491	20,094,526	264,035	-	-	-	-
228,141,475	239,692,627	238,308,196	(1,384,431)	-	-	-	-
1,011,818	12,409,713	12,556,859	147,146	3,193,030	3,423,545	3,423,544	(1)
42,686,671	53,902,302	49,291,943	(4,610,359)	3,235,000	3,425,000	3,425,000	-
-	-	-	-	-	-	-	-
10,261,434	18,601,173	23,128,233	4,527,060	-	-	-	-
-	-	-	-	-	-	-	-
1,548,903,526	1,674,661,894	1,664,831,576	(9,830,318)	6,428,030	6,848,545	6,848,544	(1)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
92,527,330	110,145,267	83,849,052	26,296,215	-	-	-	-
154,977,756	179,010,906	127,757,935	51,252,971	-	-	-	-
816,045,926	1,045,084,141	929,593,560	115,490,581	-	-	-	-
-	-	-	-	-	-	-	-
91,200,112	91,200,112	91,200,112	-	6,428,030	6,848,545	6,848,544	1
-	-	67,407	(67,407)	-	-	-	-
(60,378,816)	(88,378,816)	-	(88,378,816)	-	-	-	-
1,094,372,308	1,337,061,610	1,232,468,066	104,593,544	6,428,030	6,848,545	6,848,544	1
\$ 454,531,218	\$ 337,600,284	\$ 432,363,510	\$ 94,763,226	\$ -	\$ -	\$ -	\$ -

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2019

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 15th are reported instead of the amounts disclosed in the original budget. The August 15, 2019 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, 2019 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>
Fund balances (budgetary basis) June 30, 2019	\$ 1,333,758	\$ 432,364	\$ -
Adjustments:			
<i>Basis differences:</i>			
Petty cash or outside bank accounts	5,032	196	-
Loans not recorded on the budgetary basis	-	-	88,085
Accrual of certain other receivables	389,117	6,869	995
Inventory	5,753	16,426	-
Advances to other funds	5,786	3,685	-
Accrual of certain accounts payable and other liabilities	(568,089)	(3,574)	-
Unearned revenues	(123,458)	-	-
Deferred inflows - unavailable	(266,490)	-	-
Encumbrances	4,293	6,432	-
Other	5,067	(217)	-
<i>Perspective differences:</i>			
Special revenue fund reclassified to General Fund for GAAP purposes	17,918	-	-
Fund balances (GAAP basis) June 30, 2019	<u>\$ 808,687</u>	<u>\$ 462,181</u>	<u>\$ 89,080</u>

Total fund balance on the budgetary basis in the General Fund at June 30, 2019, 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)	\$ 1,333,758
Restricted funds	(988,040)
Unrestricted fund balance (budgetary basis)	<u>\$ 345,718</u>

Required Supplementary Information

For the Fiscal Year Ended June 30, 2019

Pension Plan Information

A. Multiple-employer Cost Sharing Plan

Primary Government - The following schedule presents the State's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2018	2017	2016	2015	2014
State's proportion of the net pension liability	16.5 %	16.8 %	16.3 %	16.4 %	16.6 %
State's proportionate share of the net pension liability	\$ 2,248,729	\$ 2,233,666	\$ 2,187,213	\$ 1,879,626	\$ 1,730,601
State's covered payroll	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316
State's proportionate share of the net pension liability as a percentage of its covered payroll	225 %	227 %	241 %	215 %	198 %
Plan fiduciary net position as a percentage of the total pension liability	75 %	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 contributions to the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contributions	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630
Contributions in relation to the statutorily required contribution	\$ 161,627	\$ 153,762	\$ 151,492	\$ 190,528	\$ 176,579	\$ 174,712	\$ 162,484	\$ 163,219	\$ 160,959	\$ 164,630
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,049,306	\$ 997,840	\$ 984,131	\$ 906,687	\$ 874,098	\$ 872,316	\$ 855,179	\$ 859,047	\$ 946,818	\$ 968,412
Contributions as a percentage of covered payroll	15 %	15 %	15 %	21 %	20 %	20 %	19 %	19 %	17 %	17 %

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.

Nevada System of Higher Education (NSHE) - The following schedule presents the NSHE's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2018	2017	2016	2015	2014
NSHE's proportion of the net pension liability	2.9 %	2.9 %	2.9 %	2.8 %	2.8 %
NSHE's proportionate share of the net pension liability	\$ 398,883	\$ 383,226	\$ 389,352	\$ 324,708	\$ 292,841
NSHE's covered payroll	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653	\$ 162,250
NSHE's proportionate share of the net pension liability as a percentage of its covered payroll	212 %	213 %	228 %	196 %	180 %
Plan fiduciary net position as a percentage of the total pension liability	304 %	291 %	260 %	302 %	322 %

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 NSHE's contributions to the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 28,549	\$ 27,030	\$ 34,456	\$ 33,124	\$ 29,901
Contributions in relation to the statutorily required contribution	\$ 28,549	\$ 27,030	\$ 43,152	\$ 35,756	\$ 29,901
Contribution (deficiency) excess	\$ -	\$ -	\$ 8,696	\$ 2,632	\$ -
Covered payroll	\$ 196,183	\$ 187,737	\$ 179,694	\$ 171,007	\$ 165,653
Contributions as a percentage of covered payroll	15 %	14 %	19 %	19 %	18 %

Note: GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the NSHE 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.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2019

Colorado River Commission (CRC) - The following schedule presents the CRC's proportionate share of the net pension liability for the Public Employees' Retirement System (expressed in thousands):

	2018	2017	2016	2015	2014
CRC's proportion of the net pension liability	0.04 %	0.04 %	0.05 %	0.05 %	0.05 %
CRC's proportionate share of the net pension liability	\$ 5,994	\$ 5,867	\$ 6,596	\$ 4,997	\$ 6,305
CRC's covered payroll	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
CRC's proportionate share of the net pension liability as a percentage of its covered payroll	210 %	217 %	256 %	197 %	269 %
Plan fiduciary net position as a percentage of the total pension liability	75 %	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 CRC's contributions to the Public Employees' Retirement System (expressed in thousands):

	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contributions in relation to the statutorily required contribution	\$ 423	\$ 406	\$ 396	\$ 523	\$ 507	\$ 528
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,970	\$ 2,856	\$ 2,702	\$ 2,575	\$ 2,531	\$ 2,348
Contributions as a percentage of covered payroll	14 %	14 %	15 %	20 %	20 %	22 %

Note: GASB Statement No. 82 was implemented in fiscal year 2017, and as a result, contributions no longer include payments made by the CRC 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 (expressed in thousands):

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 30	\$ 29	\$ 31	\$ 39	\$ 37
Interest	373	398	414	426	428
Differences between expected and actual experience	47	(82)	(145)	(109)	-
Changes of assumptions	-	125	-	-	-
Benefit payments, including refunds	(460)	(482)	(503)	(497)	(494)
Net change in total pension liability	(10)	(12)	(203)	(141)	(29)
Total pension liability - beginning	5,175	5,187	5,390	5,531	5,560
Total pension liability - ending (a)	\$ 5,165	\$ 5,175	\$ 5,187	\$ 5,390	\$ 5,531
Plan fiduciary net position					
Contributions - employer	\$ 105	\$ 105	\$ 156	\$ 156	\$ 213
Contributions - employee	20	20	23	23	27
Net investment income	397	526	62	179	804
Benefit payments, including refunds	(460)	(481)	(503)	(497)	(494)
Administrative expense	(72)	(68)	(65)	(85)	(46)
Other	73	69	66	86	46
Net change in plan fiduciary net position	63	171	(261)	(138)	550
Plan fiduciary net position - beginning	4,645	4,474	4,735	4,873	4,323
Plan fiduciary net position - ending (b)	\$ 4,708	\$ 4,645	\$ 4,474	\$ 4,735	\$ 4,873
Net pension liability - beginning	\$ 530	\$ 713	\$ 655	\$ 658	\$ 1,237
Net pension liability - ending (a) - (b)	\$ 457	\$ 530	\$ 713	\$ 655	\$ 658
Plan fiduciary net position as a percentage of total pension liability	91 %	90 %	86 %	88 %	88 %
Covered payroll	N/A	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	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.

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

	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contributions in relation to the statutorily required contribution	\$ 196	\$ -	\$ 210	\$ -	\$ 312
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	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, 2019

C. Agent Multiple-employer Plan

The following schedule presents the changes in the net pension liability for the Judicial Retirement System (expressed in thousands):

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 4,231	\$ 3,718	\$ 3,828	\$ 3,593	\$ 3,411
Interest	10,141	9,993	9,677	8,876	8,367
Differences between expected and actual experience	(5,065)	1,123	(4,211)	1,250	(2,666)
Change of assumptions	-	79	-	-	-
Benefit payments, including refunds	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Other	515	419	-	2,357	990
Net change in total pension liability	4,165	9,808	3,943	11,180	5,807
Total pension liability - beginning	133,561	123,753	119,810	108,630	102,823
Total pension liability - ending (a)	\$ 137,726	\$ 133,561	\$ 123,753	\$ 119,810	\$ 108,630
Plan fiduciary net position					
Contributions - employer	\$ 5,307	\$ 5,786	\$ 5,773	\$ 6,155	\$ 6,002
Contributions - employee	115	255	269	96	-
Net investment income	9,696	12,556	1,556	3,206	14,252
Benefit payments, including refunds	(5,657)	(5,524)	(5,351)	(4,896)	(4,295)
Administrative expense	(101)	(95)	(90)	(86)	(83)
Other	515	419	-	2,357	990
Net change in plan fiduciary net position	9,875	13,397	2,157	6,832	16,866
Plan fiduciary net position - beginning	114,499	101,102	98,945	92,113	75,247
Plan fiduciary net position - ending (b)	\$ 124,374	\$ 114,499	\$ 101,102	\$ 98,945	\$ 92,113
Net pension liability - beginning	\$ 19,062	\$ 22,651	\$ 20,865	\$ 16,517	\$ 27,576
Net pension liability - ending (a) - (b)	\$ 13,352	\$ 19,062	\$ 22,651	\$ 20,865	\$ 16,517
Plan fiduciary net position as a percentage of total pension liability	90 %	86 %	82 %	83 %	85 %
Covered payroll (measurement as of end of fiscal year)	\$ 20,451	\$ 20,995	\$ 20,154	\$ 19,930	\$ 18,934
Net pension liability as a percentage of covered payroll	65 %	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):

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,191	\$ 5,585	\$ 5,138	\$ 5,443	\$ 5,266
Contributions in relation to the actuarially determined contribution	\$ 4,744	\$ 4,789	\$ 5,262	\$ 5,227	\$ 5,535
Contribution (deficiency) excess	\$ (447)	\$ (796)	\$ 124	\$ (216)	\$ 269
Covered payroll	\$ 17,414	\$ 17,583	\$ 18,195	\$ 17,425	\$ 17,132
Contributions as a percentage of covered payroll	27 %	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, 2019

Postemployment Benefits Other Than Pensions (OPEB)

Primary Government - The following schedule presents the State's proportionate share of the collective net OPEB liability (expressed in thousands):

	2018	2017
State's proportion of the collective net OPEB liability	59.88 %	61.43 %
State's proportionate share of the collective net OPEB liability	\$ 793,089	\$ 799,477
State's covered payroll *	\$ 1,010,679	\$ 964,668
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll *	78.47 %	82.88 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.12 %	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 2017 State's covered payroll and the State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll have been revised.

The following schedule presents the State's contributions to the OPEB plan (expressed in thousands):

	2019	2018
Contractually required contribution *	\$ 24,758	\$ 23,751
Contributions in relation to the contractually required contribution	\$ 24,758	\$ 23,751
Contribution (deficiency) excess *	\$ -	\$ -
State's covered payroll *	\$ 1,058,033	\$ 1,010,679
Contributions as a percentage of covered payroll	2.34 %	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.

* The 2018 contractually required contribution, contribution deficiency and State's covered payroll have been revised.

Nevada System of Higher Education (NSHE) - The following schedule presents the NSHE's proportionate share of the collective net OPEB liability (expressed in thousands):

	2018	2017
NSHE's proportion of the collective net OPEB liability	39.13 %	37.59 %
NSHE's proportionate share of the collective net OPEB liability	\$ 518,254	\$ 489,754
NSHE's covered payroll	\$ 711,803	\$ 625,454
NSHE's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	72.81 %	78.30 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.12 %	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 NSHE's contributions to the OPEB plan (expressed in thousands):

	2019	2018
Contractually required contribution	\$ 16,727	\$ 15,689
Contributions in relation to the contractually required contribution	\$ 16,656	\$ 15,702
Contribution (deficiency) excess	\$ (71)	\$ 13
NSHE's covered payroll	\$ 711,803	\$ 667,622
Contributions as a percentage of covered payroll	2.35 %	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, 2019

Colorado River Commission (CRC) - The following schedule presents the CRC's proportionate share of the collective net OPEB liability (expressed in thousands):

	<u>2018</u>	<u>2017</u>
CRC's proportion of the collective net OPEB liability	0.17 %	0.17 %
CRC's proportionate share of the collective net OPEB liability	\$ 2,218	\$ 2,261
CRC's covered payroll	\$ 1,863	\$ 2,891
CRC's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	119.07 %	78.22 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.12 %	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 CRC's contributions to the OPEB plan (expressed in thousands):

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 52	\$ 68
Contributions in relation to the contractually required contribution	\$ 69	\$ 66
Contribution (deficiency) excess	\$ 17	\$ (2)
CRC's covered payroll	\$ 1,863	\$ 2,750
Contributions as a percentage of covered payroll	2.81 %	2.48 %

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 - In fiscal year 2018, the discount rate used to measure the total OPEB liability increased from 3.58% to 3.87%.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2019

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.

Condition Level of the Roadways					
Percentage of roadways with an IRI of less than 95					
	I	II	Category III	IV	V
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.

Condition Level of the Bridges			
Percentage of substandard bridges			
	2017	2016	2015
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.

Maintenance and Preservation Costs					
(Expressed in Thousands)					
	2019	2018	2017	2016	2015
Estimated	\$ 134,713	\$ 286,153	\$ 171,755	\$ 306,532	\$ 386,093
Actual	130,158	252,859	157,670	295,244	329,677

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



Images by: Zoe Coursey
djdrenzyme@gmail.com



1933 Studebaker Six

The Series 56 Studebaker five passenger sedan cost \$688 The advent of the Great Depression in 1929 resulted in an alarming drop in Studebaker sales and profits, by 1933 Studebaker had declared bankruptcy.

automuseum.org

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).

Regulatory Accounts for receipts and expenditures related to 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 445C.310).

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, Archives and Public Records (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; and receipts for the care of sites for the disposal of radioactive waste (NRS 459.231).

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, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 233,754,512	\$ 163,531,843	\$ 166,466,636	\$ 52,151	\$ 563,805,142
Cash in custody of other officials	84,508	-	-	-	84,508
Investments	1,494,080	-	-	-	1,494,080
<i>Receivables:</i>					
Accounts receivable	20,462,577	-	170,886	-	20,633,463
Taxes receivable	846,486	-	-	-	846,486
Intergovernmental receivables	5,524,437	919,513	2,686,129	-	9,130,079
Accrued interest and dividends	294	3,497	-	-	3,791
Capital lease receivable	47,455,000	-	-	-	47,455,000
Due from other funds	57,588,964	8,088,267	91,236,400	478	156,914,109
Due from fiduciary funds	2,549,049	-	-	-	2,549,049
Due from component units	183,930	-	-	-	183,930
Inventory	364,142	-	-	-	364,142
Advances to other funds	-	150,636	-	-	150,636
Prepaid items	95,452	-	-	-	95,452
Total assets	\$ 370,403,431	\$ 172,693,756	\$ 260,560,051	\$ 52,629	\$ 803,709,867
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 9,711,163	\$ 11,948	\$ 3,179	\$ -	\$ 9,726,290
Accrued payroll and related liabilities	1,988,416	-	-	-	1,988,416
Intergovernmental payables	907,765	-	133,006	-	1,040,771
Contracts/retentions payable	-	-	30,058,822	-	30,058,822
Due to other funds	58,652,706	-	9,169,530	1,135	67,823,371
Due to fiduciary funds	51,894	-	-	-	51,894
Due to component units	1,792,687	-	103,964,406	-	105,757,093
Unearned revenues	1,630,103	-	-	-	1,630,103
Other liabilities	1,262,940	-	-	-	1,262,940
Total liabilities	75,997,674	11,948	143,328,943	1,135	219,339,700
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Taxes	384,997	-	-	-	384,997
Sales and charges for services	7,780	-	-	-	7,780
Settlement income	18,578,438	-	-	-	18,578,438
Lease principal payments	47,455,000	-	-	-	47,455,000
Interest	334,416	145,146	101,897	43	581,502
Other	1,016,222	-	-	-	1,016,222
Total deferred inflows of resources	67,776,853	145,146	101,897	43	68,023,939
Fund Balances					
Nonspendable	459,594	-	-	30,000	489,594
Restricted	75,137,028	26,634,748	65,695,645	21,451	167,488,872
Committed	151,032,279	145,901,914	51,433,566	-	348,367,759
Total fund balances	226,628,901	172,536,662	117,129,211	51,451	516,346,225
Total liabilities and deferred inflows of resources and fund balances	\$ 370,403,428	\$ 172,693,756	\$ 260,560,051	\$ 52,629	\$ 803,709,864

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Henry Wood Christmas Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Gaming taxes, fees, licenses	\$ 13,365,192	\$ -	\$ -	\$ -	\$ 13,365,192
Property and transfer taxes	14,222,766	165,961,360	-	-	180,184,126
Motor and special fuel taxes	-	74,884,366	-	-	74,884,366
Other taxes	57,763,619	-	-	-	57,763,619
Intergovernmental	87,555,661	2,847,619	13,899,793	-	104,303,073
Licenses, fees and permits	23,433,431	-	-	-	23,433,431
Sales and charges for services	25,878,492	59,600	-	-	25,938,092
Interest and investment income	6,047,101	5,660,839	2,493,363	1,794	14,203,097
Settlement income	40,892,560	-	-	-	40,892,560
Other	18,781,526	-	14,328	-	18,795,854
Total revenues	287,940,348	249,413,784	16,407,484	1,794	553,763,410
Expenditures					
<i>Current:</i>					
General government	37,470,171	380,025	-	-	37,850,196
Health services	1,272	-	-	-	1,272
Social services	85,207,381	-	-	-	85,207,381
Education - K-12 administrative	5,023,700	-	-	-	5,023,700
Education - higher education	-	-	28,792,730	-	28,792,730
Law, justice and public safety	32,702,596	-	-	-	32,702,596
Regulation of business	21,205,152	-	-	-	21,205,152
Recreation and resource development	30,655,089	-	-	-	30,655,089
Capital outlay	-	-	94,754,945	-	94,754,945
<i>Debt service:</i>					
Principal	-	163,590,000	-	-	163,590,000
Interest	1,025	98,031,061	-	-	98,032,086
Debt issuance costs	23,000	-	498,666	-	521,666
Total expenditures	212,289,386	262,001,086	124,046,341	-	598,336,813
Excess (deficiency) of revenues over (under) expenditures	75,650,962	(12,587,302)	(107,638,857)	1,794	(44,573,403)
Other Financing Sources (Uses)					
Bonds issued	2,500,000	-	56,125,000	-	58,625,000
Premium on bonds issued	23,000	-	4,395,657	-	4,418,657
Sale of capital assets	10,732	-	-	-	10,732
Transfers in	58,995,149	25,246,996	103,546,040	-	187,788,185
Transfers out	(100,538,906)	-	(47,453,017)	(1,135)	(147,993,058)
Total other financing sources (uses)	(39,010,025)	25,246,996	116,613,680	(1,135)	102,849,516
Net change in fund balances	36,640,937	12,659,694	8,974,823	659	58,276,113
Fund balances, July 1	189,987,964	159,876,968	108,154,388	50,792	458,070,112
Fund balances, June 30	\$ 226,628,901	\$ 172,536,662	\$ 117,129,211	\$ 51,451	\$ 516,346,225

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2019

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 27,977,988	\$ -	\$ 14,122,381	\$ 8,149,166
Cash in custody of other officials	-	-	2,000	-
Investments	-	-	-	-
<i>Receivables:</i>				
Accounts receivable	4,453	-	460,417	89
Taxes receivable	384,997	-	-	-
Intergovernmental receivables	5,384,074	-	-	-
Accrued interest and dividends	-	-	-	-
Capital lease receivable	-	-	-	-
Due from other funds	1,389,667	-	126,852	5,441,129
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	-
Prepaid items	46,360	-	32,435	-
Total assets	\$ 35,187,539	\$ -	\$ 14,744,085	\$ 13,590,384
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 1,963,508	\$ -	\$ 82,704	\$ 1,692
Accrued payroll and related liabilities	1,040,211	-	523,662	-
Intergovernmental payables	255,742	-	-	-
Due to other funds	9,778,127	-	704,319	5,045,400
Due to fiduciary funds	301	-	2	-
Due to component units	43,404	-	-	-
Unearned revenues	-	-	1,630,103	-
Other liabilities	-	-	-	-
Total liabilities	13,081,293	-	2,940,790	5,047,092
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Taxes	384,997	-	-	-
Sales and charges for services	-	-	7,780	-
Settlement income	-	-	-	-
Lease principal payments	-	-	-	-
Interest	23,734	-	5,528	-
Other	4,855	-	-	89
Total deferred inflows of resources	413,586	-	13,308	89
Fund Balances				
Nonspendable	46,360	-	32,435	-
Restricted	11,867,515	-	5,221,828	-
Committed	9,778,785	-	6,535,721	8,543,203
Total fund balances	21,692,660	-	11,789,984	8,543,203
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,187,539	\$ -	\$ 14,744,082	\$ 13,590,384

(continued)

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
\$ 15,082,433	\$ 32,448,448	\$ 7,033,149	\$ 18,369,144	\$ 48,993,435	\$ 17,242,475	\$ 5,530,067
-	-	-	-	-	-	22,132
-	-	-	-	-	-	104,460
900	-	8,656	1,251,260	18,581,584	-	33,740
-	461,489	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	294
-	-	-	-	-	-	-
111,413	7,763,371	4,653,914	227,938	34,485,729	167,442	70,332
-	-	-	2,471,359	-	-	-
-	-	-	-	-	-	-
-	-	-	199,406	-	-	-
-	-	2,446	7,688	466	2,213	-
<u>\$ 15,194,746</u>	<u>\$ 40,673,308</u>	<u>\$ 11,698,165</u>	<u>\$ 22,526,795</u>	<u>\$ 102,061,214</u>	<u>\$ 17,412,130</u>	<u>\$ 5,761,025</u>
\$ 135	\$ -	\$ 4,974,621	\$ 204,465	\$ 711,919	\$ 683,738	\$ 304,488
-	-	73,304	155,963	12,342	65,927	-
-	-	431,335	523	124,167	-	67,054
7,618,548	10,412,338	51,389	320,525	4,661,611	5,842	947
-	-	-	41,390	-	-	7
-	-	-	-	37,632	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,618,683</u>	<u>10,412,338</u>	<u>5,530,649</u>	<u>722,866</u>	<u>5,547,671</u>	<u>755,507</u>	<u>372,496</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	18,578,438	-	-
-	-	-	-	-	-	-
8,994	17,105	129	20,363	41,780	14,764	5,863
-	-	-	1,005,408	-	-	-
<u>8,994</u>	<u>17,105</u>	<u>129</u>	<u>1,025,771</u>	<u>18,620,218</u>	<u>14,764</u>	<u>5,863</u>
-	-	2,446	207,094	466	2,213	-
-	-	-	20,571,064	-	16,639,646	4,741,960
7,567,069	30,243,865	6,164,941	-	77,892,859	-	640,706
<u>7,567,069</u>	<u>30,243,865</u>	<u>6,167,387</u>	<u>20,778,158</u>	<u>77,893,325</u>	<u>16,641,859</u>	<u>5,382,666</u>
<u>\$ 15,194,746</u>	<u>\$ 40,673,308</u>	<u>\$ 11,698,165</u>	<u>\$ 22,526,795</u>	<u>\$ 102,061,214</u>	<u>\$ 17,412,130</u>	<u>\$ 5,761,025</u>

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2019

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 4,778,764	\$ 467,829	\$ 33,559,233	\$ 233,754,512
Cash in custody of other officials	-	-	60,376	84,508
Investments	-	-	1,389,620	1,494,080
<i>Receivables:</i>				
Accounts receivable	-	-	121,478	20,462,577
Taxes receivable	-	-	-	846,486
Intergovernmental receivables	-	-	140,363	5,524,437
Accrued interest and dividends	-	-	-	294
Capital lease receivable	-	47,455,000	-	47,455,000
Due from other funds	75,953	16,131	3,059,093	57,588,964
Due from fiduciary funds	-	-	77,690	2,549,049
Due from component units	-	183,930	-	183,930
Inventory	-	-	164,736	364,142
Prepaid items	-	-	3,844	95,452
Total assets	<u>\$ 4,854,717</u>	<u>\$ 48,122,890</u>	<u>\$ 38,576,433</u>	<u>\$ 370,403,431</u>
Liabilities				
<i>Accounts payable and accruals:</i>				
Accounts payable	\$ 38,123	-	\$ 745,770	\$ 9,711,163
Accrued payroll and related liabilities	-	-	117,007	1,988,416
Intergovernmental payables	28,126	-	818	907,765
Due to other funds	88,271	-	19,965,389	58,652,706
Due to fiduciary funds	-	-	10,194	51,894
Due to component units	-	-	1,711,651	1,792,687
Unearned revenues	-	-	-	1,630,103
Other liabilities	-	-	1,262,940	1,262,940
Total liabilities	<u>154,520</u>	<u>-</u>	<u>23,813,769</u>	<u>75,997,674</u>
Deferred Inflows of Resources				
<i>Unavailable revenue:</i>				
Taxes	-	-	-	384,997
Sales and charges for services	-	-	-	7,780
Settlement income	-	-	-	18,578,438
Lease principal payments	-	47,455,000	-	47,455,000
Interest	3,994	185,384	6,778	334,416
Other	-	-	5,870	1,016,222
Total deferred inflows of resources	<u>3,994</u>	<u>47,640,384</u>	<u>12,648</u>	<u>67,776,853</u>
Fund Balances				
Nonspendable	-	-	168,580	459,594
Restricted	4,696,203	482,506	10,916,306	75,137,028
Committed	-	-	3,665,130	151,032,279
Total fund balances	<u>4,696,203</u>	<u>482,506</u>	<u>14,750,016</u>	<u>226,628,901</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,854,717</u>	<u>\$ 48,122,890</u>	<u>\$ 38,576,433</u>	<u>\$ 370,403,428</u>

1913 Mercer Series J, Type 35, Raceabout

Manufacturing the T-head Mercer Raceabout began during 1911. Designed for use by amateur sportsmen, strictly stock Raceabouts were often taken at random from the showroom directly to the track where, with no break-in or special preparation, they set competition records. For three years running, Raceabouts won the Chicago Automobile Club Trophy Race. A 1913 model driven by Ralph DePalma covered the 301 miles at an average speed of 66.8 mph.

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Images by: Zoe Coursey
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Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2019

	Employment Security	Unemployment Comp Bond Fund	Regulatory	Higher Education Capital Construction
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	\$ 13,365,192
Property and transfer taxes	-	-	-	-
Other taxes	16,135,060	-	62,210	-
Intergovernmental	64,955,750	-	658,388	-
Licenses, fees and permits	420,296	-	19,363,677	-
Sales and charges for services	613,752	-	1,583	-
Interest and investment income	913,103	-	246,592	-
Settlement income	-	-	-	-
Other	12,000	-	761,161	-
Total revenues	83,049,961	-	21,093,611	13,365,192
Expenditures				
<i>Current:</i>				
General government	-	-	-	-
Health services	-	-	-	-
Social services	79,227,866	-	-	-
Education - K-12 administrative	-	-	-	-
Law, justice and public safety	-	-	-	-
Regulation of business	-	-	19,921,094	-
Recreation and resource development	-	-	-	-
<i>Debt service:</i>				
Interest	-	-	-	1,025
Debt issuance costs	-	-	-	-
Total expenditures	79,227,866	-	19,921,094	1,025
Excess (deficiency) of revenues over (under) expenditures	3,822,095	-	1,172,517	13,364,167
Other Financing Sources (Uses)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	4,482	-	-	-
Transfers in	6,675,551	-	189,271	-
Transfers out	(11,474,268)	-	(445,200)	(11,521,825)
Total other financing sources (uses)	(4,794,235)	-	(255,929)	(11,521,825)
Net change in fund balances	(972,140)	-	916,588	1,842,342
Fund balances, July 1	22,664,800	-	10,873,396	6,700,861
Fund balances, June 30	\$ 21,692,660	\$ -	\$ 11,789,984	\$ 8,543,203

(continued)

Cleaning Up Petroleum Discharges	Hospital Care to Indigent Persons	Tourism Promotion	Offenders' Store	Tobacco Settlement	Attorney General Settlement	Gift
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	14,222,766	-	-	-	-	-
14,941,913	-	25,079,061	-	-	-	-
-	20,813,667	-	-	-	-	-
392,900	-	42,150	-	-	-	-
-	-	-	24,662,333	-	-	-
356,643	706,055	5,406	737,235	1,676,565	684,292	112,185
-	-	-	-	40,892,560	-	-
-	-	3,093	18,105	150	2,204	8,638,354
15,691,456	35,742,488	25,129,710	25,417,673	42,569,275	686,496	8,750,539
-	-	-	-	37,429,902	-	35,666
-	-	-	-	-	-	-
-	55,307	-	-	5,845,729	-	78,479
-	-	-	-	-	-	5,023,700
-	-	-	14,516,157	-	5,488,825	-
-	-	-	-	-	-	-
6,592,286	-	20,257,798	-	-	-	1,028,031
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,592,286	55,307	20,257,798	14,516,157	43,275,631	5,488,825	6,165,876
9,099,170	35,687,181	4,871,912	10,901,516	(706,356)	(4,802,329)	2,584,663
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,250	-	-	-	-	-	-
-	7,573,584	1,368	-	40,959,576	-	1,135
(8,946,131)	(36,404,881)	(5,391,606)	(3,280,371)	(15,857,883)	-	(25,000)
(8,939,881)	(28,831,297)	(5,390,238)	(3,280,371)	25,101,693	-	(23,865)
159,289	6,855,884	(518,326)	7,621,145	24,395,337	(4,802,329)	2,560,798
7,407,780	23,387,981	6,685,713	13,157,013	53,497,988	21,444,188	2,821,868
\$ 7,567,069	\$ 30,243,865	\$ 6,167,387	\$ 20,778,158	\$ 77,893,325	\$ 16,641,859	\$ 5,382,666

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2019

	Natural Resources	NV Real Property Corp General Fund	Miscellaneous	Total Nonmajor Special Revenue Funds
Revenues				
Gaming taxes, fees, licenses	\$ -	\$ -	\$ -	13,365,192
Property and transfer taxes	-	-	-	14,222,766
Other taxes	-	-	1,545,375	57,763,619
Intergovernmental	-	-	1,127,856	87,555,661
Licenses, fees and permits	15,818	-	3,198,590	23,433,431
Sales and charges for services	-	-	600,824	25,878,492
Interest and investment income	160,177	66,228	382,620	6,047,101
Settlement income	-	-	-	40,892,560
Other	-	6,691,319	2,655,140	18,781,526
Total revenues	175,995	6,757,547	9,510,405	287,940,348
Expenditures				
<i>Current:</i>				
General government	-	4,603	-	37,470,171
Health services	-	-	1,272	1,272
Social services	-	-	-	85,207,381
Education - K-12 administrative	-	-	-	5,023,700
Law, justice and public safety	-	-	12,697,614	32,702,596
Regulation of business	-	-	1,284,058	21,205,152
Recreation and resource development	2,776,974	-	-	30,655,089
<i>Debt service:</i>				
Interest	-	-	-	1,025
Debt issuance costs	23,000	-	-	23,000
Total expenditures	2,799,974	4,603	13,982,944	212,289,386
Excess (deficiency) of revenues over (under) expenditures	(2,623,979)	6,752,944	(4,472,539)	75,650,962
Other Financing Sources (Uses)				
Bonds issued	2,500,000	-	-	2,500,000
Premium on bonds issued	23,000	-	-	23,000
Sale of capital assets	-	-	-	10,732
Transfers in	-	-	3,594,664	58,995,149
Transfers out	(231,945)	(6,764,298)	(195,498)	(100,538,906)
Total other financing sources (uses)	2,291,055	(6,764,298)	3,399,166	(39,010,025)
Net change in fund balances	(332,924)	(11,354)	(1,073,373)	36,640,937
Fund balances, July 1	5,029,127	493,860	15,823,389	189,987,964
Fund balances, June 30	\$ 4,696,203	\$ 482,506	\$ 14,750,016	\$ 226,628,901

1930 Franklin

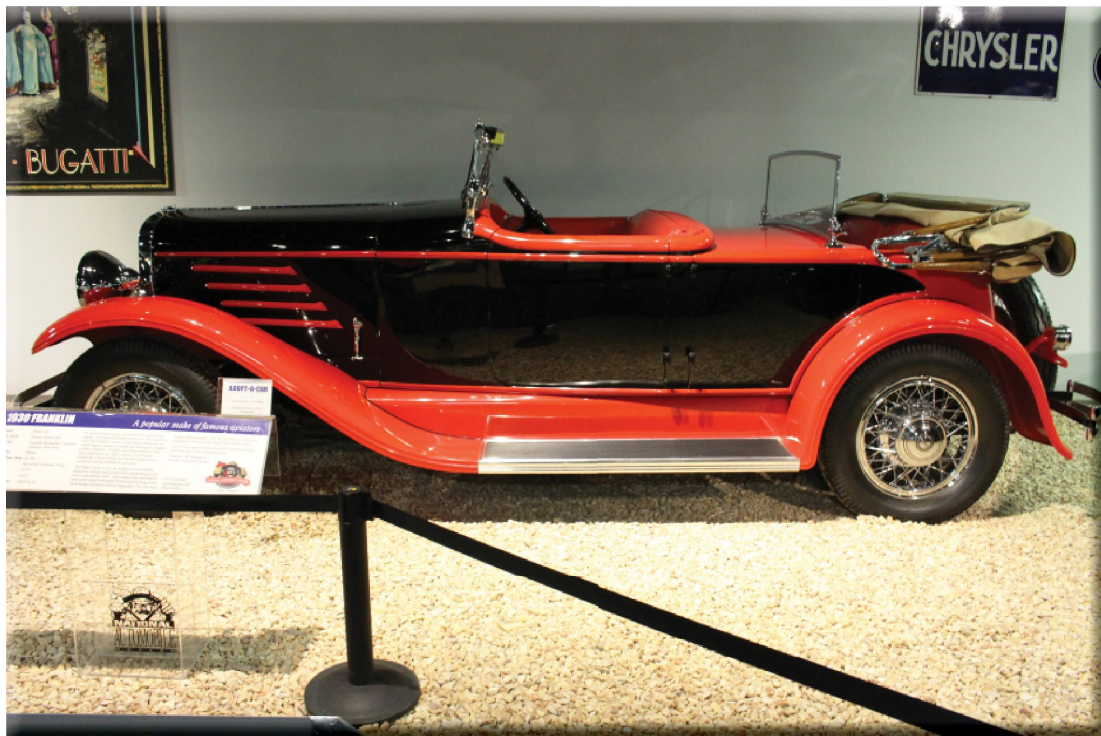
A make popular with famous aviators

Introduced in 1930, the Franklin Pursuit had an aluminum air-cooled engine, similar to the Franklin aircraft engines installed in Waco biplanes. Franklins were owned by many aviators including Charles Lindbergh, Glenn Curtiss and Amelia Earhart.

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Combining Balance Sheet

Other Nonmajor Governmental Funds

June 30, 2019

	Debt Service Funds			Capital Projects Funds	
	Consolidated Bond Interest and Redemption	Highway Revenue Bonds	Total	Parks Capital Project Construction	CIP Motor Vehicle
Assets					
<i>Cash and pooled investments:</i>					
Cash with treasurer	\$ 143,114,334	\$ 20,417,509	\$ 163,531,843	\$ -	\$ 28,094,051
<i>Receivables:</i>					
Accounts receivable	-	-	-	-	586
Intergovernmental receivables	919,513	-	919,513	-	-
Accrued interest and dividends	3,497	-	3,497	-	-
Due from other funds	1,871,028	6,217,239	8,088,267	47,299	264,090
Advances to other funds	150,636	-	150,636	-	-
Total assets	<u>\$ 146,059,008</u>	<u>\$ 26,634,748</u>	<u>\$ 172,693,756</u>	<u>\$ 47,299</u>	<u>\$ 28,358,727</u>
Liabilities					
<i>Accounts payable and accruals:</i>					
Accounts payable	\$ 11,948	\$ -	\$ 11,948	\$ 3,179	\$ -
Intergovernmental payables	-	-	-	-	-
Contracts/retentions payable	-	-	-	-	3,735,043
Due to other funds	-	-	-	44,120	22,026
Due to component units	-	-	-	-	-
Total liabilities	<u>11,948</u>	<u>-</u>	<u>11,948</u>	<u>47,299</u>	<u>3,757,069</u>
Deferred Inflows of Resources					
<i>Unavailable revenue:</i>					
Interest	145,146	-	145,146	-	23,802
Total deferred inflows of resources	<u>145,146</u>	<u>-</u>	<u>145,146</u>	<u>-</u>	<u>23,802</u>
Fund Balances					
Restricted	-	26,634,748	26,634,748	-	24,577,856
Committed	145,901,914	-	145,901,914	-	-
Total fund balances	<u>145,901,914</u>	<u>26,634,748</u>	<u>172,536,662</u>	<u>-</u>	<u>24,577,856</u>
Total liabilities and deferred inflows of resources and fund balances	<u>\$ 146,059,008</u>	<u>\$ 26,634,748</u>	<u>\$ 172,693,756</u>	<u>\$ 47,299</u>	<u>\$ 28,358,727</u>

(continued)

Capital Projects Funds						
CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ 85,916,921	\$ 1,963,132	\$ 185,602	\$ 9,802,891	\$ 1	\$ 40,504,038	\$ 166,466,636
-	170,300	-	-	-	-	170,886
-	4,160	-	2,681,969	-	-	2,686,129
-	-	-	-	-	-	-
32,227,011	34,832,785	21,019,358	1,707,262	161,836	976,759	91,236,400
-	-	-	-	-	-	-
<u>\$ 118,143,932</u>	<u>\$ 36,970,377</u>	<u>\$ 21,204,960</u>	<u>\$ 14,192,122</u>	<u>\$ 161,837</u>	<u>\$ 41,480,797</u>	<u>\$ 260,560,051</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,179
-	132,956	-	50	-	-	133,006
13,560,488	4,411,629	3,465,483	4,725,570	160,609	-	30,058,822
580,902	916,700	167,964	801,704	1,227	6,634,887	9,169,530
103,964,406	-	-	-	-	-	103,964,406
<u>118,105,796</u>	<u>5,461,285</u>	<u>3,633,447</u>	<u>5,527,324</u>	<u>161,836</u>	<u>6,634,887</u>	<u>143,328,943</u>
38,136	-	-	-	-	39,959	101,897
<u>38,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,959</u>	<u>101,897</u>
-	-	-	6,311,837	1	34,805,951	65,695,645
-	31,509,092	17,571,513	2,352,961	-	-	51,433,566
-	31,509,092	17,571,513	8,664,798	1	34,805,951	117,129,211
<u>\$ 118,143,932</u>	<u>\$ 36,970,377</u>	<u>\$ 21,204,960</u>	<u>\$ 14,192,122</u>	<u>\$ 161,837</u>	<u>\$ 41,480,797</u>	<u>\$ 260,560,051</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Other Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2019

	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	\$ 165,961,360	\$ -	\$ 165,961,360	\$ -	\$ -
Motor and special fuel taxes	-	74,884,366	74,884,366	-	-
Intergovernmental	2,847,619	-	2,847,619	-	-
Sales and charges for services	59,600	-	59,600	-	-
Interest and investment income	5,660,839	-	5,660,839	62	549,281
Other	-	-	-	-	-
Total revenues	174,529,418	74,884,366	249,413,784	62	549,281
Expenditures					
<i>Current:</i>					
General government	380,025	-	380,025	-	-
Education - higher education	-	-	-	-	-
Capital outlay	-	-	-	119,299	5,905,742
<i>Debt service:</i>					
Principal	123,800,000	39,790,000	163,590,000	-	-
Interest	63,403,695	34,627,366	98,031,061	-	-
Debt issuance costs	-	-	-	-	123,907
Total expenditures	187,583,720	74,417,366	262,001,086	119,299	6,029,649
Excess (deficiency) of revenues over (under) expenditures	(13,054,302)	467,000	(12,587,302)	(119,237)	(5,480,368)
Other Financing Sources (Uses)					
Bonds issued	-	-	-	-	14,015,000
Premium on bonds issued	-	-	-	-	1,115,469
Transfers in	25,246,996	-	25,246,996	119,237	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	25,246,996	-	25,246,996	119,237	15,130,469
Net change in fund balances	12,192,694	467,000	12,659,694	-	9,650,101
Fund balances, July 1	133,709,220	26,167,748	159,876,968	-	14,927,755
Fund balances, June 30	\$ 145,901,914	\$ 26,634,748	\$ 172,536,662	\$ -	\$ 24,577,856

(continued)

Capital Projects Funds

CIP University System	CIP General State Government	CIP Prison System	CIP Military	CIP Wildlife	CIP Bond Proceeds	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	13,899,793	-	-	13,899,793
-	-	-	-	-	-	-
-	-	-	-	-	1,944,020	2,493,363
-	-	-	14,328	-	-	14,328
-	-	-	13,914,121	-	1,944,020	16,407,484
-	-	-	-	-	-	-
25,010,614	-	-	-	-	3,782,116	28,792,730
-	29,032,326	24,423,604	34,639,921	634,053	-	94,754,945
-	-	-	-	-	-	-
-	-	-	-	-	-	-
206,554	-	-	-	-	168,205	498,666
25,217,168	29,032,326	24,423,604	34,639,921	634,053	3,950,321	124,046,341
(25,217,168)	(29,032,326)	(24,423,604)	(20,725,800)	(634,053)	(2,006,301)	(107,638,857)
23,395,000	-	-	-	-	18,715,000	56,125,000
1,822,168	-	-	-	-	1,458,020	4,395,657
-	57,430,550	38,919,860	5,942,821	634,053	499,519	103,546,040
-	(1,076,634)	(85,541)	(114,638)	-	(46,176,204)	(47,453,017)
25,217,168	56,353,916	38,834,319	5,828,183	634,053	(25,503,665)	116,613,680
-	27,321,590	14,410,715	(14,897,617)	-	(27,509,966)	8,974,823
-	4,187,502	3,160,798	23,562,415	1	62,315,917	108,154,388
\$ -	\$ 31,509,092	\$ 17,571,513	\$ 8,664,798	\$ 1	\$ 34,805,951	\$ 117,129,211

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Elected officials			
Attorney General Administrative Account	\$ 27,945,905	\$ 27,572,479	\$ 373,426
Attorney General Council For Prosecuting Attorneys	330,638	176,414	154,224
Attorney General Crime Prevention	469,355	449,145	20,210
Attorney General Extradition Coordinator	600,614	600,613	1
Attorney General Forfeiture	106,073	63,645	42,428
Attorney General Medicaid Fraud	3,858,572	2,271,748	1,586,824
Attorney General Private Investigator Licensing Bd	2,277,662	1,493,755	783,907
Attorney General Special Litigation Fund	9,336,307	6,990,661	2,345,646
Attorney General State Settlements	4,303,681	1,801,901	2,501,780
Attorney General Victims of Domestic Violence	419,988	349,020	70,968
Attorney General Violence Against Women Grants	8,299,241	4,608,773	3,690,468
Attorney General Workers' Compensation Fraud	4,427,637	3,810,290	617,347
Controller's Office	5,468,240	5,123,543	344,697
Controller's Office Debt Recovery	516,456	113,500	402,956
Ethics Commission	876,005	830,562	45,443
Governor's Commission for Deaf Persons	25,000	15,488	9,512
Governor's Finance Office	5,553,516	4,006,071	1,547,445
Governor's High Level Nuclear Waste	1,853,696	1,577,881	275,815
Governor's Finance Division of Internal Audits	1,561,634	1,445,390	116,244
Governor's Finance Office Info Technology Project	42,540,295	1,753,546	40,786,749
Governor's Finance Office Special Appropriations	45,230,313	16,079,493	29,150,820
Governor's Mansion Maintenance	356,101	260,041	96,060
Governor's Merit Award Board	1,424	143	1,281
Governor's NV P20 Workforce Reporting	775,819	667,688	108,131
Governor's Office	2,368,813	2,340,248	28,565
Governor's Office of Energy	1,674,090	1,325,041	349,049
Governor's Office of Workforce Innovation	4,295,895	1,044,345	3,251,550
Governor's Renewable Energy Account	17,040,452	2,645,057	14,395,395
Governor's Renewable Energy Program	1,549,262	5,601	1,543,661
Governor's Science Innovation and Technology	5,257,673	5,151,183	106,490
Governor's Washington Office	259,434	259,433	1
Governor's WICHE Administration	383,076	340,830	42,246
Governor's WICHE Loan and Stipend	1,234,486	1,135,847	98,639
Lieutenant Governor	612,057	584,701	27,356
Secretary of State	26,941,852	25,567,816	1,374,036
Secretary of State Advisory Committee Gift	64	-	64
Secretary of State HAVA Elections Account	5,510,261	1,466,398	4,043,863
Secretary of State Notary Training	470,249	109,265	360,984
Secretary of State Securities Forfeiture Account	99,533	-	99,533
State Treasurer	3,159,377	3,014,118	145,259
State Treasurer's College Savings Endowment	17,172,890	4,140,327	13,032,563
State Treasurer's College Savings Private Entity	83,419	-	83,419
State Treasurer's Nevada College Savings Trust	3,887,395	3,634,654	252,741
State Treasurer's Nevada Promise Scholarship	8,000,000	1,757,611	6,242,389
State Treasurer's Silicosis and Disabled Pensions	53,452	25,995	27,457
State Treasurer's Unclaimed Property	2,282,913	2,193,627	89,286
	269,470,815	138,803,887	130,666,928
Legislative and judicial			
Judicial Branch			
Administrative Office of the Courts	5,273,251	3,923,542	1,349,709
Court of Appeals	2,620,581	2,547,812	72,769
Judicial Discipline	980,233	914,865	65,368
Judicial Education	1,574,988	890,179	684,809
Judicial Programs and Services Division	1,322,317	1,235,958	86,359
Judicial Retirement System State Share	1,738,217	1,579,344	158,873
Judicial Selection	21,349	18,436	2,913
Judicial Support, Governance and Special Events	651,101	222,833	428,268
Law Library	2,002,054	1,801,261	200,793
Law Library Gift Fund	20,217	-	20,217
Senior Justice and Senior Judge Program	1,501,168	1,455,631	45,537
Specialty Courts	11,951,265	8,783,319	3,167,946
State Judicial Elected Officials	22,657,466	21,620,870	1,036,596
Supreme Court	12,868,139	12,707,693	160,446
Uniform System of Judicial Records	2,236,199	1,097,733	1,138,466

(continued)

	Final Budget	Actual	Variance
Legislative Branch			
Disaster Relief	11,803,065	119,811	11,683,254
Foreclosure Mediation	1,160,965	310,888	850,077
Interim Finance Committee	90,338,141	16,560,166	73,777,975
Legislative Counsel Bureau Disbursement	13,211,145	9,330,169	3,880,976
So Nevada Community Project Fund	6,629	-	6,629
	<u>183,938,490</u>	<u>85,120,510</u>	<u>98,817,980</u>
Finance and administration			
Department of Administration			
Building Official Admin	2,834,687	630,667	2,204,020
Commission for Women	23,657	16,978	6,679
Construction Education Account	368,995	85,978	283,017
Director's Office	1,054,020	950,745	103,275
Emergency Fund	279,841	-	279,841
General Fund Salary Adjustment	55,947,487	26,812,615	29,134,872
Graffiti Reward Fund	19,654	-	19,654
Grants Office	711,583	471,467	240,116
Hearings and Appeals	5,128,434	5,041,923	86,511
Judicial College/Juvenile and Family Justice	200,000	200,000	-
Nevada State Library	5,141,953	4,786,101	355,852
Nevada State Library Cooperative	538,751	365,950	172,801
NSLA - IPS Equipment/Software	56,586	9,312	47,274
Public Works Division	364,456	233,665	130,791
Public Works Division Administration	905,848	776,660	129,188
Public Works Inspection	6,869,178	5,286,768	1,582,410
Public Works Retention Payment	6,792	-	6,792
Roof Maintenance Reserve	595,101	16,000	579,101
State Archives	1,681,094	1,462,139	218,955
State Claims	4,388,536	2,089,908	2,298,628
State Unemployment Compensation	2,213,340	1,196,356	1,016,984
Statutory Contingency	15,352,274	10,588,480	4,763,794
Unbudgeted Activity	-	394,371	(394,371)
Department of Taxation			
Department of Taxation	92,151,674	86,499,380	5,652,294
	<u>196,833,941</u>	<u>147,915,463</u>	<u>48,918,478</u>
Education - K to 12			
Department of Education			
Account for Alternative Schools	11,703,468	3,372,231	8,331,237
Achievement School District	133,857	106,996	26,861
Anti-Bullying Gift Fund	53,000	8,766	44,234
Anti Bullying Grants	49,153	42,129	7,024
Assessments and Accountability	25,201,989	19,621,512	5,580,477
Career and Technical Education	15,170,964	11,775,110	3,395,854
Contingency Account for Special Education	2,000,000	342,179	1,657,821
Continuing Education	8,988,625	7,255,496	1,733,129
Data Systems Management	2,945,982	2,704,009	241,973
Department Support Services	2,949,452	2,740,048	209,404
Distributive School Account	1,619,864,362	1,600,482,852	19,381,510
District Support Services	1,540,827	1,509,591	31,236
Educational Trust Fund	846,494	168,027	678,467
Educator Effectiveness	17,804,952	11,239,479	6,565,473
Educator Licensure	4,453,559	1,950,602	2,502,957
Gear Up	5,587,014	3,478,034	2,108,980
Gear Up Scholarship Trust	7,257,473	234,894	7,022,579
Incentives for Licensed Educational Personnel	1,000,000	418,839	581,161
Individuals with Disabilities (IDEA)	95,305,955	83,368,882	11,937,073
Instruction in Financial Liter	1,500,000	1,269,081	230,919
Literacy Programs	315,026	314,488	538
New NV Education Funding Plan	36,169,961	35,926,957	243,004
Office of Early Learning & Development	33,826,985	27,268,649	6,558,336
Office of the Superintendent	1,685,026	1,654,742	30,284
Other State Education Programs	87,028,246	79,802,506	7,225,740
Parent Involve & Family Engage	134,742	129,990	4,752

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Professional Development Program	17,374,403	16,551,232	823,171
Public Charter School Loan Program	721,109	67,000	654,109
Safe and Respect Learning	7,558,363	4,601,428	2,956,935
School Remediation	123,391,125	109,073,161	14,317,964
School Safety	7,500,000	-	7,500,000
Standards and Instructional Support	1,596,959	1,482,564	114,395
State Supplemental School Support	191,092,000	184,309,491	6,782,509
Student and School Support	205,472,152	176,447,904	29,024,248
Student Indemnification Account	372,254	-	372,254
Teach NV Scholarship Program	8,024,865	1,093,992	6,930,873
Teacher's School Supplies Reimbursement	3,085,105	2,637,283	447,822
Commission on Postsecondary Education	873,081	493,270	379,811
State Public Charter School Authority	23,776,399	14,912,819	8,863,580
	2,574,354,927	2,408,856,233	165,498,694
Education - higher education			
Nevada System of Higher Education			
Agricultural Experiment Station	7,037,707	7,035,821	1,886
Anatomical Gift Account	403,433	50,000	353,433
Business Center North	2,128,055	2,128,055	-
Business Center South	1,875,147	1,875,147	-
College of Southern Nevada	149,443,941	148,654,849	789,092
Collegiate License Plate Account	415,765	325,341	90,424
Cooperative Extension Service	5,617,780	5,456,725	161,055
Desert Research Institute	8,206,260	8,057,774	148,486
Education for Dependent Children	50,470	8,124	42,346
Great Basin College	19,609,050	19,609,050	-
Intercollegiate Athletics - UNLV	7,864,929	7,864,929	-
Intercollegiate Athletics - UNR	5,425,885	5,425,885	-
Laboratory and Research	1,721,908	1,721,908	-
National Direct Student Loan Program	35,793	-	35,793
Nevada State College at Henderson	26,964,919	26,964,919	-
Silver State Opportunity Grant	5,000,000	4,999,352	648
Special Projects	4,333,834	1,184,921	3,148,913
System Computing Center	18,144,662	18,144,662	-
Truckee Meadows Community College	50,113,733	49,306,191	807,542
University of Nevada, Las Vegas	303,519,717	303,508,444	11,273
University of Nevada, Reno	234,116,221	232,915,537	1,200,684
University Press	428,755	428,755	-
University System Administration	4,964,115	4,964,115	-
UNLV Dental School	18,579,825	18,475,285	104,540
UNR Engineering Building Debt	1,030,563	1,030,563	-
UNLV Law School	16,253,700	16,253,699	1
UNLV School of Medicine	33,869,853	33,385,882	483,971
UNLV Statewide Programs	3,783,838	3,783,838	-
UNR School of Medicine	44,126,537	43,914,646	211,891
UNR Statewide Programs	8,382,842	8,382,828	14
Western Nevada College	19,553,055	19,016,125	536,930
	1,003,002,292	994,873,370	8,128,922
Human services			
Director's Office			
Administration	1,771,329	1,679,825	91,504
Consumer Health Assistance	1,449,613	1,348,945	100,668
Developmental Disabilities	838,456	677,714	160,742
DHR Children's Trust Account	1,352,508	653,201	699,307
Grants Management Unit	30,635,951	26,385,330	4,250,621
Grief Support Trust Account	123,939	33,891	90,048
IDEA Part C Compliance	4,031,124	3,753,350	277,774
Prevention/Treatment of Problem Gambling	1,917,171	1,322,804	594,367
Public Defender	3,402,964	2,887,050	515,914
UPL Holding Account	13,401,926	13,401,925	1
Victims of Human Trafficking	227,503	43,838	183,665
Aging and Disability Services Division			
Aging Federal Programs and Administration	38,442,459	28,811,062	9,631,397
Applied Behavior Analysis	204,405	16,990	187,415

(continued)

	Final Budget	Actual	Variance
Desert Regional Center	150,449,934	143,256,412	7,193,522
Early Intervention Services	43,764,765	37,311,113	6,453,652
Family Preservation Program	2,964,092	2,942,258	21,834
Home and Community Based Service	44,191,697	32,793,898	11,397,799
Rural Regional Center	20,612,521	18,460,660	2,151,861
Sierra Regional Center	51,086,205	46,371,287	4,714,918
Division of Health Care Financing and Policy			
Health Care Financing and Policy	214,269,711	182,093,238	32,176,473
Increased Quality of Nursing Care	40,052,540	36,482,987	3,569,553
Intergovernmental Transfer Program	229,275,789	212,768,407	16,507,382
Nevada Check-Up Program	64,844,507	55,383,221	9,461,286
Nevada Medicaid	4,073,041,031	4,037,259,825	35,781,206
Division of Public and Behavioral Health			
Alcohol Tax Program	1,317,743	1,011,644	306,099
Behavioral Health Administration	5,691,064	5,420,418	270,646
Behavioral Health Prevention & Treatment	59,402,075	34,680,268	24,721,807
Biostatistics and Epidemiology	12,914,272	9,627,383	3,286,889
Cancer Control Registry	811,731	647,968	163,763
Child Care Services	2,053,681	1,456,164	597,517
Chronic Disease	12,344,559	10,757,865	1,586,694
Communicable Diseases	39,628,105	33,874,036	5,754,069
Community Health Services	4,467,834	3,669,732	798,102
Environmental Health Services	2,398,701	1,669,755	728,946
Emergency Medical Services	1,651,703	1,210,334	441,369
Facility for the Mental Offender	12,444,822	12,292,232	152,590
Health Care Facility Reg	22,913,607	13,144,549	9,769,058
Health Facilities-Admin Penalty	163,534	357	163,177
Health Statistics and Planning	3,965,658	1,731,549	2,234,109
Immunization Program	7,371,003	6,877,331	493,672
Marijuana Health Registry	4,126,602	645,398	3,481,204
Maternal Child Health Services	10,000,238	7,470,909	2,529,329
No NV Adult Mental Health Services	30,677,613	26,761,716	3,915,897
Office of State Health Administration	9,574,167	9,158,482	415,685
Public Health Preparedness Program	12,864,734	10,873,269	1,991,465
Radiation Control Program	4,972,704	2,757,806	2,214,898
Rural Clinics	15,183,206	13,521,906	1,661,300
So NV Adult Mental Health Services	89,007,866	87,452,934	1,554,932
WIC Food Supplement	72,189,379	58,062,377	14,127,002
Division of Welfare and Supportive Services			
Assistance to Aged and Blind	10,564,945	10,309,000	255,945
Child Care Assistance and Development	69,115,509	66,814,083	2,301,426
Child Support Enforcement Program	93,271,351	36,678,155	56,593,196
Child Support Federal Reimbursement	29,281,911	26,254,053	3,027,858
Energy Assistance - Welfare	24,336,509	21,652,961	2,683,548
Temp Assistance for Needy Families	56,714,265	39,522,958	17,191,307
Welfare Administration	56,042,203	47,469,277	8,572,926
Welfare Field Services	123,079,688	117,856,663	5,223,025
Division of Child and Family Services			
Caliente Youth Center	10,129,742	8,605,022	1,524,720
Children, Youth and Family Administration	54,109,527	35,324,009	18,785,518
Clark County Child Welfare	117,184,962	115,359,068	1,825,894
Community Juvenile Justice Programs	3,594,740	3,087,923	506,817
Farm Account - Youth Training Center	7,150	-	7,150
Summit View Youth Center	6,577,566	6,111,475	466,091
Nevada Youth Training Center	9,050,178	7,653,480	1,396,698
No NV Child and Adolescent Services	9,672,748	8,796,479	876,269
Normalcy for Youth Gift	1,000	-	1,000
Review of Death of Children	564,408	119,255	445,153
Rural Child Welfare	22,948,058	20,716,940	2,231,118
So NV Child and Adolescent Services	29,024,482	26,199,587	2,824,895
Transition from Foster Care	1,476,427	940,774	535,653
UNITY/SACWIS	7,214,317	7,002,972	211,345
Victims of Domestic Violence	3,845,234	3,599,499	245,735
Washoe County Integration	37,401,418	37,401,418	-
Youth Alternative Placement	4,370,793	4,370,793	-
Youth Parole Services	6,563,401	5,939,167	624,234

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Department of Employment, Training and Rehabilitation			
Blind Business Enterprise Program	4,860,098	1,390,030	3,470,068
DETR Administrative Services	5,546,760	5,094,392	452,368
Disability Adjudication	20,383,343	15,745,132	4,638,211
Information Development and Processing	16,096,821	11,700,161	4,396,660
Nevada Equal Rights Commission	2,456,984	1,838,909	618,075
Rehabilitation Administration	1,404,563	1,101,868	302,695
Research and Analysis	2,751,578	2,337,216	414,362
Services to the Blind	3,639,161	2,916,227	722,934
Vocational Rehabilitation	23,671,122	20,409,799	3,261,323
	6,337,441,703	5,961,234,358	376,207,345
Commerce and industry			
Office of Economic Development			
GOED Nevada Knowledge Fund	8,573,435	4,919,976	3,653,459
Governor's Office of Economic Development	9,659,346	8,944,380	714,966
Motion Pictures	825,350	682,564	142,786
Nevada Catalyst Fund	4,700,759	429,270	4,271,489
Nevada Main Street Program	632,978	199,575	433,403
NV SSBCI Program	10,176,737	3,661,124	6,515,613
Rural Community Development	2,792,165	1,894,675	897,490
Small Business and Procurement	724,709	666,820	57,889
Small Business Enterprise Loan	500,000	500,000	-
WINN	7,605,576	4,360,920	3,244,656
Commission on Mineral Resources			
Bond Reclamation	4,808,192	514,986	4,293,206
Minerals	3,998,226	2,400,919	1,597,307
Department of Agriculture			
Agriculture Administration	2,626,112	2,439,602	186,510
Agriculture License Plates	47,268	19,477	27,791
Agricultural Registration/Enforcement	6,370,851	3,081,180	3,289,671
Agriculture Research and Promotion	124,173	1,592	122,581
Commercial Feed Account	78,548	2,913	75,635
Commodity Food Program	24,117,170	17,937,070	6,180,100
Consumer Equitability	3,664,316	2,778,370	885,946
Junior Agricultural Loan Program	4,645	-	4,645
Livestock Enforcement	635,334	331,353	303,981
Livestock Inspection	1,515,662	1,181,694	333,968
Nevada Beef Council	300,615	286,216	14,399
Nutrition Education Programs	197,306,714	168,508,351	28,798,363
Pest, Plant Disease and Noxious Weed	1,944,706	1,432,655	512,051
Plant Health and Quarantine Services	610,582	549,082	61,500
Predatory Animal and Rodent Control	822,593	768,287	54,306
Rangeland Resources Commission	271,059	148,101	122,958
Veterinary Medical Services	1,598,748	1,317,489	281,259
Weed Abatement and Control	106,852	-	106,852
Department of Tourism and Cultural Affairs			
Indian Commission	400,676	307,736	92,940
Lost City Museum	513,697	410,244	103,453
Museums and History Administration	1,090,301	565,991	524,310
Nevada Arts Council	2,765,555	2,481,509	284,046
Nevada Historical Society	639,356	611,000	28,356
Nevada Humanities	100,000	100,000	-
Nevada State Museum	1,867,094	1,792,794	74,300
Nevada State Museum, Las Vegas	4,660,765	4,553,266	107,499
State Railroad Museums	1,498,452	1,377,930	120,522
Stewart Indian School Living Legacy	321,821	320,619	1,202
Gaming Control Board			
Federal Forfeiture Treasury	6,956,641	917,623	6,039,018
Gaming Commission	538,489	479,873	58,616
Gaming Control Board	52,686,583	43,850,165	8,836,418
Gaming Control Federal Forfeiture	4,976,160	25,824	4,950,336
Gaming Control - Forfeiture Account	596,620	19,683	576,937
Gaming Control - Other State Forfeiture	500,440	-	500,440
Department of Business and Industry			
Athletic Commission	3,572,090	1,705,396	1,866,694
Attorney for Injured Workers	3,694,120	3,682,099	12,021

(continued)

	Final Budget	Actual	Variance
Business and Industry Administration	5,279,057	5,130,250	148,807
Common Interest Communities	4,617,075	2,209,109	2,407,966
Division of Mortgage Lending	13,439,691	2,629,884	10,809,807
DOE Weatherization	8,481,536	4,879,080	3,602,456
Employee Management Relations	1,412,967	494,079	918,888
Financial Institutions	6,803,822	3,847,538	2,956,284
Financial Institutions Audit	266,029	118,821	147,208
Financial Institutions Investigations	1,586,611	82,151	1,504,460
Housing Inspection and Comp	4,890,225	2,789,421	2,100,804
Industrial Development Bonds	1,378,131	11,281	1,366,850
Labor Relations	1,924,111	1,884,968	39,143
Low Income Housing Trust Fund	32,495,019	12,211,221	20,283,798
Nevada Transportation Authority	5,619,544	4,637,263	982,281
NVTA Administrative Fines	1,111,127	88,876	1,022,251
Office of Business and Planning	415,917	406,075	9,842
Real Estate	4,173,261	3,971,626	201,635
Special Housing Assistance	1,239,525	1,015	1,238,510
	479,655,929	338,553,051	141,102,878

Public safety

Department of Corrections

AB505 79th One-shot	11,539,564	4,640,283	6,899,281
Carlin Conservation Camp	1,393,394	1,360,987	32,407
Casa Grande Transitional Housing	4,755,036	4,648,962	106,074
Correctional Programs	10,320,209	8,698,104	1,622,105
Director's Office	35,898,460	33,459,242	2,439,218
Ely Conservation Camp	1,355,897	1,316,230	39,667
Ely State Prison	29,204,091	28,645,129	558,962
Endowment Fund Historical Preservation of NSP	62,672	-	62,672
Florence McClure Women's Correctional Center	17,138,576	17,013,907	124,669
High Desert State Prison	54,863,474	54,716,716	146,758
Humboldt Conservation Camp	1,518,497	1,479,021	39,476
Jean Conservation Camp	1,590,839	1,554,255	36,584
Lovelock Correctional Center	25,196,874	25,081,151	115,723
Nevada State Prison	65,323	61,105	4,218
No Nevada Correctional Center	29,448,158	29,331,261	116,897
No. Nevada Transitional Housing	1,505,241	1,494,226	11,015
Pioche Conservation Camp	1,883,677	1,840,713	42,964
Prison Medical Care	51,255,523	50,948,482	307,041
Silver Springs Conservation Camp	3,677	3,677	-
Stewart Conservation Camp	1,913,161	1,877,799	35,362
So Nevada Correctional Center	232,401	217,472	14,929
Southern Desert Correctional Center	26,161,352	25,751,725	409,627
Three Lakes Valley Conservation Camp	2,720,971	2,674,675	46,296
Tonopah Conservation Camp	1,416,456	1,329,729	86,727
Warm Springs Correctional Center	11,729,632	11,714,265	15,367
Wells Conservation Camp	1,367,061	1,324,093	42,968

Department of Public Safety

Child Volunteer Background Checks Trust	15,087	15,087	-
Cigarette Fire Safety Standard	159,520	25,790	133,730
Contingency Account for Haz Mat	1,143,312	343,281	800,031
Criminal History Repository	33,400,594	18,084,829	15,315,765
Dignitary Protection	1,067,050	1,043,127	23,923
Disaster Response and Recovery Account	21,970,367	3,742,666	18,227,701
Emergency Assistance Subaccount	333,953	81,609	252,344
Emergency Management Assistance Grant	19,396,135	12,837,765	6,558,370
Emergency Management Division	6,498,348	5,059,827	1,438,521
Federal Forfeiture	1,232,979	-	1,232,979
Fire Marshal	3,793,381	3,708,909	84,472
Forfeitures	2,286,971	1,895,498	391,473
Fund for Reentry Programs	5,000	-	5,000
Highway Safety Plan and Administration	5,986,541	3,647,258	2,339,283
Investigations	9,426,551	7,583,634	1,842,917
Justice Assistance Account	8,538,536	3,944,370	4,594,166
Justice Assistance Grant	4,063,192	2,302,284	1,760,908

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Justice Grant	531,687	418,871	112,816
K-9 Program	29,109	24,109	5,000
Motorcycle Safety Program	977,431	433,407	544,024
Office of Cyber Defense	478,083	414,104	63,979
Office of Homeland Security	465,383	451,361	14,022
Parole and Probation	63,481,653	58,473,494	5,008,159
Parole Board	3,033,802	2,862,584	171,218
RCCD Communications Bureau	6,667,948	6,042,165	625,783
Traffic Safety	12,433,387	6,230,362	6,203,025
Training Division	2,029,586	1,937,677	91,909
Department of Motor Vehicles			
Motor Vehicle Pollution Control	13,333,767	10,881,275	2,452,492
Peace Officers Standards and Training	2,787,512	2,146,406	641,106
	550,107,081	465,814,958	84,292,123
Infrastructure			
Department of Wildlife			
Conservation Education	3,009,322	2,894,983	114,339
Diversity	2,146,953	1,977,399	169,554
Fisheries Management	10,153,053	8,825,187	1,327,866
Game Management	11,167,665	9,999,445	1,168,220
Habitat	12,952,746	10,273,269	2,679,477
Law Enforcement	7,587,393	7,273,971	313,422
Wildlife Director's Office	4,221,690	4,182,174	39,516
Wildlife Fund	39,506,253	19,887,945	19,618,308
Wildlife Habitat Enhancements	5,055,388	1,118,187	3,937,201
Wildlife Heritage Account	10,896,457	1,053,836	9,842,621
Wildlife Operations	10,345,588	8,345,242	2,000,346
Department of Conservation and Natural Resources			
AB9/Q1 Bonds	6,013,726	1,954,562	4,059,164
Adjudication Emergency	16,000	-	16,000
Air Quality	9,150,536	7,284,612	1,865,924
Air Quality Management Account	7,487,012	3,105,457	4,381,555
Basin Account Region 1	512,555	365,561	146,994
Basin Account Region 2	1,367,505	764,169	603,336
Basin Account Region 3	1,581,052	354,536	1,226,516
Basin Account Region 4	424,812	114,824	309,988
Bureau of Water	7,877,997	3,469,724	4,408,273
Channel Clearance	520,926	267,400	253,526
Chemical Hazard Prevention	1,919,608	533,447	1,386,161
Comstock Historic District	195,990	195,225	765
Comstock Historical District Gifts	21,430	643	20,787
Conservation Districts	615,898	547,908	67,990
Cultural Resource Program	1,285,319	324,252	961,067
Dep Industrial Site Cleanup	5,903,107	2,450,421	3,452,686
Environmental Protection Administration	8,669,982	6,983,839	1,686,143
Environmental Quality Improvement	89,313	-	89,313
Flood Control Revenue Fund	250,000	-	250,000
Forest Fire Suppression/Emergency Response	21,091,006	17,049,740	4,041,266
Forestry	21,874,876	10,862,751	11,012,125
Forestry Conservation Camps	13,034,977	8,828,781	4,206,196
Groundwater Recharge Projects	207,159	36,234	170,925
Hazardous Waste - Beatty Site	13,037,564	-	13,037,564
Hazardous Waste Management	23,275,841	4,029,842	19,245,999
Historic Preservation and Archives	1,632,970	1,477,169	155,801
HP 2017/SB546 2018A Bond	1,020,288	56,503	963,785
Interim Fluid Management Trust	1,343,550	-	1,343,550
Las Vegas Basin Water District	5,920,068	1,785,507	4,134,561
Maintenance of State Parks	5,928,443	980,511	4,947,932
Materials Management and Corrective Actions	16,571,898	9,798,534	6,773,364
Mining Regulation/Reclamation	6,303,266	2,903,482	3,399,784
Natural Resources Administration	2,039,308	1,796,123	243,185
Nevada Natural Heritage	1,279,485	1,117,318	162,167
Nevada Tahoe Regional Planning Agency	1,319	492	827
NV State Parks/Cultural Resources Endowment	510,000	-	510,000
Off-highway Vehicle Commission	4,289,311	994,307	3,295,004
Parks Federal Grant Programs	8,682,765	4,806,863	3,875,902

(continued)

	Final Budget	Actual	Variance
Public Water System Fund	1,816,058	172,706	1,643,352
Q1 2017/SB546 2017C Bond	4,584,981	1,359,021	3,225,960
Reclamation Surety Account	50,361,018	49,807	50,311,211
Safe Drinking Water Regulatory Program	5,043,111	4,094,796	948,315
Sagebrush Ecosystem Account	1,981,203	65,470	1,915,733
State Engineer Revenue	255,708	118,510	137,198
State Environmental Commission	100,521	77,963	22,558
State Lands	1,906,685	1,657,777	248,908
State Lands Revolving Account	260,278	39,397	220,881
State Parks	28,105,177	19,837,240	8,267,937
State Parks Facility and Grounds Maintenance	14,791,537	1,081,459	13,710,078
State Parks Interpretive and Educational Program	1,587,958	849,074	738,884
Storage Tank Management	304,984	-	304,984
Tahoe Bond Sale	684,000	5,423	678,577
Tahoe License Plates	2,643,978	693,213	1,950,765
Tahoe Mitigation	2,360,402	53,617	2,306,785
Tahoe Regional Planning Agency	14,449,627	2,239,236	12,210,391
USGS Co-Op	720,155	471,908	248,247
Water District Revenue Fund	30,000	-	30,000
Water Planning - Capital Improvement	29,727	11,501	18,226
Water Quality Planning	4,992,769	2,883,324	2,109,445
Water Resources	8,383,940	7,175,802	1,208,138
Water Resources Cooperative Project	1,485,354	553,875	931,479
Water Resources Legal Cost	2,103,623	7,846	2,095,777
Water Right Surveyors	42,879	978	41,901
Water Studies	277,000	-	277,000
Well Driller's Licenses	78,472	13,722	64,750
Wildland Fire Protection Program	3,776,674	2,776,914	999,760
	472,147,189	217,362,954	254,784,235
Special purpose agencies			
Department of Veterans' Services			
Cemetery Gifts and Donations	113,285	92,345	20,940
Department of Veterans' Services	4,548,829	4,012,156	536,673
Fallen Soldier Gift Fund	103,085	83,764	19,321
General Veterans' Services - Fees	2,119,694	1,001,760	1,117,934
Gift Account for Veterans' Home - So Nevada	66,503	26,700	39,803
Nevada Will Remember Vets Gift Account	525	-	525
Northern Nevada Veterans	6,234,879	1,531,741	4,703,138
Sexual Trauma Gift Account	525	-	525
Veterans' Home Account	31,504,408	24,078,666	7,425,742
Veterans' Home Gift Fund	256,332	183,809	72,523
Veterans' Memorial Gift Account	7,020	-	7,020
Office of the Military			
Adjutant General Special Facilities Account	51,528	-	51,528
Military	24,441,924	22,556,792	1,885,132
Military Emergency Operations Center	525,061	306,426	218,635
Military State Active Duty	611,473	330,051	281,422
National Guard Benefits	57,824	43,741	14,083
Patriot Relief Account	157,533	81,468	76,065
Silver State Health Insurance Exchange Admin	28,511,522	17,956,927	10,554,595
Deferred Compensation Committee	479,104	351,201	127,903
Civil Air Patrol	64,765	33,911	30,854
Public Employees' Benefits Program			
Non-State Retirees' Rate Mitigation	1,757,641	1,757,641	-
	101,613,460	74,429,099	27,184,361

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All General Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Appropriated Transfers to Other Funds			
Attorney General Special Fund	674,629	674,629	-
Capital Project Funds	81,405,741	81,405,741	-
Enterprise Funds	200,000	200,000	-
Highway Fund	5,489,039	5,489,039	-
Internal Service Funds	10,446,092	10,446,092	-
Legislative Fund	53,874,741	53,874,741	-
Millennium Scholarship Fund	33,000,000	33,000,000	-
	<u>185,090,242</u>	<u>185,090,242</u>	<u>-</u>
Reversions to Other Funds			
Reversion to Enterprise Funds	-	512,272	(512,272)
Reversion to Internal Service Funds	-	60,904	(60,904)
Reversion to Special Revenue Funds	-	307,427	(307,427)
	<u>-</u>	<u>880,603</u>	<u>(880,603)</u>
Projected reversions	(50,000,000)	-	(50,000,000)
Total General Fund	<u>\$ 12,303,656,069</u>	<u>\$ 11,018,934,728</u>	<u>\$ 1,284,721,341</u>

1961 “Frank Sinatra” Ghia

One of 26 built

Sinatra purchased the first Ghia L 6.4 built, which is displayed here. Virgil Exner designed a series of Chrysler “dream cars” which Chrysler sold the rights of to Gene Casaroll of Dual Motors Corporation of Detroit. Dual-Ghia production began in 1956 and ceased in 1963 when Gene Casaroll died. The Dodge chassis were shipped to Torino, Italy, to be fitted with the convertible bodies and then shipped back to Detroit where the power train was installed.

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Images by: Zoe Coursey
djdrenzyme@gmail.com



Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
State Highway			
Infrastructure			
AB 595 Revenue Clark Co.	\$ 31,931,438	\$ 8,071,014	\$ 23,860,424
AB 595 Revenue Rental Car Tax	3,300	1,331	1,969
AB 595 Revenue Washoe Co.	4,694,878	4,621,836	73,042
Aviation Trust Fund	263,815	147,297	116,518
Bond Construction	112,666,094	112,463,572	202,522
NDOT - SB 5 RTC Public Road Project	25,256,023	5,513,591	19,742,432
NDOT Fuel Revenue Indexing Clark	14,527,831	18,871	14,508,960
System of Providing Information to the Traveling Public	614,637	175,445	439,192
Transportation Administration	855,126,125	798,098,265	57,027,860
Unbudgeted Activity	-	482,338	(482,338)
Public Safety			
Director's Office - Public Safety	3,340,273	3,127,815	212,458
Emergency Response Commission	3,345,958	1,108,329	2,237,629
Evidence Vault	658,097	650,266	7,831
Highway Patrol	77,673,625	71,516,935	6,156,690
One Shot Account	19,754,678	4,063,020	15,691,658
Professional Responsibility	792,667	748,339	44,328
PS Highway Safety Grants Account	4,579,969	2,634,348	1,945,621
Motor vehicles			
Admin Off Highway Vehicle Titling and Registration	1,409,056	1,253,112	155,944
Administrative Services	17,635,887	14,891,894	2,743,993
Assistance of Off Highway Vehicle Titling	26,825	-	26,825
Central Services	11,888,782	10,606,152	1,282,630
Compliance Enforcement	5,173,762	4,608,232	565,530
Director's Office	5,098,791	4,813,095	285,696
Field Services	60,468,065	51,092,410	9,375,655
Forfeitures	206	-	206
Hearings	1,255,208	1,203,053	52,155
License Plate Factory	8,474,253	4,658,109	3,816,144
Local Fuel Tax Indexing Fund	127,786	2,935	124,851
Management Services	1,538,787	1,475,541	63,246
Motor Carrier	4,807,824	4,343,242	464,582
Motor Vehicle Information Technology	12,266,439	9,734,042	2,532,397
Records Search	9,523,354	9,401,737	121,617
Salvage Titles Trust Account	485,743	170,189	315,554
Special Fuel Ind Reimb Clark	5,448,469	4,617,161	831,308
Special Plates Trust Account	3,925,173	734,706	3,190,467
STAR	26,710,393	2,003,833	24,706,560
Verification of Insurance	2,746,103	2,148,492	597,611
Transfers to Other Funds			
Appropriations to Other Funds	16,315,746	16,315,746	-
Debt Service	74,884,366	74,884,366	-
Reversions to Other Funds	-	67,407	(67,407)
Projected Reversions	(88,378,816)	-	(88,378,816)
	<u>1,337,061,610</u>	<u>1,232,468,066</u>	<u>104,593,544</u>
Municipal Bond Bank			
Transfers to Other Funds			
Debt Service	6,848,545	6,848,544	1
	<u>6,848,545</u>	<u>6,848,544</u>	<u>1</u>
Employment Security			
Human Services			
Employment Security Special Fund	11,999,703	2,274,019	9,725,684
Unemployment Insurance	30,674,249	27,531,295	3,142,954
Workforce Development	75,941,821	63,288,463	12,653,358
	<u>118,615,773</u>	<u>93,093,777</u>	<u>25,521,996</u>

(continued)

	Final Budget	Actual	Variance
Regulatory			
Commerce and Industry			
Real Estate Education and Research	1,087,671	569,405	518,266
Real Estate Recovery Account	941,524	640,989	300,535
Regulatory Fund	17,466,447	12,505,693	4,960,754
Administrative Fines	646,282	646,282	-
Taxicab Authority	11,813,549	5,427,723	6,385,826
Dairy Commission	1,909,820	1,075,191	834,629
	<u>33,865,293</u>	<u>20,865,283</u>	<u>13,000,010</u>
Higher Education Capital Construction			
Finance and Administration			
Higher Education Capital Construction	5,000,000	5,000,000	-
Higher Education Special Construction	10,006,692	10,006,692	-
	<u>15,006,692</u>	<u>15,006,692</u>	<u>-</u>
Cleaning Up Petroleum Discharges			
Infrastructure			
Petroleum Clean-Up Trust Fund	23,230,614	15,538,417	7,692,197
	<u>23,230,614</u>	<u>15,538,417</u>	<u>7,692,197</u>
Hospital Care to Indigent Persons			
Finance and Administration			
Indigent Hospital Care	66,566,991	36,460,188	30,106,803
	<u>66,566,991</u>	<u>36,460,188</u>	<u>30,106,803</u>
Tourism Promotion			
Commerce and Industry			
Division of Tourism	32,323,999	25,623,201	6,700,798
Tourism Development	217,795	99,748	118,047
	<u>32,541,794</u>	<u>25,722,949</u>	<u>6,818,845</u>
Offender's Store			
Public Safety			
Inmate Welfare Account	5,850,182	5,096,742	753,440
Offenders' Store Fund	37,604,115	17,692,592	19,911,523
	<u>43,454,297</u>	<u>22,789,334</u>	<u>20,664,963</u>
Tobacco Settlement			
Elected Officials			
Guinn Memorial Millennium Scholarship Fund	421,192	9,000	412,192
MSA Compliance Administration	840,463	676,067	164,396
Millennium Scholarship Fund	75,704,517	37,061,746	38,642,771
Millennium Scholarship Administration	398,644	359,576	39,068
Trust Fund for Healthy Nevada	60,344,232	21,027,870	39,316,362
Human Services			
Senior RX and Disability RX	2,808,902	1,654,235	1,154,667
Tobacco Settlement Program	5,943,500	5,751,726	191,774
	<u>146,461,450</u>	<u>66,540,220</u>	<u>79,921,230</u>
Attorney General Settlement			
Public Safety			
National Settlement Administration	22,042,735	5,492,623	16,550,112
	<u>22,042,735</u>	<u>5,492,623</u>	<u>16,550,112</u>
Gift			
Education			
Education Gift Fund	7,603,956	5,048,700	2,555,256
Library and Archives Gift Fund	495,575	35,666	459,909
Human Services			
Aging Services Gift Account	60,447	1,820	58,627

Schedule of Total Uses - Budget and Actual , Non-GAAP Budgetary Basis

All Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance
Blind Gift Fund	464,463	8,607	455,856
CBS Washoe Gift Fund	10,849	-	10,849
CYC Gift Fund	1,688	-	1,688
DRC Gift Fund	6,403	3,364	3,039
Henry Woods Christmas Fund	2,284	730	1,554
Hospital Gift Fund	250,418	2,818	247,600
Indian Commission Gift Account	51,799	3,049	48,750
NV Equal Rights Commission Gift Fund	3,737	2,364	1,373
Nevada Children's Gift Account	594,875	26,000	568,875
Public Health Gift Fund	20,327	10,432	9,895
Rehabilitation Gift Fund	17,222	1,160	16,062
Rural Services Gift Account	13,085	-	13,085
SNAMHS Gift Fund	29,608	-	29,608
SRC Gift Fund	11,242	-	11,242
Welfare Gift Fund	9,887	-	9,887
Youth Training Center Gift Fund	31,767	-	31,767
Infrastructure			
Park Gift and Grants	241,203	43,091	198,112
Wildlife Trust Account	1,650,460	984,941	665,519
	<u>11,571,295</u>	<u>6,172,742</u>	<u>5,398,553</u>
Natural Resources			
Infrastructure			
Erosion Control Bond Q12	92,550	15,240	77,310
Grants To Water Purveyors	1,040,879	138,180	902,699
Lake Tahoe 2016D Bonds	988,938	798,596	190,342
Protect Lake Tahoe	6,602,090	2,855,497	3,746,593
Tahoe 2017/SB546 2017B Bond	2,571,768	1,736,893	834,875
Tahoe 2017/SB546 2018B Bond	2,555,100	-	2,555,100
Water Grants 2017/SB546 2017B Bond	1,025,275	122,628	902,647
	<u>14,876,600</u>	<u>5,667,034</u>	<u>9,209,566</u>
Miscellaneous			
Elected Officials			
Consumer Advocate	5,646,371	3,823,804	1,822,567
Racketeering-Prosecution Account	125	-	125
Unfair Trade Practices	750,000	60,742	689,258
Commerce and Industry			
Lost City Museum Trust	144,776	105,598	39,178
LV Museum and Historical Society Trust	130,103	51,112	78,991
Museums Administrator Trust	46,158	29,195	16,963
Museums and History Board Trust	57,257	30,977	26,280
Nevada Historical Society Trust	2,115,942	97,255	2,018,687
Nevada State Museum Trust	1,316,573	929,434	387,139
Nevada Railroad Museum Trust	597,831	255,627	342,204
Human Services			
Low Level Radioactive Waste	1,391,217	5,580	1,385,637
Finance and Administration			
Victims of Crime	20,688,356	8,980,511	11,707,845
	<u>32,884,709</u>	<u>14,369,835</u>	<u>18,514,874</u>
Legislative (Non-GAAP Fund)			
Legislative Branch			
Audit Contingency Account	595,464	543,000	52,464
Legislative Counsel Bureau	65,451,157	52,316,110	13,135,047
Nevada Legislative Interim	736,063	702,337	33,726
	<u>66,782,684</u>	<u>53,561,447</u>	<u>13,221,237</u>
Total Special Revenue	<u>\$ 1,971,811,082</u>	<u>\$ 1,620,597,151</u>	<u>\$ 351,213,931</u>

1937 Cord 812 Supercharged

Speed Record Setter

In June 1937, the car displayed here was driven at Indianapolis and won the Stevens Trophy. It established a new Class C closed stock car speed record at a distance of 1909.9 miles in 24 hours at an average speed of 79.6 mph. In September 1937 this same car set a new land speed record at Bonneville Salt Flats near Wendover, Utah by driving 2,441.3 miles in 24 hours at an average speed of 101.72 mpg and the flying mile at 107.6 mpg.

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Images by: Zoe Coursey
djdrenzyme@gmail.com

Schedule of Sources - Budget and Actual, Non-GAAP Budgetary Basis

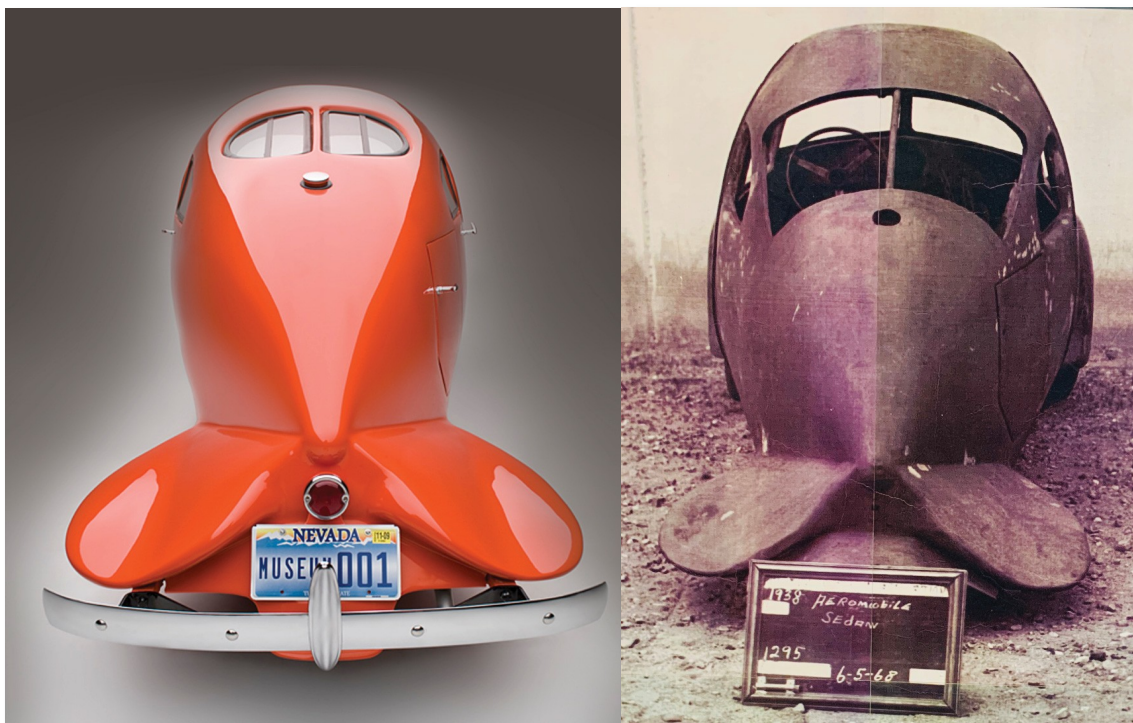
All Nonmajor Special Revenue Fund Budgets

For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance	Final Budget	Actual	Variance
	Employment Security			Regulatory		
Fund balances	\$ 22,852,114	\$ 22,852,114	\$ -	\$ 10,873,264	\$ 10,873,264	
Revenues:						
Other taxes	-	-	-	13,925,443	13,989,294	63,851
Intergovernmental	72,246,730	64,699,168	(7,547,562)	658,388	658,388	
Sales, charges for services	855,731	618,234	(237,497)	4,184,216	3,169,758	(1,014,458)
Licenses, fees and permits	229,071	420,296	191,225	2,561,430	2,268,418	(293,012)
Interest	238,145	583,018	344,873	30,633	157,488	126,855
Other	18,468,490	21,354,033	2,885,543	869,019	755,218	(113,801)
Other financing sources:						
Transfers	3,725,492	4,063,576	338,084	762,900	709,834	(53,066)
Total sources	\$ 118,615,773	\$ 114,590,439	\$ (4,025,334)	\$ 33,865,293	\$ 32,581,662	\$ (1,283,631)
	Higher Education Capital Construction			Cleaning Up Petroleum Discharges		
Fund balances	\$ -	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000	\$ -
Revenues:						
Gaming taxes, fees, licenses	13,365,192	13,365,192	-	-	-	-
Other taxes	-	-	-	14,941,913	14,941,913	-
Licenses, fees and permits	-	-	-	410,097	392,900	(17,197)
Interest	-	-	-	197,354	197,354	-
Other	-	-	-	181,250	6,250	(175,000)
Other financing sources:						
Total sources	\$ 13,365,192	\$ 13,365,192	\$ -	\$ 23,230,614	\$ 23,038,417	\$ (192,197)
	Hospital Care to Indigent Persons			Tourism Promotion		
Fund balances	\$ 23,558,289	\$ 23,558,289	\$ -	\$ 6,657,638	\$ 6,657,638	\$ -
Revenues:						
Other taxes	14,222,767	14,222,766	(1)	25,737,799	25,079,061	(658,738)
Intergovernmental	20,810,667	20,810,667	-	-	-	-
Licenses, fees and permits	-	-	-	36,580	42,150	5,570
Interest	398,684	398,684	-	3,783	3,782	(1)
Other	3,000	3,000	-	5,994	3,093	(2,901)
Other financing sources:						
Transfers	7,573,584	7,573,584	-	100,000	101,368	1,368
Total sources	\$ 66,566,991	\$ 66,566,990	\$ (1)	\$ 32,541,794	\$ 31,887,092	\$ (654,702)
	Offenders' Store			Tobacco Settlement		
Fund balances	\$ 13,156,466	\$ 13,156,466	\$ -	\$ 53,944,338	\$ 53,944,338	\$ -
Revenues:						
Sales, charges for services	24,639,693	24,663,415	23,722	-	-	-
Interest	309,177	448,070	138,893	306,776	972,125	665,349
Other	508,176	592,333	84,157	42,459,290	40,892,710	(1,566,580)
Other financing sources:						
Transfers	4,840,785	4,360,000	(480,785)	49,751,046	48,365,537	(1,385,509)
Total sources	\$ 43,454,297	\$ 43,220,284	\$ (234,013)	\$ 146,461,450	\$ 144,174,710	\$ (2,286,740)

(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
	Attorney General Settlement			Gift		
Fund balances	\$ 21,609,135	\$ 21,609,135	\$ -	\$ 2,670,639	\$ 2,670,639	\$ -
Revenues:						
Interest	433,541	429,887	(3,654)	77,271	85,748	8,477
Other	59	2,204	2,145	8,822,249	8,639,548	(182,701)
Other financing sources:						
Transfers	-	-	-	1,136	1,135	(1)
Total sources	\$ 22,042,735	\$ 22,041,226	\$ (1,509)	\$ 11,571,295	\$ 11,397,070	\$ (174,225)
	Natural Resources			Miscellaneous		
Fund balances	\$ 728,498	\$ 728,498	\$ -	\$ 14,188,190	\$ 14,188,190	\$ -
Revenues:						
Licenses, fees and permits	15,818	15,818	-	2,351,778	1,897,051	(454,727)
Interest	288,546	96,128	(192,418)	125,608	219,281	93,673
Other	2,000	-	(2,000)	3,680,919	3,295,189	(385,730)
Intergovernmental	-	-	-	1,170,124	1,127,856	(42,268)
Other financing sources:						
Proceeds from sale of bonds	2,505,000	2,500,000	(5,000)	-	-	-
Transfers	6,825,349	2,658,117	(4,167,232)	8,262,794	3,688,993	(4,573,801)
Total sources	\$ 10,365,211	\$ 5,998,561	\$ (4,366,650)	\$ 29,779,413	\$ 24,416,560	\$ (5,362,853)
	Legislative (Non-GAAP Fund)			Total Nonmajor Special Revenue Funds		
Fund balances	\$ 11,281,746	\$ 11,281,746	\$ -	\$ 189,020,317	\$ 189,020,317	\$ -
Revenues:						
Other taxes	-	-	-	71,206,983	70,612,094	(594,889)
Intergovernmental	-	-	-	94,885,909	87,296,079	(7,589,830)
Sales, charges for services	495,400	478,117	(17,283)	30,901,275	29,597,523	(1,303,752)
Licenses, fees and permits	246,000	245,932	(68)	5,850,774	5,282,565	(568,209)
Interest	-	-	-	2,409,518	3,591,565	1,182,047
Other	267,592	270,474	2,882	75,268,038	75,814,052	546,014
Other financing sources:						
Transfers	54,491,946	54,502,546	10,600	136,335,032	126,024,690	(10,310,342)
Total sources	\$ 66,782,684	\$ 66,778,815	\$ (3,869)	\$ 605,877,846	\$ 587,238,885	\$ (18,638,961)



1937 Airomobile

Only one built

Paul Lewis of Denver, Colorado, conceived the idea for the futuristic airomobile in the early 1930's. Construction was contracted to begin on the unusual three-wheeled vehicle prototype in 1936. It was ready April 1937 and was driven 45,000 miles. It proved itself a technological success by going up to 80 miles per hour and averaging 43.6 mpg. Unfortunately, even though this was a low-priced car of the future, it was the only one built.

automuseum.org



Images by: Suzanne Anderson
one-of-a-kind-stuff@hotmail.com

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, 2019

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Assets				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 56,464,984	\$ 5,432,027	\$ 12,724,067	\$ 1,069,499
Cash in custody of other officials	250	-	214,599	100
<i>Receivables:</i>				
Accounts receivable	2,443,931	300,954	109,247	3,236
Intergovernmental receivables	364,949	481,860	-	1,258
Due from other funds	1,149,514	26,731	-	135,162
Due from fiduciary funds	-	-	-	-
Due from component units	-	-	-	-
Inventory	-	-	-	54,841
Prepaid items	358,544	124,263	38,018	466
Total current assets	60,782,172	6,365,835	13,085,931	1,264,562
<i>Noncurrent assets:</i>				
Other assets	-	-	-	-
<i>Capital assets:</i>				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements other than buildings	-	-	-	-
Furniture and equipment	4,657,253	224,560	132,357	48,791
Less accumulated depreciation/amortization	(2,314,211)	(207,659)	(132,357)	(43,554)
Total noncurrent assets	2,343,042	16,901	-	5,237
Total assets	63,125,214	6,382,736	13,085,931	1,269,799
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Pension contributions	4,382,242	1,730,003	-	54,240
OPEB contributions	289,096	113,054	-	3,554
Total deferred outflows of resources	4,671,338	1,843,057	-	57,794
Liabilities				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	653,462	126,198	31,238	3,499
Accrued payroll and related liabilities	596,963	267,898	-	7,561
Interest payable	-	-	-	-
Intergovernmental payables	19,574	-	159	-
Due to other funds	111,514	41,180	1,454,933	41,625
Due to fiduciary funds	17	-	-	475
Due to component units	6,600	-	-	-
Unearned revenues	43,500	731,350	11,347,601	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Compensated absences	807,099	306,680	-	6,559
Bonds payable	-	-	-	-
Total current liabilities	2,238,729	1,473,306	12,833,931	59,719
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	-	144,690
Net pension obligation	24,890,692	9,947,393	-	308,134
Net OPEB liability	9,257,144	3,620,102	-	113,800
Compensated absences	254,323	67,971	-	522
Bonds payable	-	-	-	-
Total noncurrent liabilities	34,402,159	13,635,466	-	567,146
Total liabilities	36,640,888	15,108,772	12,833,931	626,865
Deferred Inflows of Resources				
Pension related amounts	1,805,233	721,449	-	22,348
OPEB related amounts	620,711	242,736	-	7,631
Total deferred inflows of resources	2,425,944	964,185	-	29,979
Net Position				
Net investment in capital assets	2,343,042	16,901	-	5,237
<i>Restricted for:</i>				
Workers' compensation	26,386,678	-	-	-
Regulation of business	-	-	2,000	-
Unrestricted (deficit)	-	(7,864,065)	250,000	665,512
Total net position	\$ 28,729,720	\$ (7,847,164)	\$ 252,000	\$ 670,749

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 4,418,781	\$ 113,899	\$ 95,236	\$ 80,318,493
100	-	-	215,049
523,730	100,854	-	3,481,952
-	-	234,781	1,082,848
173,458	37,180	206,125	1,728,170
6,158	-	-	6,158
1,760	-	-	1,760
1,461,545	38,438	-	1,554,824
2,330	932	349	524,902
6,587,862	291,303	536,491	88,914,156
5,000	-	-	5,000
153,140	-	414,672	567,812
908,227	-	498,613	1,406,840
1,982,000	-	3,656,507	5,638,507
1,191,969	-	9,649,503	15,904,433
(3,763,204)	-	(3,642,122)	(10,103,107)
477,132	-	10,577,173	13,419,485
7,064,994	291,303	11,113,664	102,333,641
-	-	201,677	201,677
432,903	166,275	66,254	6,831,917
27,537	10,967	4,233	448,441
460,440	177,242	272,164	7,482,035
245,975	31,744	78,698	1,170,814
59,544	22,380	19,202	973,548
-	-	61,878	61,878
68	-	-	19,801
31,940	4,151	524	1,685,867
61,712	-	-	62,204
-	-	-	6,600
62,272	136,609	-	12,321,332
9,400	-	2,050	11,450
126,429	25,034	35,733	1,307,534
-	-	353,457	353,457
597,340	219,918	551,542	17,974,485
-	-	-	144,690
2,332,694	946,383	379,156	38,804,452
881,774	351,161	135,547	14,359,528
95,140	4,161	12,013	434,130
-	-	7,409,442	7,409,442
3,309,608	1,301,705	7,936,158	61,152,242
3,906,948	1,521,623	8,487,700	79,126,727
169,183	68,638	27,499	2,814,350
59,125	23,546	9,089	962,838
228,308	92,184	36,588	3,777,188
472,132	-	2,814,274	5,651,586
-	-	-	26,386,678
-	-	-	2,000
2,918,046	(1,145,262)	47,266	(5,128,503)
\$ 3,390,178	\$ (1,145,262)	\$ 2,861,540	\$ 26,911,761

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2019

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Operating Revenues				
Sales	\$ -	\$ -	\$ -	\$ 467,784
Assessments	-	422,044	-	-
Charges for services	6,456	-	12,542,425	-
Rental income	-	-	-	-
Licenses, fees and permits	38,134,870	9,449,888	-	-
Fines	2,572,760	14,478	-	-
Other	458,611	1,077	-	149,273
Total operating revenues	41,172,697	9,887,487	12,542,425	617,057
Operating Expenses				
Salaries and benefits	16,527,147	6,790,849	10,846,894	226,057
Operating	5,579,753	3,722,165	1,000,006	92,366
Claims and benefits expense	3,149,929	-	-	-
Materials or supplies used	-	-	-	243,401
Depreciation	352,313	4,066	-	283
Total operating expenses	25,609,142	10,517,080	11,846,900	562,107
Operating income (loss)	15,563,555	(629,593)	695,525	54,950
Nonoperating Revenues (Expenses)				
Interest and investment income	1,857,801	117,811	-	-
Interest expense	-	-	-	-
Federal grant revenue	2,803,480	792,636	-	-
Total nonoperating revenues (expenses)	4,661,281	910,447	-	-
Income (loss) before transfers	20,224,836	280,854	695,525	54,950
Transfers				
Transfers in	-	12,301	-	86,725
Transfers out	(11,445,850)	(967,088)	(695,525)	-
Change in net position	8,778,986	(673,933)	-	141,675
Net position, July 1	19,950,734	(7,173,231)	252,000	529,074
Net position, June 30	\$ 28,729,720	\$ (7,847,164)	\$ 252,000	\$ 670,749

(continued)

<u>Prison Industry</u>	<u>Nevada Magazine</u>	<u>Marlette Lake Water System</u>	<u>Total</u>
\$ 4,575,934	\$ 972,810	\$ 915,366	\$ 6,931,894
-	-	-	422,044
692,693	88,250	-	13,329,824
135,900	-	-	135,900
-	-	-	47,584,758
-	-	-	2,587,238
1,685,956	11,413	145,188	2,451,518
<u>7,090,483</u>	<u>1,072,473</u>	<u>1,060,554</u>	<u>73,443,176</u>
1,815,725	641,811	298,429	37,146,912
2,707,961	156,322	263,789	13,522,362
-	-	-	3,149,929
2,001,952	163,034	-	2,408,387
79,488	-	380,330	816,480
<u>6,605,126</u>	<u>961,167</u>	<u>942,548</u>	<u>57,044,070</u>
<u>485,357</u>	<u>111,306</u>	<u>118,006</u>	<u>16,399,106</u>
146,604	-	-	2,122,216
-	-	(276,025)	(276,025)
-	-	-	3,596,116
<u>146,604</u>	<u>-</u>	<u>(276,025)</u>	<u>5,442,307</u>
631,961	111,306	(158,019)	21,841,413
-	-	203,875	302,901
<u>(91,540)</u>	<u>-</u>	<u>-</u>	<u>(13,200,003)</u>
540,421	111,306	45,856	8,944,311
2,849,757	(1,256,568)	2,815,684	17,967,450
<u>\$ 3,390,178</u>	<u>\$ (1,145,262)</u>	<u>\$ 2,861,540</u>	<u>\$ 26,911,761</u>

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2019

	Workers' Compensation and Safety	Insurance Admin and Enforcement	Gaming Investigative	Forestry Nurseries
Cash flows from operating activities				
Receipts from customers and users	\$ 41,683,128	\$ 12,675,402	\$ 14,869,873	\$ 339,110
Receipts for interfund services provided	116,391	(442,501)	-	299,530
Payments to suppliers, other governments and beneficiaries	(5,119,329)	(2,561,349)	(987,219)	(256,435)
Payments to employees	(17,353,920)	(6,792,465)	(10,845,758)	(218,784)
Payments for interfund services	(3,879,555)	(1,238,913)	(27,471)	(31,109)
Payments to component units	(53,218)	-	-	-
Net cash provided by (used for) operating activities	15,393,497	1,640,174	3,009,425	132,312
Cash flows from noncapital financing activities				
Grant receipts	2,823,265	346,347	-	-
Transfers and advances from other funds	-	12,301	-	-
Transfers and advances to other funds	(11,298,187)	(948,399)	(881,186)	(20,670)
Net cash provided by (used for) noncapital financing activities	(8,474,922)	(589,751)	(881,186)	(20,670)
Cash flows from capital and related financing activities				
Purchase of capital assets	(220,704)	(9,059)	-	(5,520)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(220,704)	(9,059)	-	(5,520)
Cash flows from investing activities				
Interest, dividends and gains (losses)	1,670,005	113,079	-	-
Net cash provided by (used for) investing activities	1,670,005	113,079	-	-
Net cash increase (decreases) in cash	8,367,876	1,154,443	2,128,239	106,122
Cash and cash equivalents, July 1	48,097,358	4,277,584	10,810,427	963,477
Cash and cash equivalents, June 30	\$ 56,465,234	\$ 5,432,027	\$ 12,938,666	\$ 1,069,599
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 15,563,555	\$ (629,593)	\$ 695,525	\$ 54,950
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	352,313	4,066	-	283
Decrease (increase) in accrued interest and receivables	583,322	1,640,314	(704)	21,583
Decrease (increase) in inventory, deferred charges, other assets	(155,587)	(30,163)	1,136	49,090
Decrease (increase) in deferred outflow of resources	(209,451)	(95,811)	-	(4,259)
Increase (decrease) in accounts payable, accruals, other liabilities	(192,432)	(11,737)	(14,684)	(565)
Increase (decrease) in unearned revenues	43,500	705,100	2,328,152	-
Increase(decrease) in net pension liability	(427,474)	200,472	-	11,706
Increase(decrease) in net OPEB liability	(83,675)	(131,991)	-	(783)
Increase (decrease) in deferred inflows of resources	(80,574)	(10,483)	-	307
Total adjustments	(170,058)	2,269,767	2,313,900	77,362
Net cash provided by (used for) operating activities	\$ 15,393,497	\$ 1,640,174	\$ 3,009,425	\$ 132,312

(continued)

Prison Industry	Nevada Magazine	Marlette Lake Water System	Total
\$ 5,250,949	\$ 689,304	\$ 895,225	\$ 76,402,991
1,500,688	314,630	19,663	1,808,401
(3,039,869)	(246,167)	(111,527)	(12,321,895)
(1,783,105)	(649,894)	(285,834)	(37,929,760)
(1,816,352)	(77,451)	(75,370)	(7,146,221)
(30,188)	-	(3,749)	(87,155)
82,123	30,422	438,408	20,726,361
40,654	-	-	3,210,266
-	-	337	12,638
(109,113)	-	-	(13,257,555)
(68,459)	-	337	(10,034,651)
(7,900)	-	-	(243,183)
-	-	(277,000)	(277,000)
-	-	(316,233)	(316,233)
(7,900)	-	(593,233)	(836,416)
137,738	-	-	1,920,822
137,738	-	-	1,920,822
143,502	30,422	(154,488)	11,776,116
4,275,379	83,477	249,724	68,757,426
\$ 4,418,881	\$ 113,899	\$ 95,236	\$ 80,533,542
\$ 485,357	\$ 111,306	\$ 118,006	\$ 16,399,106
79,488	-	380,330	816,480
(267,969)	(58,271)	(145,666)	1,772,609
(145,832)	(2,547)	(349)	(284,252)
(46,061)	(9,337)	(3,205)	(368,124)
11,025	3,392	94,170	(110,831)
(80,877)	(10,268)	-	2,985,607
(20,446)	1,302	(556)	(234,996)
68,667	(3,408)	(3,389)	(154,579)
(1,229)	(1,747)	(933)	(94,659)
(403,234)	(80,884)	320,402	4,327,255
\$ 82,123	\$ 30,422	\$ 438,408	\$ 20,726,361

1910 Oldsmobile Limited

Over 800 examples of the Limited were produced from 1910 to 1912.

Meant to compete with companies such as Packard, Peerless and Pierce-Arrow, the Oldsmobile Limited was prestigious luxury cruiser. It was built only two years after GM purchased Oldsmobile and represented both company's top product. Due to slow production required with the design, the model was named after its limited availability.

automuseum.org



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, 2019

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Assets				
<i>Current assets:</i>				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 155,908,618	\$ 4,442,464	\$ 328,429	\$ 207,711
<i>Receivables:</i>				
Accounts receivable	6,106,065	2,089	3,489	13,615
Intergovernmental receivables	2,419,215	1,395	3,205	66,638
Notes/loans receivable	-	-	-	-
Due from other funds	1,658,242	146,987	10,760,083	490,694
Due from fiduciary funds	3,572,579	-	-	40
Due from component units	19,210	-	6,799	26
Inventory	-	-	-	-
Prepaid items	3,611	7,222	1,631	2,097
Total current assets	169,687,540	4,600,157	11,103,636	780,821
<i>Noncurrent assets:</i>				
<i>Receivables:</i>				
Notes/loans receivable	-	-	-	-
<i>Other assets</i>	-	-	-	-
<i>Capital assets:</i>				
Land	-	20,400	901,783	-
Buildings	-	2,268,068	2,476,962	-
Improvements other than buildings	-	291,216	-	422,451
Furniture and equipment	466,100	1,055,170	24,591,955	1,143,912
Software costs	-	-	-	-
Less accumulated depreciation/amortization	(411,151)	(2,772,029)	(19,924,551)	(1,312,172)
Total noncurrent assets	54,949	862,825	8,046,149	254,191
Total assets	169,742,489	5,462,982	19,149,785	1,035,012
Deferred Outflows of Resources				
Pension contributions	641,824	1,396,223	261,639	265,198
OPEB contributions	44,268	86,964	17,222	17,666
Total deferred outflows of resources	686,092	1,483,187	278,861	282,864
Liabilities				
<i>Current liabilities:</i>				
<i>Accounts payable and accruals:</i>				
Accounts payable	4,274,803	526,772	120,046	14,566
Accrued payroll and related liabilities	87,285	186,517	32,627	37,210
Intergovernmental payables	-	56,172	1,642	-
Bank overdraft	3,829,541	-	-	-
Due to other funds	25,334	38,123	192,112	5,940
Due to fiduciary funds	-	5,813	1,719	-
Due to component units	-	12	-	-
Unearned revenues	3,662,898	-	-	-
Other liabilities	-	-	-	-
<i>Short-term portion of long-term liabilities:</i>				
Reserve for losses	94,881,428	-	-	-
Compensated absences	163,215	310,279	53,216	60,950
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	1,074,233	-
Total current liabilities	106,924,504	1,123,688	1,475,595	118,666
<i>Noncurrent liabilities:</i>				
Advances from other funds	-	-	1,687,500	-
Reserve for losses	-	-	-	-
Net pension obligation	3,547,239	7,937,251	1,494,950	1,505,269
Net OPEB liability	1,417,507	2,784,683	551,479	565,668
Compensated absences	54,490	114,115	41,428	39,085
Bonds payable	-	-	-	-
Obligations under capital leases	-	-	1,394,995	-
Total noncurrent liabilities	5,019,236	10,836,049	5,170,352	2,110,022
Total liabilities	111,943,740	11,959,737	6,645,947	2,228,688
Deferred Inflows of Resources				
Pension related amounts	257,269	575,662	108,422	109,171
OPEB related amounts	95,047	186,719	36,978	37,929
Total deferred inflows of resources	352,316	762,381	145,400	147,100
Net Position				
Net investment in capital assets	54,949	862,825	5,576,921	254,191
Unrestricted (deficit)	58,077,576	(6,638,774)	7,060,378	(1,312,103)
Total net position	\$ 58,132,525	\$ (5,775,949)	\$ 12,637,299	\$ (1,057,912)

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 19,848,035	\$ 749,280	\$ 1,971,027	\$ 965,690	\$ 7,634,629	\$ 2,111,745	\$ 194,167,628
4,237	-	4,648	540,755	7,156	-	6,682,054
-	-	-	-	152,211	-	2,642,664
5,000	-	-	-	-	-	5,000
759,291	-	666,622	4,572	2,730,256	210,723	17,427,470
-	-	-	-	-	-	3,572,619
635	-	2,722	-	1,708	-	31,100
-	-	-	-	-	259,444	259,444
201,260	3,145	6,756	2,898	41,558	2,067	272,245
20,818,458	752,425	2,651,775	1,513,915	10,567,518	2,583,979	225,060,224
60,000	-	-	-	-	-	60,000
-	-	-	-	3,761	-	3,761
-	-	-	95,554	15,000	-	1,032,737
-	-	-	140,000	14,762,838	744,617	20,392,485
-	-	-	-	-	3,125,954	3,839,621
14,442	6,300	201,252	86,146	22,376,849	3,906,254	53,848,380
-	-	16,134,510	-	-	-	16,134,510
(13,614)	(6,300)	(15,642,341)	(226,146)	(21,292,807)	(5,315,894)	(66,917,005)
60,828	-	693,421	95,554	15,865,641	2,460,931	28,394,489
20,879,286	752,425	3,345,196	1,609,469	26,433,159	5,044,910	253,454,713
196,494	593,101	1,341,987	496,389	4,480,298	357,645	10,030,798
12,534	39,667	85,701	34,850	302,268	26,332	667,472
209,028	632,768	1,427,688	531,239	4,782,566	383,977	10,698,270
916,603	12,901	36,057	171,558	188,636	144,264	6,406,206
27,855	80,720	178,735	65,069	655,426	49,606	1,401,050
-	-	-	48	14,508	-	72,370
-	-	-	-	-	-	3,829,541
54,372	3,282	107,678	22,842	2,063,845	16,471	2,529,999
-	-	-	-	-	7,346	14,878
12,886	-	700	-	-	-	13,598
-	-	-	(1,360)	-	-	3,661,538
337	-	-	-	-	-	337
17,567,643	-	-	-	-	-	112,449,071
53,343	132,094	300,399	122,021	1,090,349	103,857	2,389,723
-	-	-	-	513,323	-	513,323
-	-	-	-	-	-	1,074,233
18,633,039	228,997	623,569	380,178	4,526,087	321,544	134,355,867
-	-	-	-	6,764,458	-	8,451,958
43,770,310	-	-	-	-	-	43,770,310
1,147,510	3,357,509	7,871,865	2,718,026	25,034,325	1,324,985	55,938,929
401,343	1,270,175	2,744,223	1,115,946	9,678,937	863,265	21,393,226
25,101	22,746	170,482	53,953	541,100	57,917	1,120,417
-	-	-	-	2,682,957	-	2,682,957
-	-	-	-	-	-	1,394,995
45,344,264	4,650,430	10,786,570	3,887,925	44,701,777	2,246,167	134,752,792
63,977,303	4,879,427	11,410,139	4,268,103	49,227,864	2,567,711	269,108,659
83,224	243,510	570,918	197,129	1,815,650	259,763	4,220,718
26,911	85,168	184,006	74,827	648,994	57,310	1,433,889
110,135	328,678	754,924	271,956	2,464,644	317,073	5,654,607
828	-	693,421	95,554	12,712,576	2,460,931	22,712,196
(42,999,952)	(3,822,912)	(8,085,600)	(2,494,905)	(33,189,359)	83,172	(33,322,479)
\$ (42,999,124)	\$ (3,822,912)	\$ (7,392,179)	\$ (2,399,351)	\$ (20,476,783)	\$ 2,544,103	\$ (10,610,283)

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2019

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Operating Revenues				
Net premium income	\$ 357,432,206	\$ -	\$ -	\$ -
Sales	-	-	2,080	-
Charges for services	-	1,280,584	72,489	6,547,793
Rental income	-	15,430,097	4,598,162	-
Other	1,902	64,911	-	-
Total operating revenues	357,434,108	16,775,592	4,672,731	6,547,793
Operating Expenses				
Salaries and benefits	2,910,928	5,188,258	1,129,511	1,039,821
Operating	3,398,726	10,600,477	2,988,776	5,458,545
Claims and benefits expense	314,546,591	-	-	-
Materials or supplies used	-	-	177,084	-
Depreciation	42,013	146,849	3,563,235	31,204
Insurance premiums	59,318,572	-	-	-
Total operating expenses	380,216,830	15,935,584	7,858,606	6,529,570
Operating income (loss)	(22,782,722)	840,008	(3,185,875)	18,223
Nonoperating Revenues (Expenses)				
Interest and investment income	4,726,745	-	-	-
Interest expense	-	-	(101,403)	-
Gain (loss) on disposal of assets	-	-	45,486	-
Total nonoperating revenues (expenses)	4,726,745	-	(55,917)	-
Income (loss) before transfers	(18,055,977)	840,008	(3,241,792)	18,223
Transfers				
Transfers in	-	86,770	10,351,005	-
Transfers out	-	(11,591)	-	-
Change in net position	(18,055,977)	915,187	7,109,213	18,223
Net position, July 1	76,188,502	(6,691,136)	5,528,086	(1,076,135)
Net position, June 30	\$ 58,132,525	\$ (5,775,949)	\$ 12,637,299	\$ (1,057,912)

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 24,755,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,188,053
-	-	-	-	-	2,372,308	2,374,388
-	2,955,737	8,667,788	4,113,965	33,445,431	-	57,083,787
-	-	-	-	-	-	20,028,259
138,339	-	32,240	157,500	59,718	13,995	468,605
<u>24,894,186</u>	<u>2,955,737</u>	<u>8,700,028</u>	<u>4,271,465</u>	<u>33,505,149</u>	<u>2,386,303</u>	<u>462,143,092</u>
625,512	2,492,942	4,740,380	2,202,085	20,030,654	1,478,520	41,838,611
1,938,823	500,037	2,942,747	2,091,092	16,219,596	903,554	47,042,373
13,948,679	-	-	-	-	-	328,495,270
-	-	-	-	-	-	177,084
800	-	86,591	-	3,422,170	139,356	7,432,218
6,379,108	-	-	-	-	-	65,697,680
<u>22,892,922</u>	<u>2,992,979</u>	<u>7,769,718</u>	<u>4,293,177</u>	<u>39,672,420</u>	<u>2,521,430</u>	<u>490,683,236</u>
<u>2,001,264</u>	<u>(37,242)</u>	<u>930,310</u>	<u>(21,712)</u>	<u>(6,167,271)</u>	<u>(135,127)</u>	<u>(28,540,144)</u>
-	-	-	-	-	-	4,726,745
-	-	-	-	-	-	(101,403)
-	-	-	-	(302,832)	-	(257,346)
-	-	-	-	(302,832)	-	4,367,996
<u>2,001,264</u>	<u>(37,242)</u>	<u>930,310</u>	<u>(21,712)</u>	<u>(6,470,103)</u>	<u>(135,127)</u>	<u>(24,172,148)</u>
-	95,087	-	-	537,509	159,402	11,229,773
(50,000)	(51,144)	-	-	(5,153)	-	(117,888)
1,951,264	6,701	930,310	(21,712)	(5,937,747)	24,275	(13,060,263)
(44,950,388)	(3,829,613)	(8,322,489)	(2,377,639)	(14,539,036)	2,519,828	2,449,980
<u>\$ (42,999,124)</u>	<u>\$ (3,822,912)</u>	<u>\$ (7,392,179)</u>	<u>\$ (2,399,351)</u>	<u>\$ (20,476,783)</u>	<u>\$ 2,544,103</u>	<u>\$ (10,610,283)</u>

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2019

	Self-Insurance	Buildings and Grounds	Fleet Services	Communications
Cash flows from operating activities				
Receipts from customers and users	\$ 29,479,371	\$ 150,691	\$ 28,353	\$ 317,396
Receipts for interfund services provided	322,062,620	16,909,757	4,623,240	6,214,383
Receipts from component units	13,588,561	-	53,671	2,009
Receipts of principal on loans/notes	-	-	-	-
Payments to suppliers, other governments and beneficiaries	(349,434,017)	(8,628,292)	(2,139,885)	(5,155,940)
Payments to employees	(2,718,441)	(5,647,375)	(1,067,740)	(1,130,729)
Payments for interfund services	(1,298,678)	(2,394,002)	(1,083,263)	(324,424)
Payments to component units	-	(340)	-	-
Net cash provided by (used for) operating activities	11,679,416	390,439	414,376	(77,305)
Cash flows from noncapital financing activities				
Transfers and advances from other funds	-	6,491	-	-
Transfers and advances to other funds	-	(29,492)	-	-
Net cash provided by (used for) noncapital financing activities	-	(23,001)	-	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	-	97,281	-
Purchase of capital assets	-	(173,949)	-	-
Principal paid on capital debt	-	-	(1,165,057)	-
Interest paid on capital debt	-	-	(101,403)	-
Net cash provided by (used for) capital and related financing activities	-	(173,949)	(1,169,179)	-
Cash flows from investing activities				
Interest, dividends and gains (losses)	4,199,606	-	-	-
Net cash provided by (used for) investing activities	4,199,606	-	-	-
Net increase (decreases) in cash	15,879,022	193,489	(754,803)	(77,305)
Cash and cash equivalents, July 1	140,029,596	4,248,975	1,083,232	285,016
Cash and cash equivalents, June 30	\$ 155,908,618	\$ 4,442,464	\$ 328,429	\$ 207,711
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ (22,782,722)	\$ 840,008	\$ (3,185,875)	\$ 18,223
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	42,013	146,849	3,563,235	31,204
Decrease (increase) in loans and notes receivable	-	-	-	-
Decrease (increase) in accrued interest and receivables	3,461,271	280,444	32,533	(14,004)
Decrease (increase) in inventory, deferred charges, other assets	(3,611)	(7,222)	(1,631)	(2,097)
Decrease (increase) in deferred outflow of resources	(74,158)	(49,317)	(21,693)	(7,683)
Increase (decrease) in accounts payable, accruals, other liabilities	27,146,263	(389,774)	(49,026)	(10,393)
Increase (decrease) in unearned revenues	3,613,982	-	-	-
Increase(decrease) in net pension liability	185,322	(272,310)	84,920	(78,452)
Increase(decrease) in net OPEB liability	77,760	(115,850)	(11,247)	(5,247)
Increase (decrease) in deferred inflows of resources	13,296	(42,389)	3,160	(8,856)
Total adjustments	34,462,138	(449,569)	3,600,251	(95,528)
Net cash provided by (used for) operating activities	\$ 11,679,416	\$ 390,439	\$ 414,376	\$ (77,305)

(continued)

Insurance Premiums	Administrative Services	Personnel	Purchasing	Information Services	Printing	Total
\$ 240,623	\$ -	\$ 3,641	\$ 1,584,370	\$ 850,314	\$ 244,965	\$ 32,899,724
23,991,081	2,955,737	7,583,983	2,518,269	34,730,254	2,984,143	424,573,467
531,522	-	686,682	-	-	-	14,862,445
5,000	-	-	-	-	-	5,000
(10,730,767)	(94,186)	(675,117)	(1,509,837)	(17,357,603)	(786,689)	(396,512,333)
(752,349)	(2,481,723)	(5,284,094)	(2,096,855)	(18,329,919)	(1,468,179)	(40,977,404)
(11,179,928)	(415,881)	(2,282,804)	(551,722)	(150)	(93,473)	(19,624,325)
(74,569)	-	(17,418)	-	(87,705)	-	(180,032)
2,030,613	(36,053)	14,873	(55,775)	(194,809)	880,767	15,046,542
-	97,195	-	-	3,010,557	159,402	3,273,645
(50,000)	(51,144)	-	-	(263,317)	-	(393,953)
(50,000)	46,051	-	-	2,747,240	159,402	2,879,692
-	-	-	-	-	-	97,281
-	-	-	-	(2,250,520)	(193,540)	(2,618,009)
-	-	-	-	(513,323)	-	(1,678,380)
-	-	-	-	-	-	(101,403)
-	-	-	-	(2,763,843)	(193,540)	(4,300,511)
-	-	-	-	-	-	4,199,606
-	-	-	-	-	-	4,199,606
1,980,613	9,998	14,873	(55,775)	(211,412)	846,629	17,825,329
17,867,422	739,282	1,956,154	1,021,465	7,846,041	1,265,116	176,342,299
\$ 19,848,035	\$ 749,280	\$ 1,971,027	\$ 965,690	\$ 7,634,629	\$ 2,111,745	\$ 194,167,628
\$ 2,001,264	\$ (37,242)	\$ 930,310	\$ (21,712)	\$ (6,167,271)	\$ (135,127)	\$ (28,540,144)
800	-	86,591	-	3,422,170	139,356	7,432,218
5,000	-	-	-	-	-	5,000
(130,960)	-	(425,722)	(167,466)	2,075,449	842,805	5,954,350
(40,141)	(3,145)	(1,756)	(2,898)	339,027	(34,688)	241,838
4,323	(41,905)	(7,966)	(53,051)	(503,448)	29,013	(725,885)
328,721	(9,386)	(76,080)	51,759	(1,457,984)	97,580	25,631,680
-	-	-	(1,360)	-	-	3,612,622
(97,482)	57,560	(217,459)	48,452	1,685,574	(155,393)	1,240,732
(29,561)	(597)	(227,888)	85,659	305,809	(5,865)	72,973
(11,351)	(1,338)	(45,157)	4,842	105,865	103,086	121,158
29,349	1,189	(915,437)	(34,063)	5,972,462	1,015,894	43,586,686
2,030,613	(36,053)	14,873	(55,775)	(194,809)	880,767	15,046,542

1936 Cord

Front-wheel drive with “coffin nose”

The 810 “Coffin Nose” Cord (1936) styled by Gordon M. Buehrig, featured front-wheel drive, independent front suspension; four-speed, electrically-selected, semi-automatic transmission (‘servo’ shifting via a Bendix electro-vacuum pre-selector mechanism), hidden headlamps (mounted in the mudguards), and a distinctive bonnet with a louvered grille which invoked the name by which it is commonly known, “coffin nose.” It was considered the best-looking car at the 1935 New York Automobile Show.

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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, district judges, municipal court judges, and justices of the peace (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) (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, 2019

	Pension Trust Funds			Other Employee	
	Public	Legislators'	Judicial	Benefit Trust	
	Employees'	Retirement	Retirement	Fund - State	
	Retirement	Retirement	Retirement	Retirees' Fund	Total
Assets					
Cash and pooled investments:					
Cash with treasurer	\$ -	\$ -	\$ -	\$ 480,301	\$ 480,301
Cash in custody of other officials	164,703,626	69,022	211,906	-	164,984,554
Investments:					
Investments	-	-	-	1,728,842	1,728,842
Fixed income securities	11,086,165,411	1,277,551	35,719,726	-	11,123,162,688
Marketable equity securities	19,486,990,092	3,375,616	94,427,436	-	19,584,793,144
International securities	8,847,721,742	94,756	2,752,999	-	8,850,569,497
Real estate	2,018,660,096	-	-	-	2,018,660,096
Alternative investments	2,376,261,251	-	-	-	2,376,261,251
Collateral on loaned securities	253,210,571	-	-	-	253,210,571
Receivables:					
Accounts receivable	-	-	-	-	-
Intergovernmental receivables	133,429,003	-	61,913	15,103	133,506,019
Accrued interest and dividends	166,986,553	13,116	361,828	-	167,361,497
Other receivables	-	-	3,835	-	3,835
Trades pending settlement	309,517,700	50,836	4,246,988	-	313,815,524
Contributions receivables	-	-	-	-	-
Due from other funds	-	-	-	159,406	159,406
Due from fiduciary funds	24,137,596	-	245,991	8,348	24,391,935
Due from component units	-	-	-	1,411,976	1,411,976
Other assets	3,532,311	-	-	-	3,532,311
Furniture and equipment	45,584,887	-	-	-	45,584,887
Less accumulated depreciation/amortization	(41,682,216)	-	-	-	(41,682,216)
Total assets	44,875,218,623	4,880,897	138,032,622	3,803,976	45,021,936,118
Liabilities					
Accounts payable and accruals:					
Accounts payable	16,981,060	1,798	43,447	-	17,026,305
Intergovernmental payables	-	-	-	-	-
Trades pending settlement	320,766,021	53,270	4,331,109	-	325,150,400
Redemptions payable	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Obligations under securities lending	253,210,571	-	-	-	253,210,571
Due to other funds	40	-	-	3,572,579	3,572,619
Due to fiduciary funds	8,348	-	-	-	8,348
Other liabilities	-	122,659	-	-	122,659
Total liabilities	590,966,040	177,727	4,374,556	3,572,579	599,090,902
Net Position					
Restricted for:					
Pension benefits	44,284,252,583	4,703,170	133,658,066	-	44,422,613,819
OPEB benefits	-	-	-	231,397	231,397
Pool participants	-	-	-	-	-
Individuals	-	-	-	-	-
Total net position	\$ 44,284,252,583	\$ 4,703,170	\$ 133,658,066	\$ 231,397	\$ 44,422,845,216

(continued)

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
\$ -	\$ -	\$ -	\$ -	10,649,387	\$ -	10,649,387
-	-	7,165,010	7,165,010	-	21,650,245	21,650,245
1,255,459,072	120,778,352	528,283,838	1,904,521,262	-	26,680,453,066	26,680,453,066
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	258,176	-	258,176
-	-	-	-	66,308	-	66,308
4,533,038	362,422	21,355,376	26,250,836	-	2,675,926	2,675,926
-	-	-	-	-	-	-
-	-	-	-	-	2,223,397	2,223,397
-	-	-	-	-	21,035,190	21,035,190
-	-	-	-	159,181	-	159,181
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	48,222	-	48,222
-	-	-	-	(48,222)	-	(48,222)
1,259,992,110	121,140,774	556,804,224	1,937,937,108	11,133,052	26,728,037,824	26,739,170,876
-	34,586	43,846	78,432	202,609	3,406,146	3,608,755
95,618	-	-	95,618	7,168	-	7,168
-	-	24,268,504	24,268,504	-	10,118,292	10,118,292
-	-	-	-	-	10,332,002	10,332,002
-	-	-	-	-	1,337,000	1,337,000
-	-	-	-	-	-	-
2,625	4,767	-	7,392	2,850,464	-	2,850,464
-	-	-	-	907	-	907
22,625	-	-	22,625	-	-	-
120,868	39,353	24,312,350	24,472,571	3,061,148	25,193,440	28,254,588
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,259,871,242	121,101,421	532,491,874	1,913,464,537	-	-	-
-	-	-	-	8,071,904	26,702,844,384	26,710,916,288
\$ 1,259,871,242	\$ 121,101,421	\$ 532,491,874	\$ 1,913,464,537	\$ 8,071,904	\$ 26,702,844,384	\$ 26,710,916,288

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, 2019

	Pension Trust Funds			Other Employee Benefit Trust Fund - State Retirees' Fund	Total
	Public Employees' Retirement	Legislators' Retirement	Judicial Retirement		
Additions					
<i>Contributions:</i>					
Employer	\$ 965,518,968	\$ 97,935	\$ 5,485,283	\$ 40,942,430	\$ 1,012,044,616
Plan members	965,518,968	24,724	59,771	-	965,603,463
Participants	-	-	-	-	-
Repayment and purchase of service	98,357,134	-	413,584	-	98,770,718
Total contributions	2,029,395,070	122,659	5,958,638	40,942,430	2,076,418,797
<i>Investment income:</i>					
Net increase (decrease) in fair value of investments	2,456,505,905	261,098	7,347,780	101,793	2,464,216,576
Interest, dividends	935,827,822	81,630	2,219,588	80,098	938,209,138
Securities lending	4,980,937	-	-	-	4,980,937
Other	124,740,975	-	-	-	124,740,975
	3,522,055,639	342,728	9,567,368	181,891	3,532,147,626
Less investment expense:					
Other	(53,907,186)	(768)	(18,968)	(453)	(53,927,375)
Net investment income	3,468,148,453	341,960	9,548,400	181,438	3,478,220,251
<i>Other:</i>					
Investment from local governments	-	-	-	-	-
Other	2,812,185	76,256	-	-	2,888,441
Total other	2,812,185	76,256	-	-	2,888,441
Total additions	5,500,355,708	540,875	15,507,038	41,123,868	5,557,527,489
Deductions					
Principal redeemed	-	-	-	-	-
Benefit payments	2,601,770,272	469,001	6,119,471	42,489,798	2,650,848,542
Refunds	33,987,510	1,170	-	-	33,988,680
Contribution distributions	219,889	-	-	-	219,889
Administrative expense	11,812,306	75,310	103,525	-	11,991,141
Total deductions	2,647,789,977	545,481	6,222,996	42,489,798	2,697,048,252
Change in net position	2,852,565,731	(4,606)	9,284,042	(1,365,930)	2,860,479,237
Net position, July 1	41,431,686,852	4,707,776	124,374,024	1,597,327	41,562,365,979
Net position, June 30	\$ 44,284,252,583	\$ 4,703,170	\$ 133,658,066	\$ 231,397	\$ 44,422,845,216

(continued)

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	27,213,861	9,327,242,711	9,354,456,572
-	-	-	-	-	-	-
-	-	-	-	27,213,861	9,327,242,711	9,354,456,572
2,757,409	1,697,779	26,622,918	31,078,106	-	715,704,871	715,704,871
27,750,089	2,580,009	11,681,660	42,011,758	-	889,238,325	889,238,325
-	-	-	-	-	-	-
-	-	-	-	-	-	-
30,507,498	4,277,788	38,304,578	73,089,864	-	1,604,943,196	1,604,943,196
-	-	(67,187)	(67,187)	-	-	-
30,507,498	4,277,788	38,237,391	73,022,677	-	1,604,943,196	1,604,943,196
1,996,933,898	-	41,054,751	2,037,988,649	-	-	-
-	-	395	395	-	-	-
1,996,933,898	-	41,055,146	2,037,989,044	-	-	-
2,027,441,396	4,277,788	79,292,537	2,111,011,721	27,213,861	10,932,185,907	10,959,399,768
1,889,183,675	69,066	-	1,889,252,741	-	7,913,137,188	7,913,137,188
-	-	-	-	26,657,390	-	26,657,390
-	-	-	-	-	-	-
-	-	4,043,551	4,043,551	-	-	-
204,942	158,051	71,672	434,665	-	37,142,099	37,142,099
1,889,388,617	227,117	4,115,223	1,893,730,957	26,657,390	7,950,279,287	7,976,936,677
138,052,779	4,050,671	75,177,314	217,280,764	556,471	2,981,906,620	2,982,463,091
1,121,818,463	117,050,750	457,314,560	1,696,183,773	7,515,433	23,720,937,764	23,728,453,197
\$ 1,259,871,242	\$ 121,101,421	\$ 532,491,874	\$ 1,913,464,537	\$ 8,071,904	\$ 26,702,844,384	\$ 26,710,916,288

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2019

	Intergovernmental	State Agency Fund for Bonds	Motor Vehicle	Child Support Disbursement
Assets				
<i>Cash and pooled investments:</i>				
Cash with treasurer	\$ 16,047,560	\$ 41,670,206	\$ 47,674,443	\$ -
Cash in custody of other officials	-	97,418	26,640,176	3,430,999
<i>Receivables:</i>				
Taxes receivable	14,545,334	-	61,312,620	-
Intergovernmental receivables	-	-	1,598	-
Other receivables	-	-	86,961	-
Due from other funds	624,123,155	32,592,429	166,673	-
Due from fiduciary funds	17,019,126	-	907	-
Total assets	\$ 671,735,175	\$ 74,360,053	\$ 135,883,378	\$ 3,430,999
Liabilities				
<i>Accruals:</i>				
Accrued payroll and related liabilities	\$ -	\$ -	\$ -	\$ -
Intergovernmental payables	671,735,175	-	90,992,909	-
Due to fiduciary funds	-	-	17,019,126	-
<i>Other liabilities:</i>				
Deposits	-	74,360,053	27,839,969	-
Other liabilities	-	-	31,374	3,430,999
Total liabilities	\$ 671,735,175	\$ 74,360,053	\$ 135,883,378	\$ 3,430,999

(continued)

<u>Child Welfare Trust</u>	<u>Restitution Trust</u>	<u>State Payroll</u>	<u>Total Agency Funds</u>
\$ 112,777	\$ 3,016,759	\$ 24,217,881	\$ 132,739,626
-	-	-	30,168,593
-	-	-	75,857,954
-	-	-	1,598
-	-	-	86,961
1,084	28,490	201,428	657,113,259
-	-	-	17,020,033
<u>\$ 113,861</u>	<u>\$ 3,045,249</u>	<u>\$ 24,419,309</u>	<u>\$ 912,988,024</u>
\$ -	\$ -	\$ 18,301	\$ 18,301
-	-	17,421	762,745,505
-	-	24,383,587	41,402,713
-	-	-	102,200,022
113,861	3,045,249	-	6,621,483
<u>\$ 113,861</u>	<u>\$ 3,045,249</u>	<u>\$ 24,419,309</u>	<u>\$ 912,988,024</u>

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Fiscal Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Intergovernmental				
<i>Assets</i>				
Cash with treasurer	\$ 15,093,875	\$ 3,436,464,503	\$ 3,435,510,818	\$ 16,047,560
Taxes receivable	14,222,726	14,545,334	14,222,726	14,545,334
Due from other funds	593,578,826	624,123,155	593,578,826	624,123,155
Due from fiduciary funds	16,108,583	17,019,126	16,108,583	17,019,126
Total assets	<u>\$ 639,004,010</u>	<u>\$ 4,092,152,118</u>	<u>\$ 4,059,420,953</u>	<u>\$ 671,735,175</u>
<i>Liabilities</i>				
Intergovernmental payables	\$ 639,004,010	\$ 4,092,152,118	\$ 4,059,420,953	\$ 671,735,175
Total liabilities	<u>\$ 639,004,010</u>	<u>\$ 4,092,152,118</u>	<u>\$ 4,059,420,953</u>	<u>\$ 671,735,175</u>
State Agency Fund for Bonds				
<i>Assets</i>				
Cash with treasurer	\$ 34,373,626	\$ 10,163,237	\$ 2,866,657	\$ 41,670,206
Cash in custody of other officials *	212,250	12,418	127,250	97,418
Investments *	-	-	-	-
Due from other funds	32,882,994	814,817	1,105,382	32,592,429
Total assets	<u>\$ 67,468,870</u>	<u>\$ 10,990,472</u>	<u>\$ 4,099,289</u>	<u>\$ 74,360,053</u>
<i>Liabilities</i>				
Deposits *	\$ 67,468,870	\$ 10,990,472	\$ 4,099,289	\$ 74,360,053
Total liabilities	<u>\$ 67,468,870</u>	<u>\$ 10,990,472</u>	<u>\$ 4,099,289</u>	<u>\$ 74,360,053</u>
Motor Vehicle				
<i>Assets</i>				
Cash with treasurer	\$ 40,708,101	\$ 1,586,353,759	\$ 1,579,387,417	\$ 47,674,443
Cash in custody of other officials	26,884,700	5,341,473	5,585,997	26,640,176
Taxes receivable	63,753,082	61,312,620	63,753,082	61,312,620
Intergovernmental receivables	1,241	357	-	1,598
Other receivables	86,961	-	-	86,961
Due from other funds	45,678	166,673	45,678	166,673
Due from fiduciary funds	2,696	907	2,696	907
Total assets	<u>\$ 131,482,459</u>	<u>\$ 1,653,175,789</u>	<u>\$ 1,648,774,870</u>	<u>\$ 135,883,378</u>
<i>Liabilities</i>				
Intergovernmental payables	\$ 86,598,746	\$ 1,630,440,842	\$ 1,626,046,679	\$ 90,992,909
Due to fiduciary funds	16,108,583	17,019,126	16,108,583	17,019,126
Deposits	28,764,559	5,695,018	6,619,608	27,839,969
Other liabilities	10,571	20,803	-	31,374
Total liabilities	<u>\$ 131,482,459</u>	<u>\$ 1,653,175,789</u>	<u>\$ 1,648,774,870</u>	<u>\$ 135,883,378</u>
Child Support Disbursement				
<i>Assets</i>				
Cash in custody of other officials	\$ 3,618,574	\$ 226,600,147	\$ 226,787,722	\$ 3,430,999
Total assets	<u>\$ 3,618,574</u>	<u>\$ 226,600,147</u>	<u>\$ 226,787,722</u>	<u>\$ 3,430,999</u>
<i>Liabilities</i>				
Other liabilities	\$ 3,618,574	\$ 226,600,147	\$ 226,787,722	\$ 3,430,999
Total liabilities	<u>\$ 3,618,574</u>	<u>\$ 226,600,147</u>	<u>\$ 226,787,722</u>	<u>\$ 3,430,999</u>
Child Welfare Trust				
<i>Assets</i>				
Cash with treasurer	\$ 88,543	\$ 258,174	\$ 233,940	\$ 112,777
Due from other funds	671	1,497	1,084	1,084
Total assets	<u>\$ 89,214</u>	<u>\$ 259,671</u>	<u>\$ 235,024</u>	<u>\$ 113,861</u>
<i>Liabilities</i>				
Other liabilities	\$ 89,214	\$ 259,671	\$ 235,024	\$ 113,861
Total liabilities	<u>\$ 89,214</u>	<u>\$ 259,671</u>	<u>\$ 235,024</u>	<u>\$ 113,861</u>

(continued)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Restitution Trust				
<i>Assets</i>				
Cash with treasurer	\$ 2,454,517	\$ 3,035,505	\$ 2,473,263	\$ 3,016,759
Due from other funds	364	28,490	364	28,490
Due from fiduciary funds	81,217	-	81,217	-
Total assets	\$ 2,536,098	\$ 3,063,995	\$ 2,554,844	\$ 3,045,249
<i>Liabilities</i>				
Other liabilities	\$ 2,536,098	\$ 2,932,732	\$ 2,423,581	\$ 3,045,249
Total liabilities	\$ 2,536,098	\$ 2,932,732	\$ 2,423,581	\$ 3,045,249
State Payroll				
<i>Assets</i>				
Cash with treasurer	\$ 34,366,538	\$ 840,535,023	\$ 850,683,680	\$ 24,217,881
Intergovernmental receivables	39,379	-	39,379	-
Other receivables	885	-	885	-
Due from other funds	1,107,384	201,428	1,107,384	201,428
Due from fiduciary funds	52,753	-	52,753	-
Total state payroll	\$ 35,566,939	\$ 840,736,451	\$ 851,884,081	\$ 24,419,309
<i>Liabilities</i>				
Accrued payroll and related liabilities	\$ 29,583	\$ 425,756,764	\$ 425,768,046	\$ 18,301
Intergovernmental payables	17,897	-	476	17,421
Due to fiduciary funds	35,519,459	327,811,835	338,947,707	24,383,587
Deposits	-	87,167,852	87,167,852	-
Total liabilities	\$ 35,566,939	\$ 840,736,451	\$ 851,884,081	\$ 24,419,309
Totals - All Agency Funds				
<i>Assets</i>				
Cash with treasurer	\$ 127,085,200	\$ 5,876,810,201	\$ 5,871,155,775	\$ 132,739,626
Cash in custody of other officials	30,715,524	231,954,038	232,500,969	30,168,593
Taxes receivable	77,975,808	75,857,954	77,975,808	75,857,954
Intergovernmental receivables	40,620	357	39,379	1,598
Other receivables	87,846	-	885	86,961
Due from other funds	627,615,917	625,336,060	595,838,718	657,113,259
Due from fiduciary funds	16,245,249	17,020,033	16,245,249	17,020,033
Total assets	\$ 879,766,164	\$ 6,826,978,643	\$ 6,793,756,783	\$ 912,988,024
<i>Liabilities</i>				
Accrued payroll and related liabilities	\$ 29,583	\$ 425,756,764	\$ 425,768,046	\$ 18,301
Intergovernmental payables	725,620,653	5,722,592,960	5,685,468,108	762,745,505
Due to fiduciary funds	51,628,042	344,830,961	355,056,290	41,402,713
Deposits	96,233,429	103,853,342	97,886,749	102,200,022
Other liabilities	6,254,457	229,813,353	229,446,327	6,621,483
Total liabilities	\$ 879,766,164	\$ 6,826,847,380	\$ 6,793,625,520	\$ 912,988,024

* The June 30, 2018 balances for cash in custody of other officials, investments, and deposits in the State Agency Fund for Bonds have been restated to remove amounts previously treated as deposits held by the State, but which have subsequently been determined to not be held by the State. The restatements for cash in custody of other officials, investments, and deposits reduced the June 30, 2018 previously reported balances by \$21,681,384, \$244,017,393 and \$265,698,777, respectively.



1942 Packard Custom One-Eighty Convertible Victoria

The Packard Darrin is prized in the classic car market today. Howard "Dutch" Darrin went to Detroit to design semi-custom bodies in 1940. The unique Victoria Convertibles can be identified by a low hood silhouette with a narrow louver strip, cut-down doors and Vee windshields that give them a very sporty appearance.

automuseum.org

Images by: Suzanne Anderson
one-of-a-kind-stuff@hotmail.com



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.

FINANCIAL TRENDS (TABLES 1 TO 4)

These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

REVENUE CAPACITY (TABLES 5 TO 6)

These tables contain information to help the reader assess the government's most significant revenue source, taxable sales.

DEBT CAPACITY (TABLES 7 TO 10)

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 11 TO 14)

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION (TABLES 15 TO 16)

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report of the relevant year.

Table 1 - Net Position by Component

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 3,622,787	\$ 3,875,141	\$ 4,017,147	\$ 4,357,735	\$ 4,672,738	\$ 4,895,213	\$ 5,588,027	\$ 5,623,373	\$ 5,694,397	\$ 9,309,140
Restricted	683,526	749,818	700,341	741,250	866,071	976,650	1,105,037	1,165,363	1,208,340	1,215,626
Unrestricted (deficit)	(224,799)	(276,924)	(59,069)	(3,135)	(124,344)	(2,223,609)	(1,888,144)	(1,580,030)	(2,448,744)	(2,058,748)
Total governmental activities net position	\$ 4,081,514	\$ 4,348,035	\$ 4,658,419	\$ 5,095,850	\$ 5,414,465	\$ 3,648,254	\$ 4,804,920	\$ 5,208,706	\$ 4,453,993	\$ 8,466,018
Business-type Activities										
Net investment in capital assets	\$ 3,615	\$ 3,120	\$ 3,076	\$ 3,422	\$ 3,434	\$ 3,791	\$ 4,310	\$ 6,446	\$ 6,121	\$ 5,834
Restricted	464,346	503,090	538,143	560,410	599,806	651,863	1,153,048	1,704,681	2,226,783	2,734,062
Unrestricted (deficit)	(303,705)	(558,265)	(544,418)	(360,488)	(223,987)	88,253	8,873	13,533	21,771	33,494
Total business-type activities net position	\$ 164,256	\$ (52,055)	\$ (3,199)	\$ 203,344	\$ 379,253	\$ 743,907	\$ 1,166,231	\$ 1,724,660	\$ 2,254,675	\$ 2,773,390
Primary Government										
Net investment in capital assets	\$ 3,626,402	\$ 3,878,261	\$ 4,020,223	\$ 4,361,157	\$ 4,676,172	\$ 4,899,004	\$ 5,592,337	\$ 5,629,819	\$ 5,700,518	\$ 9,314,974
Restricted	1,147,872	1,252,908	1,238,484	1,301,660	1,465,877	1,628,513	2,258,085	2,870,044	3,435,123	3,949,688
Unrestricted (deficit)	(528,504)	(835,189)	(603,487)	(363,623)	(348,331)	(2,135,356)	(1,879,271)	(1,566,497)	(2,426,973)	(2,025,254)
Total primary government net position	\$ 4,245,770	\$ 4,295,980	\$ 4,655,220	\$ 5,299,194	\$ 5,793,718	\$ 4,392,161	\$ 5,971,151	\$ 6,933,366	\$ 6,708,668	\$ 11,239,408

Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 375,219	\$ 334,616	\$ 240,417	\$ 229,136	\$ 202,620	\$ 280,465	\$ 206,620	\$ 351,831	\$ 289,383	\$ 391,690
Health and social services	3,017,013	3,209,237	3,250,926	3,464,334	3,784,055	4,887,130	-	-	-	-
Health services (c)	-	-	-	-	-	-	3,509,058	3,957,042	4,142,999	4,391,281
Social services (c)	-	-	-	-	-	-	1,601,995	1,545,446	1,700,745	1,699,099
Education - K-12 state support (c)	-	-	-	-	-	-	1,460,123	1,478,773	1,612,584	1,595,968
Education - K-12 administrative (c)	-	-	-	-	-	-	524,397	580,719	563,634	606,585
Education - K-12 (b)	1,810,353	1,818,869	1,794,579	1,812,992	1,830,605	1,892,519	-	-	-	-
Education - higher education (b)	620,570	574,667	486,320	477,852	495,893	490,407	577,683	570,398	717,073	672,643
Law, justice and public safety	690,104	667,598	646,701	657,728	662,330	695,023	709,920	750,614	729,018	712,443
Regulation of business	100,380	122,679	101,687	85,688	303,020	259,106	299,093	295,766	315,038	332,615
Transportation	644,976	630,657	801,797	505,354	327,519	462,386	180,224	841,046	851,333	483,718
Recreation and resource development	161,048	153,404	138,599	134,578	139,188	145,000	144,940	161,621	178,524	183,102
Interest on long-term debt	132,238	128,606	122,080	106,126	121,224	94,987	79,527	73,785	74,499	75,913
Unallocated depreciation	1,448	1,402	1,755	2,023	2,150	2,137	2,680	2,673	2,766	2,306
Total governmental activities: expenses	7,553,349	7,641,735	7,584,861	7,475,811	7,868,604	9,209,160	9,296,260	10,609,714	11,177,596	11,147,363
Business-type activities:										
Unemployment insurance	2,233,382	1,767,632	1,286,839	867,600	552,246	380,166	342,279	313,306	297,532	281,188
Housing	57,342	83,467	50,979	34,247	31,954	23,442	27,099	19,316	23,582	27,805
Water loans	14,697	16,476	8,249	8,942	7,837	6,372	4,962	4,802	7,017	4,361
Workers' compensation and safety	26,084	29,642	27,706	28,685	26,715	27,644	31,024	30,011	39,276	34,563
Higher education tuition	14,051	18,959	26,067	25,081	21,325	25,768	25,108	23,383	11,293	8,046
Other	23,175	28,905	26,187	32,107	32,944	30,263	31,471	32,181	31,487	31,921
Total business-type activities expenses	2,368,731	1,945,081	1,426,027	996,662	673,021	493,655	461,943	422,999	410,187	387,884
Total primary government expenses	\$ 9,922,080	\$ 9,586,816	\$ 9,010,888	\$ 8,472,473	\$ 8,541,625	\$ 9,702,815	\$ 9,758,203	\$ 11,032,713	\$ 11,587,783	\$ 11,535,247

Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 285,927	\$ 301,856	\$ 183,278	\$ 180,169	\$ 174,265	\$ 172,468	\$ 180,648	\$ 194,111	\$ 212,509	\$ 210,572
Health and social services	131,408	156,698	212,730	212,310	172,459	222,917	-	-	-	-
Health services (c)	-	-	-	-	-	-	98,107	106,150	183,740	187,583
Social services (c)	-	-	-	-	-	-	139,256	137,574	49,653	50,875
Law, justice and public safety	236,004	234,385	253,431	267,060	273,895	295,582	301,894	316,046	263,957	283,688
Other	143,689	177,342	145,116	128,126	146,567	138,010	165,741	148,229	190,811	186,307
Operating grants and contributions	3,141,986	3,050,092	3,091,556	3,116,377	3,416,382	4,337,546	4,791,688	5,076,398	5,274,341	5,521,791
Capital grants and contributions	56,719	164,711	73,749	56,003	9,349	10,385	12,503	31,458	21,998	42,689
Total governmental activities: program revenues	3,995,733	4,085,084	3,959,860	3,960,045	4,192,917	5,176,908	5,689,837	6,009,966	6,197,009	6,483,505
Business-type activities:										
Charges for services:										
Unemployment insurance	1,669	1,587	1,544	1,556	1,393	1,753	2,974	975	3,442	4,198
Housing	23,693	21,385	20,105	19,840	16,003	17,058	18,934	19,450	22,252	26,707
Water loans	8,409	8,370	8,371	8,873	8,924	8,233	8,755	8,679	9,581	9,527
Workers' compensation and safety	30,144	35,071	37,946	34,322	40,671	34,804	38,639	43,216	54,130	49,781
Higher education tuition (a)	8,222	9,284	14,065	20,074	22,063	18,643	19,369	17,933	13,934	13,792
Other	23,352	30,854	25,856	32,358	32,210	31,394	31,475	32,969	30,559	31,848
Operating grants and contributions (a)	1,327,044	1,242,754	848,585	503,960	196,653	75,716	58,795	83,365	82,657	97,883
Total business-type activities: program revenues	1,422,533	1,349,305	956,472	620,983	317,917	187,601	178,941	206,587	216,555	233,736
Total primary government program revenues	\$ 5,418,266	\$ 5,434,389	\$ 4,916,332	\$ 4,581,028	\$ 4,510,834	\$ 5,364,509	\$ 5,868,778	\$ 6,216,553	\$ 6,413,564	\$ 6,717,241
Net (Expense)/Revenue										
Governmental activities	\$ (3,557,616)	\$ (3,556,651)	\$ (3,625,001)	\$ (3,515,766)	\$ (3,675,687)	\$ (4,032,252)	\$ (3,606,423)	\$ (4,599,748)	\$ (4,980,587)	\$ (4,663,858)
Business-type activities	(946,198)	(595,776)	(469,555)	(375,679)	(355,104)	(306,054)	(283,002)	(216,412)	(193,632)	(154,148)
Total primary government net expense	\$ (4,503,814)	\$ (4,152,427)	\$ (4,094,556)	\$ (3,891,445)	\$ (4,030,791)	\$ (4,338,306)	\$ (3,889,425)	\$ (4,816,160)	\$ (5,174,219)	\$ (4,818,006)

Table 2 - Changes in Net Position

Last Ten Fiscal Years, (Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 870,474	\$ 931,911	\$ 967,374	\$ 1,027,124	\$ 1,085,656	\$ 1,160,968	\$ 1,219,151	\$ 1,285,247	\$ 1,340,985	\$ 1,473,989
Gaming taxes	844,470	850,021	884,928	901,085	922,999	906,382	910,684	896,571	868,923	953,711
Modified business taxes	381,300	378,971	373,156	386,928	382,976	413,749	562,867	572,873	584,212	640,552
Insurance premium taxes	233,280	233,334	238,083	252,195	256,587	301,226	301,368	358,499	394,543	422,106
Lodging taxes (d)	-	-	-	-	-	-	167,159	178,846	179,951	208,477
Cigarette taxes (d)	-	-	-	-	-	-	153,033	180,677	160,665	164,393
Commerce taxes (d)	-	-	-	-	-	-	143,508	198,322	205,013	227,431
Property and transfer taxes	266,878	231,758	215,649	215,211	209,784	219,188	238,192	247,939	277,987	284,614
Motor and special fuel taxes	268,554	267,649	267,181	269,232	269,544	277,305	289,909	299,426	316,780	327,474
Other taxes	642,979	688,752	696,431	685,650	688,399	833,960	582,331	680,738	635,151	579,537
Unrestricted investment earnings	(1,246)	(4,182)	(11,543)	2,892	5,462	14,780	10,352	2,646	10,864	37,983
Other general revenues	146,879	214,277	300,430	229,733	160,298	231,042	267,350	207,338	203,347	216,122
Contributions to permanent funds	8,165	6,637	6,705	5,376	5,908	9,038	7,480	9,586	10,005	8,259
Special item - termination of project construction	-	-	-	-	-	-	-	-	(16,054)	-
Transfers	19,361	24,044	(3,009)	(22,229)	6,689	(147,100)	(127,364)	(146,901)	(137,005)	12,121
Total governmental activities:	3,681,094	3,823,172	3,935,385	3,953,197	3,994,302	4,220,538	4,726,020	4,971,807	5,035,367	5,556,769
Business-type activities:										
Other taxes	314,657	403,509	515,402	565,925	537,372	555,187	566,551	624,242	653,150	684,984
Other	-	-	-	212	-	-	-	-	-	-
Special item	-	-	-	-	330	5,000	-	-	-	-
Transfers	(19,361)	(24,044)	3,009	22,229	(6,689)	147,100	127,364	146,901	137,005	(12,121)
Total business-type activities:	295,296	379,465	518,411	588,366	531,013	707,287	693,915	771,143	790,155	672,863
Total primary government	\$ 3,976,390	\$ 4,202,637	\$ 4,453,796	\$ 4,541,563	\$ 4,525,315	\$ 4,927,825	\$ 5,419,935	\$ 5,742,950	\$ 5,825,522	\$ 6,229,632
Change in Net Position										
Governmental activities:	\$ 123,478	\$ 266,521	\$ 310,384	\$ 437,431	\$ 318,615	\$ 188,286	\$ 1,119,597	\$ 372,059	\$ 54,780	\$ 892,911
Business-type activities:	(650,902)	(216,311)	48,856	212,687	175,909	401,233	410,913	554,731	596,523	518,715
Total primary government	\$ (527,424)	\$ 50,210	\$ 359,240	\$ 650,118	\$ 494,524	\$ 589,519	\$ 1,530,510	\$ 926,790	\$ 651,303	\$ 1,411,626

(a) Revised figures for years 2010-2013.

(b) Beginning with fiscal year 2015, educational expenditures are reported separately for K-12 and higher education; accordingly, fiscal years 2010 through 2014 have been revised to report these separately.

(c) Beginning with fiscal year 2016, health and social services expenditures are reported separately, and educational K-12 expenditures are reported separately for state support and for administrative.

(d) Beginning with fiscal year 2016, lodging, cigarette and commerce taxes revenues are reported separately (previously included with other taxes).

Table 3 - Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 12,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	222,095	-	-	-	-	-	-	-	-	-
Nonspendable	-	18,456	23,801	33,113	39,255	35,134	26,953	28,248	27,621	30,207
Restricted	-	73,687	61,049	59,359	65,342	62,114	78,094	83,172	77,803	79,611
Committed	-	270,568	281,751	345,248	306,050	315,131	419,532	542,892	682,810	915,746
Unassigned	-	(115,965)	(96,272)	(66,701)	(135,789)	(205,092)	(126,417)	(97,625)	(240,488)	(216,877)
Total general fund	<u>\$ 234,558</u>	<u>\$ 246,746</u>	<u>\$ 270,329</u>	<u>\$ 371,019</u>	<u>\$ 274,858</u>	<u>\$ 207,287</u>	<u>\$ 398,162</u>	<u>\$ 556,687</u>	<u>\$ 547,746</u>	<u>\$ 808,687</u>
All Other Governmental Funds										
Reserved	\$ 1,078,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	203,466	-	-	-	-	-	-	-	-	-
Capital projects funds	59,944	-	-	-	-	-	-	-	-	-
Permanent funds	20	-	-	-	-	-	-	-	-	-
Nonspendable	-	607,134	614,697	604,111	599,746	578,695	450,349	451,933	466,408	383,620
Restricted	-	414,040	276,666	324,473	597,389	544,993	736,953	768,709	663,103	567,340
Committed	-	188,796	212,311	245,888	235,265	232,070	278,740	341,572	309,070	483,352
Unassigned	-	(191)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,341,475</u>	<u>\$ 1,209,779</u>	<u>\$ 1,103,674</u>	<u>\$ 1,174,472</u>	<u>\$ 1,432,400</u>	<u>\$ 1,355,758</u>	<u>\$ 1,466,042</u>	<u>\$ 1,562,214</u>	<u>\$ 1,438,581</u>	<u>\$ 1,434,312</u>

Note: GASB Statement 54 changed the presentation of fund balance categories and classifications beginning in fiscal year 2011.



Images by: Marcello Rostagni
Photography



Hot August Nights is an annual event held in Reno and Virginia City, Nevada, during the first week of August. The event is centered mostly around classic vehicles manufactured before the 1970s, with a Rock And Roll theme.



Table 4 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Gaming taxes, fees, licenses	\$ 842,359	\$ 849,733	\$ 884,331	\$ 896,685	\$ 927,824	\$ 908,491	\$ 910,308	\$ 897,965	\$ 863,297	\$ 954,509
Sales taxes	870,539	925,899	965,060	1,024,624	1,081,735	1,161,893	1,214,113	1,282,745	1,337,930	1,465,518
Modified business taxes	385,110	381,901	369,661	386,610	384,886	411,914	561,778	575,233	581,844	640,375
Insurance premium taxes	233,906	234,831	236,787	248,512	263,532	292,665	309,113	358,482	394,263	422,512
Lodging taxes (e)	-	-	-	-	-	-	167,159	178,846	179,951	183,398
Cigarette taxes (e)	-	-	-	-	-	-	153,033	180,677	160,665	164,393
Commerce taxes (e)	-	-	-	-	-	-	143,508	197,827	201,927	226,770
Property and transfer taxes	266,878	231,758	215,649	215,211	209,784	219,189	238,192	247,939	277,987	284,615
Motor and special fuel taxes	268,554	267,649	267,181	269,232	269,543	277,305	289,909	299,426	316,780	327,475
Other taxes	620,543	664,427	657,138	685,948	692,192	835,552	584,055	660,972	615,172	613,304
Intergovernmental	3,273,266	3,372,565	3,335,558	3,340,627	3,552,327	4,518,221	4,996,931	5,224,501	5,374,516	5,737,984
Licenses, fees and permits	452,838	497,847	490,240	487,123	508,401	536,486	599,450	609,908	634,365	649,625
Sales and charges for services	84,422	81,923	85,211	87,595	90,322	105,241	109,063	108,994	107,089	114,041
Interest and investment income	37,855	31,853	22,599	23,496	25,397	22,082	24,017	15,372	38,050	98,424
Settlement income	41,963	39,517	40,291	147,071	40,120	39,788	39,370	40,427	43,232	63,672
Land sales	965	560	397	632	1,933	4,922	3,564	5,823	5,993	4,242
Other	112,728	143,461	160,921	151,708	83,277	112,395	92,587	146,874	93,446	99,995
Total revenues	7,491,926	7,723,924	7,731,024	7,965,074	8,131,273	9,446,144	10,436,150	11,032,011	11,226,507	12,050,852
Expenditures										
General government	137,994	141,366	134,889	143,135	112,757	153,682	158,394	172,687	212,231	243,159
Health and social services(d)	2,833,205	3,009,386	3,096,457	3,264,884	3,593,828	4,862,598	-	-	-	-
Health services (d)	-	-	-	-	-	-	3,535,984	3,948,549	4,132,568	4,397,083
Social services (d)	-	-	-	-	-	-	1,603,233	1,633,745	1,680,854	1,721,138
Education and support services (c)	57,196	53,796	53,959	53,119	30,845	-	-	-	-	-
Education - K-12 (c)	-	-	-	-	-	1,891,259	-	-	-	-
Education - K-12 state support (d)	-	-	-	-	-	-	1,460,123	1,478,773	1,612,584	1,595,968
Education - K-12 administrative (d)	-	-	-	-	-	-	524,747	589,012	562,281	607,032
Education - higher education (c)	-	-	-	-	-	610,543	562,901	594,760	663,045	705,841
Law, justice and public safety	633,890	609,230	604,364	595,649	622,066	633,559	688,616	712,895	754,994	783,464
Regulation of business	107,145	109,928	91,792	80,594	293,438	253,132	298,624	295,719	312,993	331,646
Transportation	691,931	751,647	846,335	578,231	452,821	635,049	816,275	946,857	994,227	925,475
Recreation and resource development	130,800	129,770	125,809	121,330	132,682	141,177	144,003	161,992	179,095	187,604
Intergovernmental (b)	2,704,690	2,716,157	2,569,693	2,592,985	2,638,028	-	-	-	-	-
Capital outlay	59,520	41,105	34,222	61,330	29,741	39,564	43,534	49,295	69,037	94,755
<i>Debt service:</i>										
Principal	176,982	194,920	171,004	163,889	166,021	199,845	383,842	165,543	167,409	166,523
Interest, fiscal charges	140,495	135,842	125,978	116,183	106,871	103,998	90,953	99,510	97,788	98,759
Debt issuance costs	1,734	1,300	1,795	1,901	2,282	1,941	3,584	1,761	1,680	531
Arbitrage payment	-	-	22	180	730	24	-	-	-	-
Total Expenditures	7,675,582	7,894,447	7,856,319	7,773,410	8,182,110	9,526,371	10,314,813	10,851,098	11,440,786	11,858,978
Excess (deficiency) of revenues over (under) expenditures	(183,656)	(170,523)	(125,295)	191,664	(50,837)	(80,227)	121,337	180,913	(214,279)	191,874

Table 4 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years, (Modified Accrual Basis of Accounting, Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Capital leases	18,209	408	-	-	-	-	-	-	-	-
Sale of general obligation bonds	109,244	22,655	42,020	-	141,045	78,335	272,070	205,371	225,020	59,600
Sale of general obligation refunding bonds	33,746	117,415	243,080	353,470	4,125	213,270	347,253	12,107	3,490	-
Premium on general obligation bonds	3,928	13,172	40,530	52,780	21,012	54,686	114,212	24,749	17,573	4,458
Payment to refunded bond agent	(35,677)	(128,529)	(279,916)	(404,178)	(4,425)	(261,893)	(419,993)	(14,697)	(3,996)	-
Sale of certificates of participation	-	-	-	-	50,445	-	-	-	-	-
Sale of refunding certificates of participation	7,900	-	-	-	35,785	-	-	3,730	-	-
Premium (discount) on certificates of participation	743	-	-	-	2,794	-	-	-	-	-
Payment to refunded certificates of participation agent	(8,466)	-	-	-	(42,799)	-	-	(4,071)	-	-
Sale of capital assets	92	89	103	99	335	365	641	201	628	134
Transfers in	358,113	221,167	156,037	194,136	192,193	160,472	322,645	240,486	196,885	322,050
Transfers out	(339,116)	(195,362)	(159,081)	(216,483)	(187,907)	(309,220)	(457,006)	(389,318)	(335,087)	(321,041)
Total other financing sources (uses)	148,716	51,015	42,773	(20,176)	212,603	(63,985)	179,822	78,558	104,513	65,201
Net change in fund balances	\$ (34,940)	\$ (119,508)	\$ (82,522)	\$ 171,488	\$ 161,766	\$ (144,212)	\$ 301,159	\$ 259,471	\$ (109,766)	\$ 257,075
Total expenditures	\$ 7,675,582	\$ 7,894,447	\$ 7,856,319	\$ 7,773,410	\$ 8,182,110	\$ 9,526,371	\$ 10,314,813	\$ 10,851,098	\$ 11,440,786	\$ 11,858,978
Less: Capitalized assets included in the functional categories	209,123	245,790	221,991	232,772	271,655	252,136	735,171	172,824	243,230	174,908
Total noncapital expenditures	\$ 7,466,459	\$ 7,648,657	\$ 7,634,328	\$ 7,540,638	\$ 7,910,455	\$ 9,274,235	\$ 9,579,642	\$ 10,678,274	\$ 11,197,556	\$ 11,684,070
Debt service (principal and interest) as a percentage of noncapital expenditures (a)	4.25 %	4.32 %	3.89 %	3.71 %	3.45 %	3.28 %	4.96 %	2.48 %	2.37 %	2.27 %

(a) The percentage has been revised for fiscal year 2010 to only include debt service principal and interest in the calculation.

(b) Beginning with fiscal year 2015, intergovernmental expenditures are classified by functional expenditures.

(c) Beginning with fiscal year 2015, educational expenditures are reported separately for K-12 and higher education.

(d) Beginning with fiscal year 2016, health and social services expenditures are reported separately, and educational K-12 expenditures are reported separately for state support and for administrative.

(e) Beginning with fiscal year 2016, lodging, cigarette and commerce taxes revenues are reported separately (previously included with other taxes).

Table 5 - Taxable Sales by County

Last Ten Fiscal Years, (Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxable Sales by County										
Carson City	\$ 678,626	\$ 735,161	\$ 756,079	\$ 779,297	\$ 804,368	\$ 892,530	\$ 961,717	\$ 1,055,090	\$ 1,144,377	\$ 1,240,116
Churchill	251,257	249,112	320,188	387,570	252,675	283,497	282,998	309,285	354,371	460,506
Clark	27,969,288	29,046,720	31,080,881	32,566,665	35,040,892	37,497,074	39,242,730	40,888,477	42,569,372	45,901,464
Douglas	537,187	532,984	557,660	592,823	599,623	653,187	663,490	709,590	780,079	802,737
Elko	1,093,158	1,477,347	1,545,691	1,595,351	1,426,133	1,437,625	1,483,842	1,450,175	1,495,116	1,555,168
Esmeralda	6,551	11,832	20,399	19,806	16,826	18,193	15,315	14,461	13,726	20,582
Eureka	266,356	304,276	367,340	370,492	315,756	260,130	235,117	292,067	314,095	300,814
Humboldt	533,667	748,153	740,656	921,112	780,774	577,537	486,077	449,981	507,810	590,286
Lander	220,348	249,321	443,458	440,677	302,691	308,198	274,632	283,334	309,919	322,278
Lincoln	25,871	33,116	50,417	30,055	29,501	28,955	28,159	30,639	31,002	33,515
Lyon	290,241	300,843	346,511	305,525	356,890	396,525	380,805	456,071	490,415	605,862
Mineral	36,280	42,181	57,696	66,463	62,661	74,178	83,582	73,195	48,853	56,629
Nye	397,570	466,836	498,130	832,077	624,761	497,920	547,020	583,443	672,275	686,290
Pershing	65,681	78,096	106,443	96,442	94,633	82,473	91,181	113,424	118,014	119,288
Storey	48,299	61,863	70,859	77,729	108,434	246,041	240,804	1,609,711	1,275,451	718,439
Washoe	5,176,982	5,282,935	5,522,605	5,824,726	6,370,685	6,817,589	7,550,466	7,989,009	8,531,253	8,829,864
White Pine	174,705	314,235	469,737	296,598	253,042	275,884	220,360	239,789	291,695	317,188
Total	\$ 37,772,067	\$ 39,935,011	\$ 42,954,750	\$ 45,203,408	\$ 47,440,345	\$ 50,347,536	\$ 52,788,295	\$ 56,547,741	\$ 58,947,823	\$ 62,561,026

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 2010			Fiscal Year 2019		
	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	\$ 6,369,756	16.9%	\$ 127,395	\$ 12,301,405	19.7%	\$ 246,028
Motor vehicle and parts dealers	3,364,568	8.9%	67,291	7,186,395	11.5%	143,728
General merchandise stores	3,813,628	10.1%	76,273	5,098,303	8.1%	101,966
Merchant wholesalers, durable goods	2,360,348	6.2%	47,207	4,790,650	7.7%	95,813
Clothing and clothing accessories stores	2,858,333	7.6%	57,167	3,794,058	6.1%	75,881
Building material, garden equipment, supplies	1,491,780	3.9%	29,836	2,887,111	4.6%	57,742
Rental and leasing services	1,315,451	3.5%	26,309	2,116,285	3.4%	42,326
Food and beverage stores	1,547,832	4.1%	30,957	1,950,122	3.1%	39,002
Electronics and appliance stores	1,352,813	3.6%	27,056	1,421,543	2.3%	28,431
Professional scientific, and technical services	440,932	1.2%	8,819	1,217,331	1.9%	24,347
Health and personal care stores	1,203,800	3.2%	24,076	1,170,199	1.9%	23,404
Accommodation	1,907,962	5.1%	38,159	1,149,482	1.8%	22,990
Total	<u>\$ 28,027,203</u>	<u>74.3%</u>	<u>\$ 560,545</u>	<u>\$ 45,082,884</u>	<u>72.1%</u>	<u>\$ 901,658</u>

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General obligation bonds	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840	\$ 1,607,930	\$ 1,358,430	\$ 1,284,172	\$ 1,267,120	\$ 1,207,097
General obligation bonds-private placements	-	-	-	-	-	-	-	-	2,310	1,175
Special obligation bonds	668,840	612,045	557,735	497,650	527,450	486,140	587,095	706,165	785,085	745,295
Premiums (discounts)	103,270	104,921	118,509	143,968	146,792	176,725	221,726	210,383	191,869	161,348
Total bonds payable	2,839,725	2,669,851	2,546,699	2,396,138	2,378,082	2,270,795	2,167,251	2,200,720	2,246,384	2,114,915
Certificates of participation	56,080	55,475	53,815	52,000	94,455	91,935	89,225	84,994	77,815	75,125
Certificates of participation-private placements	-	-	-	-	-	-	-	-	3,014	2,662
Premiums (discounts)	690	591	492	339	2,956	2,720	1,491	1,048	646	315
Total certificates of participation	56,770	56,066	54,307	52,339	97,411	94,655	90,716	86,042	81,475	78,102
Obligations under capital leases	33,846	30,970	28,395	25,096	25,094	22,826	20,177	17,364	18,490	14,870
Total governmental activities	2,930,341	2,756,887	2,629,401	2,473,573	2,500,587	2,388,276	2,278,144	2,304,126	2,346,349	2,207,887
Business-type Activities										
General obligation bonds	105,060	108,975	101,680	90,720	83,025	73,370	69,480	60,103	60,430	48,963
Special obligation bonds	994,044	920,508	810,892	739,797	1,156,634	1,008,858	823,288	641,830	525,491	628,948
Premiums (discounts)	1,971	2,465	4,984	5,942	55,914	42,691	15,688	5,502	2,404	3,142
Total business-type activities	1,101,075	1,031,948	917,556	836,459	1,295,573	1,124,919	908,456	707,435	588,325	681,053
Total primary government	\$ 4,031,416	\$ 3,788,835	\$ 3,546,957	\$ 3,310,032	\$ 3,796,160	\$ 3,513,195	\$ 3,186,600	\$ 3,011,561	\$ 2,934,674	\$ 2,888,940
Debt as a Percentage of Personal Income (a)	4.18 %	3.82 %	3.46 %	3.07 %	3.50 %	3.06 %	2.63 %	2.35 %	2.12 %	1.94 %
Amount of Debt per Capita (b)	\$ 1,501	\$ 1,402	\$ 1,305	\$ 1,201	\$ 1,361	\$ 1,238	\$ 1,102	\$ 1,024	\$ 979	\$ 952

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.

(a) Revised percentages for 2013 through 2015.

(b) Revised amounts for 2014 and 2015.

(c) Beginning in 2018, Private Placement bonds and certificates of participation are presented separately to comply with GASB 88.

Table 8 - Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years, (Expressed in Thousands, Except for Per Capita)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General obligation bonds	\$ 2,067,615	\$ 1,952,885	\$ 1,870,455	\$ 1,754,520	\$ 1,703,840	\$ 1,607,930	\$ 1,358,430	\$ 1,284,172	\$ 1,269,430	\$ 1,208,272
Special obligation bonds	-	-	-	-	-	-	-	-	-	83,941
Premiums (discounts)	68,356	74,551	86,292	96,909	92,714	129,441	132,082	116,221	101,377	-
Subtotal	2,135,971	2,027,436	1,956,747	1,851,429	1,796,554	1,737,371	1,490,512	1,400,393	1,370,807	1,292,213
Certificates of participation	7,900	7,900	6,935	5,920	4,855	3,730	2,550	1,305	-	-
Premiums (discounts)	689	591	492	394	295	197	36	9	-	-
Subtotal	8,589	8,491	7,427	6,314	5,150	3,927	2,586	1,314	-	-
Business-type Activities										
General obligation bonds	105,060	108,975	101,680	90,720	83,025	73,370	69,480	60,103	60,430	48,963
Special obligation bonds	-	-	-	-	-	-	-	-	-	1,292
Premiums (discounts)	1,822	2,338	4,870	5,853	5,091	4,209	2,671	1,837	2,012	-
Subtotal	106,882	111,313	106,550	96,573	88,116	77,579	72,151	61,940	62,442	50,255
Total general bonded debt	\$ 2,251,442	\$ 2,147,240	\$ 2,070,724	\$ 1,954,316	\$ 1,889,820	\$ 1,818,877	\$ 1,565,249	\$ 1,463,647	\$ 1,433,249	\$ 1,342,468
Actual Taxable Property Value	\$ 341,886,423	\$ 264,840,276	\$ 264,391,220	\$ 234,900,598	\$ 239,048,328	\$ 260,130,702	\$ 283,624,300	\$ 302,376,818	\$ 342,368,616	\$ 371,687,673
Percentage of Actual Taxable Value of Property (b)	0.66 %	0.81 %	0.84 %	0.83 %	0.79 %	0.70 %	0.55 %	0.48 %	0.42 %	0.36 %
Debt per Capita (a)(b)	\$ 839	\$ 794	\$ 762	\$ 709	\$ 677	\$ 641	\$ 541	\$ 498	\$ 478	\$ 442

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 2010 through 2014 to exclude special obligation bonds.

Table 9 - Legal Debt Margin Information

Last Ten Fiscal Years, (Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 1,900,366	\$ 1,756,111	\$ 1,671,513	\$ 1,701,164	\$ 1,854,550	\$ 2,028,293	\$ 2,166,631	\$ 2,294,555	\$ 2,467,971	\$ 2,682,567
Total debt applicable to limit	1,410,211	1,342,660	1,293,386	1,178,185	1,151,010	1,127,220	1,082,845	1,034,015	1,025,895	988,260
Legal debt margin	<u>\$ 490,155</u>	<u>\$ 413,451</u>	<u>\$ 378,127</u>	<u>\$ 522,979</u>	<u>\$ 703,540</u>	<u>\$ 901,073</u>	<u>\$ 1,083,786</u>	<u>\$ 1,260,540</u>	<u>\$ 1,442,076</u>	<u>\$ 1,694,307</u>
Legal debt margin as a percentage of the debt limit	25.79 %	23.54 %	22.62 %	30.74 %	37.94 %	44.43 %	50.02 %	54.94 %	58.43 %	63.16 %

Computation of Legal Debt Margin at June 30, 2019:

Assessed value of taxable property at June 30, 2019 (a)		\$ 134,128,344
Debt limitation (2% of assessed value)		\$ 2,682,567
General Obligation Bonds subject to limit	\$ 988,260	
Certificates of participation	75,125	
<i>Less obligations exempt from debt margin:</i>		
Lease revenue certificates of participation	(75,125)	
Debt subject to debt limitation		(988,260)
Legal debt margin at June 30, 2019		<u>\$ 1,694,307</u>

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Highway Improvement Revenue Bonds										
Revenue - fuel taxes	\$ 265,487	\$ 264,699	\$ 264,369	\$ 266,564	\$ 266,872	\$ 274,838	\$ 287,571	\$ 294,091	\$ 305,781	\$ 310,844
<i>Debt Service</i>										
Principal	\$ 54,040	\$ 56,795	\$ 50,835	\$ 53,300	\$ 56,220	\$ 41,310	\$ 45,600	\$ 48,595	\$ 46,985	\$ 39,790
Interest (f)	33,876	31,136	28,450	25,011	22,422	24,345	20,252	31,325	31,495	34,627
Total	\$ 87,916	\$ 87,931	\$ 79,285	\$ 78,311	\$ 78,642	\$ 65,655	\$ 65,852	\$ 79,920	\$ 78,480	\$ 74,417
Coverage (c)	3.02	3.01	3.33	3.40	3.39	4.19	4.37	3.68	3.90	4.18
Unemployment Compensation Bonds										
Revenue - special bond contributions	\$ -	\$ -	\$ -	\$ -	\$ 58,003	\$ 191,548	\$ 152,837	\$ 197,230	\$ 35,285	\$ -
<i>Debt service</i>										
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,590	\$ 131,165	\$ 151,100	\$ 128,045	\$ -
Interest	-	-	-	-	13,644	23,360	18,881	12,381	3,201	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 13,644	\$ 161,950	\$ 150,046	\$ 163,481	\$ 131,246	\$ -
Coverage (c)	N/A	N/A	N/A	N/A	4.25	1.18	1.02	1.21	0.27	N/A
Mortgage Revenue Bonds										
Revenue (a)	\$ 42,123	\$ 126,957	\$ 109,194	\$ 83,366	\$ 100,729	\$ 58,737	\$ 78,571	\$ 72,727	\$ 138,354	\$ 121,838
Expenses (b)	6,548	7,610	15,751	8,867	9,481	4,043	9,674	3,471	3,434	2,976
Net available revenues	\$ 35,575	\$ 119,347	\$ 93,443	\$ 74,499	\$ 91,248	\$ 54,694	\$ 68,897	\$ 69,256	\$ 134,920	\$ 118,862
<i>Debt service</i>										
Principal (d)	\$ 67,079	\$ 132,536	\$ 157,962	\$ 71,095	\$ 151,432	\$ 80,745	\$ 71,337	\$ 101,485	\$ 124,888	\$ 117,907
Interest	33,236	29,111	26,444	23,226	17,882	15,149	13,298	13,258	15,619	20,339
Total	\$ 100,315	\$ 161,647	\$ 184,406	\$ 94,321	\$ 169,314	\$ 95,894	\$ 84,635	\$ 114,743	\$ 140,507	\$ 138,246
Coverage (c)	0.35	0.74	0.51	0.79	0.54	0.57	0.81	0.60	0.96	0.86
Lease Revenue Certificates of Participation										
Revenue - lease rent (net)	\$ 2,961	\$ 3,045	\$ 2,878	\$ 2,972	\$ 4,098	\$ 2,996	\$ 4,335	\$ 5,190	\$ 6,719	\$ 6,753
Assets - held by the trustee (e)	4,837	4,643	4,709	4,558	46,902	12,442	1,736	35	-	-
Total	\$ 7,798	\$ 7,688	\$ 7,587	\$ 7,530	\$ 51,000	\$ 15,438	\$ 6,071	\$ 5,225	\$ 6,719	\$ 6,753
<i>Debt Service</i>										
Principal	\$ 515	\$ 605	\$ 695	\$ 800	\$ 1,795	\$ 1,395	\$ 1,530	\$ 2,721	\$ 2,860	\$ 3,042
Interest	2,229	2,212	2,188	2,163	3,418	4,128	4,084	3,915	3,839	3,722
Total	\$ 2,744	\$ 2,817	\$ 2,883	\$ 2,963	\$ 5,213	\$ 5,523	\$ 5,614	\$ 6,636	\$ 6,699	\$ 6,764
Coverage (c)	2.84	2.73	2.63	2.54	9.78	2.80	1.08	0.79	1.00	1.00

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 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.

(f) Principal paid on highway improvement revenue bonds is updated for years 2012 and 2013 to exclude the par amount of bonds refunded.

Table 11 - Demographic and Economic Statistics

Last Ten Calendar Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population										
Nevada (a)	2,684,665	2,703,230	2,718,586	2,754,874	2,790,366	2,838,281	2,890,845	2,940,058	2,998,039	3,034,392
Percentage change	1.2 %	0.7 %	0.6 %	1.3 %	1.3 %	1.7 %	1.9 %	1.7 %	2.0 %	1.2 %
United States (a)	306,771,529	309,326,295	311,721,632	314,102,623	316,427,395	318,907,401	321,418,820	323,127,513	325,719,178	327,167,434
Percentage change	0.9 %	0.8 %	0.8 %	0.8 %	0.7 %	0.8 %	0.8 %	0.5 %	0.8 %	0.4 %
Total Personal Income										
Nevada (in millions) (a)	\$ 96,430	\$ 99,092	\$ 102,612	\$ 107,930	\$ 108,504	\$ 114,923	\$ 121,096	\$ 128,090	\$ 138,386	\$ 149,219
Percentage change	(8.9)%	2.8 %	3.6 %	5.2 %	0.5 %	5.9 %	5.4 %	5.8 %	8.0 %	7.8 %
United States (in millions) (a)	\$ 11,852,715	\$ 12,417,659	\$ 13,233,436	\$ 13,904,485	\$ 14,068,960	\$ 14,801,624	\$ 15,463,981	\$ 15,912,777	\$ 16,820,250	\$ 17,813,035
Percentage change	(4.8)%	4.8 %	6.6 %	5.1 %	1.2 %	5.2 %	4.5 %	2.9 %	5.7 %	5.9 %
Per Capita Personal Income										
Nevada (a)	\$ 35,919	\$ 36,657	\$ 37,745	\$ 39,178	\$ 38,885	\$ 40,490	\$ 41,889	\$ 43,567	\$ 46,159	\$ 49,176
Percentage change	(9.9)%	2.1 %	3.0 %	3.8 %	(0.7)%	4.1 %	3.5 %	4.0 %	5.9 %	6.5 %
United States (a)	\$ 38,637	\$ 40,144	\$ 42,453	\$ 44,267	\$ 44,462	\$ 46,414	\$ 48,112	\$ 49,246	\$ 51,640	\$ 54,446
Percentage change	(5.6)%	3.9 %	5.8 %	4.3 %	0.4 %	4.4 %	3.7 %	2.4 %	4.9 %	5.4 %
Labor Force and Employment										
Nevada Labor Force	1,369,891	1,350,309	1,385,872	1,378,876	1,372,862	1,393,639	1,425,711	1,427,114	1,462,955	1,500,377
Unemployed	161,270	200,772	187,732	152,468	135,071	107,856	96,159	81,106	73,583	68,418
Unemployment Rate (b)	11.8 %	14.9 %	13.5 %	11.1 %	9.8 %	7.7 %	6.7 %	5.7 %	5.0 %	4.6 %
United States Labor Force	154,142,000	153,889,000	153,617,000	154,975,000	155,389,000	155,922,000	157,130,000	159,187,000	160,320,000	162,075,000
Unemployed	14,265,000	14,825,000	13,747,000	12,506,000	11,460,000	9,617,000	8,296,000	7,751,000	6,982,000	6,314,000
Unemployment Rate (b)	9.3 %	9.6 %	8.9 %	8.1 %	7.4 %	6.2 %	5.3 %	4.9 %	4.4 %	3.9 %

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 2012 through 2014.

(b) Revised percentage for 2015.

Table 12 - Principal Industries

Current Year and Nine Years Ago

	Calendar Year 2009		Calendar Year 2018	
	Employees	Percentage of Total State Employment	Employees	Percentage of Total State Employment
Industry:				
Farm employment	5,038	0.33%	5,093	0.28%
Forestry, fishing, and related activities	1,629	0.11%	1,948	0.11%
Mining, quarrying, and oil and gas extraction	15,546	1.03%	19,810	1.07%
Utilities	4,768	0.32%	4,391	0.24%
Construction	98,674	6.52%	107,829	5.85%
Manufacturing	44,452	2.94%	61,881	3.36%
Wholesale trade	39,711	2.62%	40,854	2.22%
Retail trade	154,830	10.24%	180,682	9.80%
Transportation and warehousing	53,951	3.57%	117,807	6.39%
Information	18,082	1.20%	21,841	1.18%
Finance and insurance	89,737	5.93%	87,208	4.73%
Real estate, rental and leasing	95,680	6.32%	107,764	5.84%
Professional, scientific, and technical services	82,722	5.47%	102,072	5.54%
Management of companies and enterprises	21,447	1.42%	32,723	1.77%
Administrative and waste management services	92,606	6.12%	133,029	7.21%
Educational services	13,174	0.87%	18,034	0.98%
Health care and social assistance	106,853	7.06%	147,706	8.01%
Arts, entertainment and recreation	47,122	3.11%	58,853	3.19%
Accommodation and food services	289,293	19.13%	331,566	17.97%
Other services	66,341	4.38%	88,069	4.78%
Federal government, civilian	17,897	1.18%	19,310	1.05%
Military	15,940	1.05%	18,363	1.00%
State government	36,012	2.38%	35,328	1.92%
Local government	101,408	6.70%	101,654	5.51%
Total	1,512,913	100.00%	1,843,815	100.00%

Sources: US Department of Commerce, Bureau of Economic Analysis**Note:** Due to confidentiality issues, the names of the ten principal employers are not available. The categories presented are intended to provide alternative information regarding the concentration of employment in various business sectors.

Table 13 - School Enrollment

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public School Enrollment (a)										
Primary (Pre-K - 6)	235,295	273,724	240,851	244,559	249,015	253,267	258,617	261,450	269,370	272,831
Secondary (7 - 12) (b)	196,014	227,908	199,610	202,319	202,788	209,639	208,910	212,245	223,046	225,785
Total	431,309	501,632	440,461	446,878	451,803	462,906	467,527	473,695	492,416	498,616
Public Higher Education Enrollment (c)										
University of Nevada, Reno	12,770	13,289	13,583	13,721	14,468	15,762	16,916	16,745	17,291	17,194
University of Nevada, Las Vegas	20,086	19,719	18,580	18,499	19,269	20,301	21,352	21,963	22,514	22,484
Nevada State College	1,726	2,014	2,062	2,102	2,174	2,264	2,264	2,390	2,804	3,088
College of Southern Nevada	22,027	22,153	20,363	19,128	18,546	18,883	18,183	18,227	18,139	18,493
Great Basin College	1,994	1,939	1,742	1,659	1,717	1,728	1,835	1,881	1,824	2,069
Truckee Meadows Community College	7,307	7,125	6,351	6,339	6,166	6,098	6,196	5,851	5,740	5,760
Western Nevada College	2,889	2,930	2,358	2,240	2,157	2,229	2,213	2,047	2,138	1,928
Total	68,799	69,169	65,039	63,688	64,497	67,265	68,959	69,104	70,450	71,016

Sources: Nevada Department of Education and Nevada System of Higher Education**Note:**

(a) Prior to fiscal year 2018, the Fall enrollment figures representing the subsequent fiscal year were reported instead of the Fall enrollment figures representing the current fiscal year. Enrollment figures have been realigned to reflect the current fiscal year and restated for 2010 through 2017.

(b) Secondary also includes 5th year seniors, adult education, home schooled, and special education beyond 12th grade.

(c) Prior to fiscal year 2018, the Fall semester enrollment figures representing the subsequent fiscal year were reported instead of the enrollment figures representing the current fiscal year. Enrollment figures have been realigned to reflect the fiscal year and restated for 2010 through 2017 using the Annual Average Full-Time Equivalent Enrollment report which takes into account the Fall, Spring and Summer semester enrollments.

Table 14 - Full-time Equivalent State Government Employees by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General government	1,487	1,443	1,445	1,548	1,539	1,633	1,624	1,753	1,739	1,853
Health and social services (a)	6,151	6,061	5,937	5,925	6,239	6,394	-	-	-	-
Health services	-	-	-	-	-	-	1,786	1,720	1,754	1,754
Social services	-	-	-	-	-	-	4,805	4,856	4,859	4,859
Education - K-12 administrative	8,670	8,383	8,015	7,663	8,380	8,647	9,096	10,593	10,968	11,285
Law, justice and public safety	5,812	5,707	5,760	5,838	5,831	5,846	5,993	6,030	6,546	6,511
Regulation of business	1,374	1,309	1,284	1,289	1,363	1,338	1,440	1,480	1,440	1,440
Transportation	1,776	1,769	1,797	1,776	1,770	1,793	1,759	1,795	1,805	1,805
Recreation and resource development	1,172	1,142	1,134	1,145	1,181	1,169	1,213	1,203	1,249	1,249
Total	26,442	25,814	25,372	25,184	26,303	26,820	27,716	29,430	30,360	30,756

Sources: Nevada Department of Administration, Nevada System of Higher Education and Legislative Counsel Bureau

(a) Beginning in 2016, health and social services are presented separately, as health services and social services.

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
<i>Department of Taxation</i>										
Number of sales and use tax audits	1,254	1,066	950	1,461	1,198	1,176	1,279	1,491	1,430	N/A
<i>Public Employees Benefits Program</i>										
Number of plan participants	43,943	42,830	40,615	40,176	40,635	41,449	42,259	43,158	43,711	44,574
Generic drug utilization (b)	72 %	78 %	78 %	80 %	81 %	82 %	81 %	81 %	82 %	82 %
<i>Department of Administration</i>										
Square feet of non-state owned space leased (major urban areas) (g)	1,393,872	1,466,102	1,408,617	1,511,207	1,526,579	1,606,012	1,614,381	1,713,599	1,754,521	1,770,012
Job applications processed	76,129	77,428	88,394	101,062	81,916	85,578	98,104	73,001	76,789	75,376
<i>Nevada State Library and Archives</i>										
Volumes (excludes documents and microfilm)	82,848	84,460	86,231	87,942	89,785	91,497	93,429	95,611	96,132	81,563
Government publications (U.S., Nevada and California)	849,112	851,855	854,727	862,764	864,898	869,670	871,764	877,330	877,823	869,012
Health and Social Services										
<i>Aging and Disability Services Division</i>										
Average monthly number of Developmental Services clients	5,086	5,346	5,550	5,694	5,865	6,184	6,433	6,643	6,881	7,143
<i>Health Care Financing & Policy</i>										
Nevada Medicaid - average monthly eligibles	240,528	279,840	303,214	315,434	392,315	558,787	608,246	637,780	654,936	653,694
NV Check-Up Program - average monthly enrollment (g)	21,713	21,193	21,296	21,132	21,771	22,606	22,630	25,699	27,300	27,487
<i>Division of Public and Behavioral Health</i>										
Women, Infants and Children Program participants (FFY)	870,398	887,796	896,465	884,946	874,462	860,468	839,845	793,782	749,365	692,708
Average monthly number of Mental Health clients	15,160	15,138	14,058	14,414	14,238	13,585	11,281	9,866	9,142	8,812
Average monthly number of Mental Health inpatients	225	211	209	221	277	301	498	517	509	485
<i>Division of Welfare and Supportive Services</i>										
Average monthly number of TANF recipients	29,084	30,854	29,331	28,837	32,239	31,928	26,717	24,537	25,744	22,364
Average monthly number of SNAP (Food Stamp) recipients	260,417	323,290	352,156	358,611	375,506	411,447	438,330	440,485	440,694	427,534
Percent of current child support owed that is collected (FFY) (d)	49 %	51 %	56 %	58 %	60 %	62 %	64 %	66 %	N/A	N/A
TANF recipient children receiving child care	17,407	20,269	19,883	18,742	20,122	23,346	19,434	25,408	30,000	27,261
Non-TANF children receiving child care	69,541	83,399	67,955	43,215	39,309	44,725	59,739	67,825	75,846	98,935
Applications for energy assistance received	38,674	42,611	38,643	36,764	41,190	40,726	41,448	36,186	35,452	33,907
Households served with energy assistance	25,458	32,544	20,484	26,008	24,348	27,370	26,936	26,452	24,704	22,407

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Education and Support Services										
<i>Nevada Department of Education (a)</i>										
Percent of occupational education students receiving a diploma	88 %	85 %	75 %	70 %	85 %	74 %	84 %	85 %	91 %	93 %
Number of special education students receiving a high school diploma	560	747	725	677	745	799	884	1,849	1,949	2,301
Law, Justice, and Public Safety										
<i>The Supreme Court of Nevada</i>										
Cases filed (c)	2,267	2,514	2,406	2,362	2,426	2,351	2,533	2,718	3,021	N/A
Cases disposed (c)	2,468	2,217	2,248	2,392	2,582	2,663	2,387	1,594	1,639	N/A
Number of opinions written (c)	57	87	71	104	99	105	97	109	96	N/A
<i>Nevada Department of Corrections</i>										
Total admissions	5,801	5,971	5,818	5,666	5,749	5,937	6,286	6,413	6,432	6,342
Total releases	6,056	6,098	5,678	5,614	5,672	5,750	5,576	6,285	6,764	6,664
In-house population at year-end	12,591	12,458	12,564	12,665	12,824	12,999	13,685	13,768	13,426	13,453
<i>Department of Public Safety, Highway Patrol Division</i>										
Total number of DUI arrests (e)	3,981	3,846	3,286	3,177	2,977	3,156	3,095	2,825	2,932	3,644
Total number of safety inspections (e)	26,056	25,491	27,492	28,737	25,923	33,570	31,752	31,473	34,140	30,382
<i>Department of Motor Vehicles</i>										
Motor vehicle registrations	2,284,437	2,153,918	2,119,167	2,190,660	2,259,552	2,326,319	23,985,762	2,469,307	2,534,636	2,604,126
Regulation of Business										
<i>Nevada Department of Agriculture</i>										
Number of meals served in the Children & Adult Food Care Program (g)	4,330,289	4,063,461	4,592,266	4,724,529	4,800,386	4,527,435	4,600,171	5,864,600	6,473,857	4,732,827
Percent of K-12 students participating in the Nat'l School Lunch Program (b) (h) (n)	42 %	47 %	52 %	54 %	54 %	54 %	58 %	56 %	56 %	58 %
<i>Nevada Gaming Commission</i>										
Licenses issued & active at fiscal year-end	2,827	2,875	2,859	2,933	2,981	2,961	2,929	2,921	2,895	2,966
Licensed devices at fiscal year-end:										
Table and counter games (k)	5,985	5,948	5,887	5,676	5,731	5,818	5,700	5,643	5,494	5,423
Card games (k)	1,132	1,070	1,016	902	848	871	799	772	739	719
Slots (j)	190,135	190,217	184,150	179,776	176,073	174,548	169,723	165,880	164,413	163,612
<i>Department of Business and Industry</i>										
Units of affordable housing produced (b) (g)	792	773	592	727	1,117	848	1,019	946	811	752
Taxicab Authority notices of violation issued (l)	3,474	3,453	3,128	4,419	3,306	3,672	4,385	3,124	1,673	1,024
Taxicab Authority vehicle inspections made (l)	7,471	7,165	7,693	6,849	7,374	9,210	9,589	6,343	2,275	2,770
Number of worksite safety & health inspections	2,040	1,223	1,322	1,272	1,659	1,131	1,424	1,211	956	953
Number of boiler and elevator inspections	16,382	19,701	14,890	14,564	13,061	12,306	15,884	18,049	22,779	25,405
Insurance license and renewal applications processed (b) (g) (m)	39,065	42,506	42,748	41,382	47,995	51,006	53,652	55,024	60,424	64,216
<i>Governor's Office of Economic Development (i)</i>										
Number of projects requesting Community Development Block Grants (i)	46	28	42	35	40	36	32	40	37	21
Number of projects funded (i)	38	24	31	27	24	20	14	19	14	15

Table 15 - Operating Indicators by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Transportation										
<i>Nevada Department of Transportation</i>										
Miles of highways - rural	4,782	4,782	4,750	4,726	4,726	4,735	4,735	4,419	4,428	4,420
Miles of highways - urban	618	618	633	654	667	662	663	715	718	708
Recreation and Resource Development										
<i>Commission on Tourism</i>										
Inquiries from advertising campaign	196,058	199,471	222,197	162,117	31,998	23,542	42,913	39,804	39,547	25,669
Tourism web site visitors	2,056,349	2,424,567	2,422,893	1,249,030	1,226,380	708,795	864,412	1,001,634	1,357,559	1,728,151
<i>Department of Conservation and Natural Resources</i>										
Percent of human caused wildland fires in NDF's jurisdiction investigated	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Number of State Park users (f) (j)	3,008,942	3,030,364	3,093,257	3,046,049	2,999,315	3,028,859	3,408,821	3,533,396	3,415,630	3,750,369

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 for 2010, 2011.
- (e) Revised figures for 2011, 2012.
- (f) Data for 2010 through 2011 based on calendar year. Data for 2012 and thereafter based on fiscal year.
- (g) Data from Executive Budget prior to 2011.
- (h) Data from Executive Budget prior to 2012.
- (i) Governor's Office Of Economic Development moved under Regulation of Business in 2017.
- (j) Revised figure for 2016.
- (k) Revised description beginning in 2017.
- (l) Beginning June 2017 inspections were reduced from 4 to 1 annually.
- (m) Revised figures for 2014, 2017.

Table 16 - Capital Asset Statistics by Function

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
State owned office space (square feet)	202,229	214,611	219,927	215,416	213,896	213,896	213,896	216,731	231,884	231,884
Vehicles (motor pool)	828	798	775	777	865	909	1,046	1,059	1,162	1,128
Health and Social Services										
State owned office space (square feet)	70,939	70,770	64,506	68,648	68,648	68,648	68,648	65,880	57,492	57,492
Mental health centers	5	5	5	5	5	5	5	4	4	4
Veterans' home	1	1	1	1	1	1	1	2	2	2
Youth correctional centers	2	2	2	2	3	3	3	3	3	3
Vehicles	219	193	183	167	155	147	145	133	123	111
Education and Support Services										
State owned office space (square feet)	28,031	28,200	28,200	28,200	28,200	28,200	28,200	28,200	26,937	26,937
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)	646,446	646,223	645,775	645,322	645,322	645,322	645,322	643,134	649,409	649,409
Supreme Court building	1	1	1	1	1	1	1	1	1	1
Department of Corrections facilities	20	20	19	19	19	19	19	19	19	19
Vehicles	1,199	1,161	1,191	1,118	1,128	1,088	1,066	931	964	986
Regulation of Business										
State owned office space (square feet)	106,027	102,038	102,478	102,245	103,765	103,765	103,765	109,710	71,369	71,369
Vehicles	323	263	253	242	259	249	262	251	253	228
Transportation										
State owned office space (square feet)	258,056	280,728	273,327	308,532	308,532	337,094	337,094	339,190	339,190	357,993
NDOT lane miles	13,055	13,055	13,368	13,613	13,622	13,628	13,708	13,083	14,083	13,463
NDOT bridges	1,092	1,109	1,116	1,101	1,154	1,164	1,164	1,165	1,208	1,229
NDOT vehicles	625	538	628	633	631	639	639	674	673	671
NDOT heavy equipment	2,033	2,058	1,943	1,931	1,918	1,926	1,926	1,926	1,932	1,979
NDOT maintenance stations (staffed)	45	42	42	42	44	44	44	44	44	45
Recreation and Resource Development										
State owned office space (square feet)	140,998	142,638	142,140	143,150	143,150	143,150	143,150	139,326	123,022	123,022
Number of State Parks	24	24	24	24	23	23	23	23	24	27
Acres of State Parks	145,750	145,750	145,745	145,760	146,225	146,225	148,625	148,625	158,440	158,440
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	118,993	118,993	120,254	121,086	119,212	119,212	119,212	119,212	125,414	125,414
Vehicles	919	805	797	790	826	850	810	779	785	750

Sources: Nevada Attorney General's Office; Nevada Departments of Administration, Conservation and Natural Resources, Tourism and Cultural Affairs, Health & Human Services, Transportation and Wildlife

Rockabilly Riot

Rockabilly Riot

Rockabilly Riot showcases hot rods, rat rods, and classic cars in Carson City, NV. The event features cruising, big wheel racing, Little Mr. and Little Miss Rockabilly Riot contest, great food, and live music.



Images by: Suzanne Anderson
one-of-a-kind-stuff@hotmail.com

CTR Rockabilly Riot



COMPLIANCE SECTION

1940 Ford 4 Door Sedan

Owner Ray Pasch, Carson City, NV, displayed at the Rockabilly Riot



Images by: Suzanne Anderson
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**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 Catherine Byrne, CPA
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, 2019, 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 January 31, 2020. Our report includes a reference to other auditors who audited the financial statements of the Nevada System of Higher Education, a discretely presented component unit; 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 – Special Revenue 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 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.

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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 a 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as findings 2019-001, 2019-002, 2019-003, 2019-004, 2019-005, 2019-006, and 2019-007 that we consider to be material weaknesses.

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 response to the findings identified in our audit is 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.



Reno, Nevada
January 31, 2020

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-001 Prior Period Adjustment of Highway Fund Payables
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reporting accounts payable is a key component of effective internal control over financial reporting.
<i>Condition:</i>	A prior period adjustment of \$3,510,112 was required to correct certain payable amounts, which were inadvertently recorded at year end.
<i>Cause:</i>	Internal controls in place in 2018, did not ensure that payables were reported accurately.
<i>Effect:</i>	In 2018, accounts payable in the Highway Fund were overstated by \$3,510,112.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls to ensure accounts payable are reported accurately.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-002 Prior Period Adjustment of Permanent School Fund Receivable
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting Permanent School Fund receivables is a key component of effective internal control over financial reporting.
<i>Condition:</i>	A prior period adjustment of \$3,913,983 was required to correct 2018 receivables which was miscalculated and therefore overstated in the 2018 financial statements.
<i>Cause:</i>	Internal controls in place in 2018 did not ensure that Permanent School Fund receivables were properly calculated and reported.
<i>Effect:</i>	At June 30, 2018, fund balance in the Permanent School Fund was overstated by \$3,913,983.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls to ensure Permanent School Fund receivables are calculated and reported accurately.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-003 State Agency Fund for Bonds – Assets
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording assets of the State of Nevada is a key component of effective internal control over financial reporting.
<i>Condition:</i>	A prior period adjustment of \$265,698,777 was required to correct assets that were not under control of the State of Nevada.
<i>Cause:</i>	The internal controls in place over financial reporting did not ensure the amounts recorded for assets were correct.
<i>Effect:</i>	In 2018, in the State Agency Fund for Bonds, cash in custody of other officials, investments, and deposits were overstated by \$21,681,384, \$244,017,393, and \$265,698,777, respectively.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls over financial reporting to ensure only assets that are under State of Nevada control are reported.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-004 Investments – Interest Rate Risk, Credit Risk, and Fair Value Disclosures
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording investment disclosures of the State of Nevada is a key component of effective internal control over financial reporting.
<i>Condition:</i>	During our testing over the investment disclosures, we noted: <ul style="list-style-type: none">• inclusion of a nonnegotiable certificate of deposit in the interest rate risk, credit risk, and fair value disclosures;• inconsistencies in investment types between the fair value and credit risk disclosures; and• inconsistencies in the credit risk disclosure from the Local Government Investment Pool audited financial statements.
<i>Cause:</i>	The internal controls in place over financial reporting did not ensure the investment's interest rate risk, credit risk, and fair value disclosures were correct.
<i>Effect:</i>	The investment disclosure over: <ul style="list-style-type: none">• interest rate risk, credit risk, and fair value were overstated by \$25,332,749;• fair value on the investment categories regarding:<ul style="list-style-type: none">○ U.S. Agencies and Other Investments were overstated by \$5,041,700 and \$19,446,766, respectively; and○ Corporate Bonds and Notes were understated by \$24,488,466; and• credit risk quality ratings regarding:<ul style="list-style-type: none">○ AA was overstated by \$25,001,279;○ A, AA, AAA ratings were understated by \$422,467,021, \$30,113,708, and \$151,706,365, respectively; and○ Unrated was overstated by \$604,287,095.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls over financial reporting to ensure investment disclosures are reported consistently and accurately.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-005 Monthly Bank Reconciliation
Material Weakness**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reconciling bank accounts is a key component of effective internal control over financial reporting.

Condition: The June 30, 2019 bank reconciliation for the outside bank accounts includes an unexplained variance of \$13,542,147 between the book balance and the bank balance.

Cause: The Controller's Office did not have adequate internal controls to ensure bank reconciliation variances were researched and resolved in a timely manner.

Effect: The cash balance recorded in the State of Nevada's general ledger may be incorrect.

Recommendation: We recommend the Controller's Office enhance internal controls to ensure the bank reconciliation variances are researched and resolved in a timely manner.

Views of Responsible Officials: Management agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-006 Highway Fund – Accounts Payable and Inventory
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly recording accounts payable and inventory is a key component of effective internal control over financial reporting.
<i>Condition:</i>	During our audit procedures we became aware of accounts payable transactions that were not recorded in the appropriate accounting period. In addition, we also became aware of transactions that were posted incorrectly due to a formula error in the inventory spreadsheet.
<i>Cause:</i>	The internal controls in place did not ensure that payments made after year end were recorded in the accounting period in which the services were provided. In addition, the internal controls in place did not ensure that inventory was accurately reported.
<i>Effect:</i>	Accounts payable is understated by \$2,609,338 and inventory is understated by approximately \$748,361.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls over accounts payable and inventory.
<i>Views of Responsible Officials:</i>	Management partially agrees with this finding.

**STATE OF NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

**2019-007 Prior Period Adjustment of Infrastructure
Material Weakness**

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Proper reporting of infrastructure is a key component of effective internal control over financial reporting.
<i>Condition:</i>	A prior period adjustment of approximately \$3,119,518,000 was required to correct infrastructure amounts, which were understated in the 2018 financial statements.
<i>Cause:</i>	Internal controls in place in 2018 did not ensure that infrastructure was reported accurately.
<i>Effect:</i>	In 2018, infrastructure was understated by approximately \$3,119,518,000.
<i>Recommendation:</i>	We recommend the State of Nevada enhance internal controls to ensure infrastructure is reported accurately.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

OUR THANKS AND APPRECIATION TO THE FOLLOWING FOR THEIR HELP:

PREPARED BY:

Office of the Nevada State Controller

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